

CITY OF FERNLEY NEVADA

FY2008/2009

ANNUAL BUDGET

FOR THE FISCAL YEAR
JULY 1, 2008 TO JUNE 30, 2009



City of Fernley Annual Budget For Fiscal Year 2008-2009

City Council

Mayor	Todd Cutler
Council Member Ward 1	Elayne Logue
Council Member Ward 2	Joe Mortensen
Council Member Ward 3	Monte Martin
Council Member Ward 4	Curt Chaffin
Council Member Ward 5	Cal Eilrich

The Fernley City Council meets in regular session the first and third Wednesday of the month in the Council Chambers in City Hall located at 595 Silver Lace Boulevard, Fernley Nevada.

Staff

City Manager	Gary Bacock
City Attorney	Stephen Jeff McGowan
Chief of Police	Allen Veil
Municipal Court Judge	Daniel Bauer
Building Official	Randy Rudy
City Clerk	Vacant
Community Development Director	Vacant
Finance Director/City Treasurer	Bonnie Duke
Parks and Recreation Director	Keith Penner
Public Works Director	Lowell Patton

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January 5, 2008 Flood.

A breach of the Truckee Canal caused flooding of a residential area impacting over 800 homes. Fortunately, no lives were lost and no serious injuries were reported. However, significant property damage occurred and the event was declared a disaster by President Bush on January 8, 2008. In this photograph, a rescue helicopter is transporting residents out of the flood area.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fernley
Nevada**

For the Fiscal Year Beginning

July 1, 2007

President

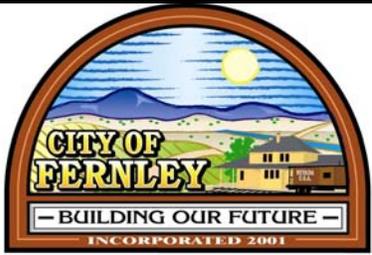
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Fernley, Nevada for its annual budget for the fiscal year beginning July 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Budget Message



City of Fernley
CITY MANAGER'S
OFFICE

Administration,
Human Resources,
Budgeting,
Risk Management,
& Contracts

July 31, 2008

**Honorable Mayor and City Council
City of Fernley**

I respectfully submit the final budget for the City of Fernley for fiscal year 2008/2009 (FY 08/09). We face challenges in the budget due to lower projected revenues primarily related to the economic slump in housing. Teamwork, perseverance, and cooperation will enable the City to meet the challenges ahead and meet the objectives discussed in various City Council meetings. There are five major challenges reflected below, (1) recovering from a flood event that occurred on January 5, 2008, (2) completing infrastructure improvements needed to provide necessary services, (3) establishing proper organizational structures and culture to manage operations effectively and efficiently, (4) maintaining a conservative approach for programs due to economic uncertainty and a slow down in growth and (5) labor negotiations & planning for potential liabilities for post-employment benefits other than pensions.

I believe the FY 08/09 budget meets the following City Council objectives:

Flood Event: The January 5th flood has impacted flood victims and many others, including the City. Staff has been sorting out all of the issues, both short term and long term, and will continue to strive to make those impacted "whole". Initial federal and state assistance has helped to maintain adequate levels of service to the public and we are still seeking long term assistance from the various sources of federal funds. Although past conservative budgeting resulted in building up a good savings account or "Rainy Day Fund", the flood essentially depleted the savings.

Infrastructure Improvements -.Construction of the City's water treatment plant is needed to comply with regulations related to removal of arsenic from the City's groundwater supply, to utilize surface water rights in both potable water systems and alternative water systems in the future, and to provide some capacity for growth. The water treatment plant is designed to be expandable in the future if additional capacity is required for new developments. In addition to the water treatment plant, associated piping systems are needed to convey untreated water to the treatment plant and to deliver treated water to customers. This project is fully underway and has a federal compliance deadline extended to July 23, 2009. Staff anticipates the plant to be fully

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operational in advance of the deadline and during the next fiscal year, thereby requiring an early staffing of the operation and that will be noted below.

Organizational effectiveness and efficiencies: From time to time departmental changes are made to improve our operations. Recently a temporary change in the functions of Planning and Building began and will be finalized with this budget implementation of 7/1/08. The Community Development Department will handle all planning issues and the Building Department will handle all building issues. Any crossover functions, such as Code Enforcement will be handled by the Building Department and the usual interaction with Community Development will continue. The intake and tracking of applications will be handled by the appropriate department. The permit technician unit will change from 3 Permit Technicians and 1 Technical Supervisor, to 2 Permit Technicians in Building and 2 Permit Technicians in Community Development. Departments review organizational changes on a regular basis to optimize organizational effectiveness and efficiencies.

Conservative approach to programs: Each request for added programs or staffing has been carefully considered and those that are funded are truly needed at this time. However, there have also been a number of programs that departments have considered and under our current fiscal conditions some of those programs have had to be either delayed or not pursued at this time.

Labor negotiations & potential liabilities for post employment benefits: As presented on 4/16/08, the completed study of the true liability of the benefits under the current health benefit plan, the State of Nevada Public Employee Benefit Plan, recommend a change to an alternate health plan, effective 7/1/08. With this challenge, seeking a comparable alternate health plan is a high priority and will be part of labor negotiations with the employees' bargaining unit representative IBEW. The labor contract expires at the end of this fiscal year and all fiscal issues will be considered in the effort to come to a successful conclusion to the process, hopefully resulting in a new labor contract.

SUMMARY OF PERSONNEL CHANGES:

Over the past seven years, the City of Fernley added many new positions to respond to the tremendous growth in population and demand for city services. Growth has slowed dramatically due primarily to nationwide housing market declines and general slow down in the economy. The current growth in commercial and industrial projects has helped to maintain many services. The City is using proper planning, management, and technology to provide services effectively with minimal increases in authorized positions.

In FY 08/09, certain positions were eliminated, certain positions were added, and hours were increased for certain positions resulting in a net 0.19 decrease full time equivalents (FTE) for a total workforce of 70.93 FTE's, as follows:

Positions added:

- Administrative Services Manager (Human Resources, Risk Management, Emergency Management, & Contract Admin.) – Office of the City Manager
- Senior Water Treatment Plant Operator – Public Works Dept.
- Water Treatment Plant Operator (full time for ½ year) – Public Works Dept.
- Public Works Worker – Public Works Dept.
- GIS Technician I/II

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Positions eliminated:

- Office Assistant II – Community Development Dept.
- Building Inspector – Building Dept.
- Seasonal Maintenance Workers – Parks & Recreation Dept.

Positions with increased hours:

- Animal Control Officer from 0.50 FTE to 0.75 FTE - Parks & Recreation Dept.

Positions reclassified:

- Technical Supervisor reclassified to Permit Technician

Although the budget did not include all requests from departments, this budget has been discussed with department heads. This budget provides the necessary resources to accomplish our goals and to address issues associated with our high growth.

THE BUDGET IN BRIEF:

Revenues and “Other Financing Sources” for all funds are estimated at \$13.8 million in the FY08/09 budget. The City has significant cash balances (including proceeds from previous bond issues) that will be used for expenditures in FY08/09, primarily for infrastructure improvements such as the new water treatment plant. Cash balances plus revenues and other financing resources total approximately \$95 million. Expenditures and other uses total \$76.7 million in the FY08/09 budget, primarily for capital expenditures associated with construction of a new water treatment facility.

Revenues will be sufficient to provide for operating expenses in the enterprise funds. Operating expenses in governmental type funds are covered by anticipated operating revenues.

General Fund revenues are projected to be virtually flat for FY09, primarily due to projections of virtually unchanged activity in development. The national economy and the local economy were both impacted by slowdowns in residential development in FY08. Fortunately, commercial development was strong during FY08. The City believes that residential development will rebound in the next 18 months to two years as there are several projects in the planning phase. The City also believes that commercial development will remain strong during FY09. The City enacted increases in public utility business licenses or franchise fees to partially offset the reduction in revenues. Overall, the general fund projected revenues increased slightly over anticipated revenues for FY08. Because of the flat revenue projections, the City undertook several measures to respond to the lower revenues. Certain positions directly related to building and planning were eliminated in the budget. The budget assumes no annual increase in the salary table effective July 1, 2008, however, step increases are funded.

The Grants Special Revenue Fund is being used to reflect the costs incurred to respond and recover from the January 5, 2008 flood event and for FEMA (Federal Emergency Management Agency) reimbursements of certain of those costs. The fund balance of the Grant Fund went from approximately \$550,000 to approximately \$13,000 as a result of unreimbursed costs for the flood. This essentially depleted funds that had been set aside over several years with the intent of leveraging these funds to obtain grants and other financial assistance. The flood event effectively reduced the ability of the City to have money for matching funds. The City intends to pursue various avenues to recoup

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its unreimbursed costs since the flood event was a result of the failure of a man-made structure.

CLOSING: The budget is presented according to recommended practice of the Government Finance Officers Association (GFOA). The format has allowed the Council and the public to better understand the budget and the budget process. The City's FY03/04, FY04/05, FY05/06, FY06/07, and FY07/08 budgets received the award (GFOA's "Distinguished Budget Presentation Awards Program") and we intend to present the final budget to GFOA for review and consideration again this year. I would like to thank the department heads in their efforts to submit information for the budget. Once again, special thanks goes to Bonnie Duke, City Treasurer/Finance Director for her efforts to complete this entire document. I look forward to working with the Mayor, City Council, Department Heads, and the community to achieve our goals.

Respectfully submitted,



Gary A. Bacock, City Manager

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Introduction

Description of the Budget Document

The budget document is divided into several sections. The Introduction includes narratives about the budget document, a community profile, a description of the budget process, the fund structure, citywide policies, and an organizational chart. The Overview section contains general information about revenues, appropriations and other financing sources. Following the Overview section are sections for each fund type, beginning with the General Fund and followed by Special Revenues Funds, Capital Project Funds, and Enterprise Funds. Each section provides detailed information on revenues, expenditures, and work programs for each function. The Appendices section contains a salary schedule, a listing of approved positions, a table of assumptions of cost allocation of personnel costs, and a glossary of terms and acronyms.

Community Profile

Fernley recently experienced growth due to its location near the Reno-Sparks metropolitan area and its excellent transportation systems that provide access to west coast markets. Fernley is situated on Interstate 80, approximately 28 miles east of Reno, and at the intersection of U. S. Highways 40, 50, and alternate 95. Fernley also has rail (freight) access. Northern and Central California markets are reached overnight, while Los Angeles, San Francisco, Portland, Salt Lake City, and Las Vegas are all within a 500 mile radius. The growth led to increased demand for services as residential development increased in response to the industrial development. The City was incorporated effective July 1, 2001 to respond to the growth.

Fernley is a growing community of approximately 20,000 people and includes surrounding agricultural areas. Fernley was established in 1904 as primarily an agricultural and ranching community. The Truckee Canal is about 32 miles in length and was constructed as part of the Newlands Project (a federal Bureau of Reclamation project) in 1905. The canal was designed to carry 1,500 cubic feet per second of water from the Truckee River through Fernley and ultimately into the Lahontan Reservoir. The Truckee Canal provided water to allow ranching and farming. This also coincided with the development of the railroad. In 1905 the Fernley station was listed in the official railroad guide and in December 1913, grading started for the new Fernley Depot, which was completed in August of 1914. The Depot was in use until the Southern Pacific Railroad closed it in September of 1985. The Depot was purchased by the Fernley Preservation Society in January of 1986 and was moved to its present location on Main Street in September 1986. The City acquired the Depot from the Preservation Society and there is a management agreement between the City and the Preservation Society for operation of the Depot. Through donations, the labor of the community, and State and Federal grants, the Depot is being restored and will live on as a symbol of the community's rich history.

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Fernley was established as a "township" in the 1930's with the Lyon County Board of Commissioners as the governing body for Fernley. In 1985, the citizens installed a self-governing "town board" separate from the Lyon County Board of Commissioners. Effective July 1, 2001, Fernley incorporated as a city and assumed additional functions. All matters of development and business go before either the Fernley City Council or the Fernley Planning Commission. The North Lyon County Fire Protection District provides fire protection services and a Volunteer Fire Department provides full-time paramedic services. The County provides a Sheriff Substation and the County Sheriff provides law enforcement within the City under an interlocal agreement between Lyon County and the City of Fernley. In October 2002, the City established separate municipal court operations. The County also provides certain services within Fernley such as operation of the Canal Township Justice Court, senior center, indigent programs, cemetery, public health nurse and library.

In the 1980's business and industry started to take hold in Fernley with the establishment of the first Industrial Park. The second major Industrial Park developed and today several companies have located facilities in Fernley, benefiting the community and leading the way into the future. Companies that have recently moved to, or opened facilities in Fernley include, Amazon.com, Trex Inc., Quebecor Printing, MSC Industrial Supply, Allied Signal, UPS Worldwide Logistics (Honeywell), Johns Manville, Sherwin Williams, and Feldmeir Corporation, just to name a few.

Fernley is an easy 1/2 hour drive to the historic Fort Churchill, the Buckland Station (currently being restored), and a "Pony Express" station. Fernley is just an hour's drive to historic Native American Petroglyphs (east of Fallon) and Virginia City (to the southwest). Historic Ghost Towns and mine sites are all within a day's drive of Fernley. Fernley is close to outdoor activities such as hunting and fishing, including Lake Tahoe, Lahontan Reservoir, Pyramid Lake and Walker Lake. The Fernley Wildlife Management area joins Fernley on the east with the Truckee River canal on the west. Fernley has ten community parks that include tennis courts, basketball courts, a skate park, lighted baseball and softball fields, and rodeo grounds. The City is also applying for transfer of 2,246 acres of federal land for various public purposes. Off road adventures include a professional ATV racetrack, the Reno/Fernley Raceway, and a Paint Ball Gaming Facility. The 18-hole Desert Lakes Golf Course provides recreational opportunities and full services in the clubhouse. Fernley offers a high quality of life and includes an ample work force for labor, administration, and clerical positions.

The community is now experiencing development of services and businesses. Lowe's and Walmart recently opened stores in Fernley. Other service businesses and retail businesses are developing in Fernley.

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Long-term Non-financial Goals and Objectives

The City of Fernley was incorporated in 2001 and faced numerous challenges in providing services in a high growth community. The population more than doubled in the first six years of the City's operations. The City encompasses over 160 square miles, with a majority of this area currently undeveloped. Real estate development initially was primarily residential with the majority of residents working in the Reno-Sparks metropolitan area. Recently, residential development has slowed and business development has grown. The City's long term goal is to develop Fernley as a "Great Place to Live Work and Play" through quality planning and decision making.

The major issues to be addressed to accomplish the City's long term goals are: sustained and controlled growth, adequate infrastructure, provision of effective and efficient City services at appropriate service levels, public safety, recreational and cultural opportunities, and development of adequate funding sources to accomplish the goal.

Objectives that must be met in order to achieve these goals include: planning and foresight in policies for real estate development, updates in comprehensive plans and facility plans to provide adequate infrastructure, documentation and performance measurement for City services, coordination of public safety with other entities that currently provide the majority of public safety functions, development of recreational and cultural facilities and events, and implementation of necessary rate increases for enterprise fund operations, and development of new funding sources to provide necessary funding for sustained growth in operations other than enterprise funds.

The City scheduled a strategic planning workshop over a two day period on January 4 and 5, 2008. Unfortunately, this strategic planning workshop was cancelled because of the severe storms and ultimate failure of the canal on January 5, 2008. The workshop was finally held on June 6 and 7, 2008. In the strategic planning workshop, participants discussed missions, visions, and goals for the City. Participants also discussed shared values that drive the mission, vision, and goals. Further workshops will be held to finalize these elements and have City Council adopt the final product.

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Budget Process and Calendar of Events

The budget process generally begins in January with a general overview of the financial condition of the City and a projection of revenues for the coming year, considering economic conditions. The City Council outlines general budget policies and goals and budget preparation packets are distributed to department heads and others involved in submitting budget requests. Budget requests are submitted to the City Manager with a copy to the City Treasurer/Finance Director.

The City Manager and the Finance Director then review each request and meetings are held with each person submitting a request to review programs and clarify requests. The City Manager and Finance Director then compile all requests into a single recommended budget document to be considered in budget workshops of the City Council. A separate document in the format required by the Nevada State Tax Commission (the Tentative Budget) is filed by April 15 containing the basic financial information included in the City Manager's Recommended Budget. Following budget workshops, changes may be made to the City Manager's Recommended Budget for consideration in the public hearing on the budget. The public hearing is held on the third Tuesday in May according to State statute. The City Council directs the City Manager and Finance Director to make final adjustments to the budget following public hearings. The City Council must adopt the final budget by the end of May. The final budget document and the final document in the format required by the Nevada State Tax Commission are issued by June 1.

Developing the projected revenues used in the budget is a dynamic process. The Nevada State Tax Commission prepares preliminary revenue estimates for certain revenues in mid-February. The Tax Commission issues final revenue estimates in mid-March. City staff members prepare estimates of other revenues such as building and planning fees, business license fees, franchise fees, and miscellaneous revenues.

After the budget has been approved, the City Council may change the budget for governmental fund types in the following ways:

1. **For changes between expenditure line items within a single function:**
The individual with budget responsibility sends a memorandum to the City Manager requesting adjustments between line items. The total appropriation (the "bottom line") cannot be increased through this process. The number of positions, salaries, wages, and employee benefits cannot be changed through this process. However, reduction in personnel line items (due to unfilled positions, for example) can be used to increase non-personnel line items. If the request is in order, the City Manager approves the request and the line item adjustments are read into the record at the next City Council meeting. The Finance Department then records the budget adjustments in the computerized accounting system and, if necessary, files the changes with the Nevada Department of Taxation.

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2. For changes in expenditure line items between departments that do not increase total appropriations:

Budget modifications between departments (cost centers) must be accomplished through a resolution duly adopted by the City Council. The individual with budget responsibility submits a request to the City Manager. The City Manager and Finance Director review the request. If the request is in order, the Finance Department prepares a draft resolution for presentation to the City Council. Upon adoption of the resolution, the Finance Department records the budget adjustments in the computerized accounting system and amends the budget filed with the Department of Taxation. As long as total appropriations are not increased, the resolution does not require advertising as an “augmentation.”

3. For changes in total appropriations when new sources of funds are identified:

Budget adjustments that increase the total appropriation for a particular fund must be accomplished through a process known as “Budget Augmentation” as defined in Nevada Revised Statutes. The Budget Augmentation must be accomplished through a resolution of the City Council following proper advertisement and public hearing. The Budget Augmentation process is commonly used for appropriation of grant proceeds, final audited fund balances greater than anticipated or other money received that was not anticipated in the original budget. The Budget Augmentation resolution must identify the source of funds for the increased appropriation. The individuals with budget responsibility submit a request to the City Manager. The City Manager and the Finance Department review the request. If the request is in order, the Finance Department prepares the resolution and the advertisement for the resolution. The item is placed on the City Council agenda for public hearing, review and approval. Upon adoption of the resolution, the Finance Department records the budget adjustments in the computerized accounting system and amends the budget filed with the Department of Taxation.

The following calendar summarizes the events for the Fiscal 2008-2009 budget year:

Feb. 14, 2008	Thursday	Last Day for Quarterly Economic Survey 2 nd Quarter FY07
Feb. 15, 2008	Friday	Dept of Taxation provides Preliminary Revenue Projections Package
Feb. 20, 2008	Wednesday	Last day for City to notify Department of Taxation about proposed tax rate changes.
Mar. 3, 2008	Monday	Deadline for Submission of Budget Requests to City Manager and Finance Director.
Mar. 3, 2008	Monday	Governor certifies population for distribution of Cigarette, Liquor, Basic City/County Relief Tax and Gasoline Tax. (NRS 370.260; 369.173; 377.055(3); and 360.285)
Mar. 5, 2008	Wednesday	Assessor files tax roll with the State Board of Equalization and the Segregation of Property report with the Department of Taxation
Mar. 14, 2008	Friday	Due date for department requests

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Mar. 17, 2008	Monday	Dept of Taxation provides final Revenue Projections Package, specifically for motor vehicle fuel tax and consolidated tax
Mar. 19, 2008	Wednesday	Regular City Council Meeting. Designation of auditor or auditing firm must be made no later than three months prior to the close of the fiscal year. Dept of Taxation is to be notified of the designation (NRS 354.624)
April 15, 2008	Tuesday	Issuance of final recommended budget to Mayor, City Council, departments and other interest parties for preparation for the budget workshops
Apr. 15, 2008	Tuesday	Tentative Budget Submitted to Dept of Taxation (NRS354.596)
Apr. 23, 2008	Monday	1 st Session of Workshops
Apr. 28, 2008	Monday	2 nd Session of Workshops
Apr. 30, 2008	Wednesday	3 rd Session of Workshops
May		Other workshops, as needed
May 7 & 14, 2008	Wednesday	Notice of public hearing published for tentative City budget (NRS 354.596)
May 20, 2008	Tuesday	Public Hearing-Tentative City Budget (3 rd Tuesday in May NRS 354.596) Final Budget, as amended, adopted by the City Council. Council members authorized to sign final document.
May 30, 2008	Friday	Final Budget Filed with Dept. of Taxation (NRS 354.598)
June 25, 2008	Friday	Nevada Tax Commission meets to certify tax rates for all entities (NRS 361.455)
July 1, 2008	Tuesday	Publish annual fiscal report (NRS354.6015 and NAC 354.561)
July 31, 2008	Thursday	Indebtedness Report, Capital Improvement Plan and Debt Management Policy due to Department of Taxation

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Fund Structure and Budget Basis

The accounts of the City of Fernley are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in this report into fund types with four broad categories as follows. The following numbering system is standard in governmental accounting:

Governmental Funds:

General Fund (Fund 100): The General Fund is the general operating fund for the City. This fund accounts for all transactions not recorded in other funds and receives financial support from such sources as property taxes, sales taxes, fees, and intergovernmental revenues. Expenditures are authorized in the General Fund budget and include areas such as general government, community development, judicial, parks, and others.

Special Revenue Funds (Funds 200-299): Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Project Funds (Funds 300-399): Capital project funds account for financial resources used for the acquisition or construction of capital projects. These funds are often used to set aside money for projects identified in the Capital Improvement Plan.

Debt Service Funds (Funds 400-499): Debt Service Funds are used to account for the payment of principal and interest on certain general obligation debt, if a debt service fund is required in the bond covenants. Debt service for enterprise funds is accounted for within the enterprise fund.

Proprietary Funds:

Enterprise Funds (Funds 500-599): Enterprise funds are used to account for the revenues earned, expenses incurred, and net income for business-type functions. These businesses are financed from fees paid by the users of the systems.

Internal Service Funds (600-699): Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

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Fiduciary Funds:

Trust and Agency Funds (Funds 700-799): Trust and Agency Funds are used to account for money that “passes through” the City or that is otherwise outside of the control of the City Council.

The City of Fernley maintains capital assets records and other records necessary to convert the fund financial statements to the full accrual method for the government wide statements. The City does not maintain “account groups” for General Fixed Assets or General Long Term debt.

The basis for budgeting is Generally Accepted Accounting Principles. The City adopted Governmental Accounting Standards Statement #34 in FY2003/2004. The City does not budget at the government wide financial statement level. The funds in the budget are prepared according to Generally Accepted Accounting Principles for the fund financial statements. In the General Fund, Special Revenue Funds, and Capital Project Fund, the budget is based on the current financial resources measurement focus and the modified accrual basis of accounting. In the Enterprise funds, the budget is based on the economic resources measurement focus and the accrual basis of accounting.

Debt Management Policy

The City of Fernley’s policy is to maintain manageable debt limits through proper planning of projects and identification of sources of revenues for debt repayment without compromising revenue allocated to on-going operations.

As of June 30, 2007, the City had \$51,282,780 of general obligation revenue supported debt outstanding. The City’s general obligation revenue supported debt is paid from water and sewer systems revenue. The City obtained authorization for an additional \$50,000,000 of general obligation revenue supported debt and issued \$32,600,000 in March 2008. The remaining \$17,400,000 may be issued over the next two years, if needed, to respond to growth. Because the national economy and the local economy (especially residential housing) have slowed, the City does not anticipate another bond issue in the short term. However, if other sectors of the economy grow or the local economy in general booms, the City will have authorized debt to respond with water and sewer projects that may be needed to respond to the growth. This additional debt will be used to provide infrastructure for the City’s water and sewer systems. The City presently has approximately \$126,975,941 of statutory debt limit available.

The City also has installment purchase debt outstanding in the amount of \$4,842,000. The installment purchase is paid from general fund resources and is not considered general obligation debt.

The City of Fernley does not currently have specific plans for proposed future general obligation debt beyond the amounts described above. However, the City Council may develop a Community Center project in the future and may consider general obligation

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debt as a means of financing the project. The City created a capital fund to finance future capital projects, including future debt service for projects. The City may seek other sources of funding, such as room tax revenues, for repayment of any debt that may be incurred.

The City of Fernley is limited in the debt that may be incurred as follows:

FY2009 Assessed Valuation	\$755,529,070
30% of Assessed Valuation (NRS 266.600(4))	\$226,658,721
Outstanding General Obligation Debt	\$82,282,780
Authorized/Unissued General Obligation Debt	\$17,400,000
Legal Debt Margin	\$126,975,941

Projected cash flow to repay debt is also an important factor in debt capacity.

Use fees in the Water and Sewer Enterprise Funds are used to repay the general obligation revenue supported debts. The City recently enacted increases in water and sewer rates to provide cash flow for debt repayment as well as operating and capital expenditures. The rate increase involved multiple years so rate increases will occur on July 1, 2008, 2009, 2010, and 2011.

The City completed medium term obligation financing in the amount of \$5 million for construction of an expansion to City Hall. The medium term financing involved an Installment Purchase Agreement. The collateral for the Installment Purchase Agreement is pledged revenue in the City's general fund and a security interest in the property. The Installment Purchase Agreement contains a non-appropriation clause that extinguishes if the City Council fails to appropriate funds for repayment. The agreement allows the lender to pursue repayment from the secured property if the City Council does not appropriate money for repayment. The total project cost of \$7 million was funded from the \$5 million medium term obligation and \$2 million in cash from the Capital Fund. The medium term obligation is not considered general obligation debt for purposes of the statutory debt limit.

The City issued \$50 million in general obligation revenue supported debt issued in March 2007 for water and sewer projects. Bond proceeds in the amount of \$5.5 million will be used for a sewer interceptor project and \$44.5 million will be used for a new water treatment plant and associated systems to convey water to and from the new treatment facility. The City issued \$32.6 million in general obligation revenue supported debt in March 2008 for water and sewer projects. Bond proceeds in the amount of \$2.5 million will be used for the Highway 50 Lift Station Project and \$30.1 million will be used to complete the water treatment facility and the associated piping projects to deliver raw water to the plant and to distribute treated water to customers.

It is the policy of the City of Fernley to retain qualified financial advisors and bond counsel when contemplating any new debt issuance to obtain the appropriate type of funding at favorable rates. The City of Fernley will identify the expected sources of

City of Fernley Annual Budget For Fiscal Year 2008-2009

funds for debt repayment for either general obligation debt that may be repaid from property taxes or revenue obligations that may be repaid from other sources such as use fees. The City annually completes a debt management policy to fulfill the requirement of NRS 350.013. The City also annually completes a capital improvement plan to fulfill the requirements of NRS 354.5945. The capital improvement plan identified the need for approximately \$141,591,394 of capital improvements in fiscal years 2008 through 2012. These projects will be funded with general revenues, grants, user fees, consolidated taxes, bonds, and by developer reimbursements.

Capital Improvement Plan

The City of Fernley prepares as Five Year Capital Improvement Plan that is attached as Appendix D. This plan involves projections of available monies for capital projects as well as operation and maintenance of capital projects. A listing of capital projects for the current fiscal year is included under the heading "Capital Expenditure Summary." The major capital expenditure items relate to either streets or utility operations.

The City recently organized a Capital Improvements Advisory Committee to specifically examine and make recommendations regarding public improvements and funding of specific improvements. The results of the Capital Improvements Committee may be used to implement impact fees, special assessment districts, or other methods to finance the necessary infrastructure improvements. The Capital Improvements Committee is specifically required for implementation of impact fees to make recommendations to the City Council. The results of the committee, with City Council approval, will be incorporated into the citywide capital improvements plan required by statute.

The City currently uses gas tax, intergovernmental revenue from Lyon County, and transfers from the General Fund to maintain streets and to repair or reconstruct streets. Reconstruction of streets will improve the condition of the street and initially decrease maintenance costs for the street. The City currently does not maintain gravel roads within the City limits. New developments are required to improve streets to City standards before the streets will be accepted into the maintenance program. Maintenance costs for City streets and gravel roads within the City limits will continue to be a challenge. The City will continue to examine alternatives for funding on-going maintenance of streets and may not accept streets into the maintenance system if funding is not available.

The operation and maintenance costs associated with the capital improvements in the water and sewer enterprise funds were addressed in the recent rate increases. The costs associated with unfunded mandates such as arsenic removal have a significant impact on rates for the water and sewer utilities. The City intends to review water and sewer rates annually and to set rates at the proper levels to provide adequate funding for operations, capital expansion, and capital replacements.

The operation and maintenance costs associated with capital improvements other than water and sewer operations must be provided from other funding sources such as

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property taxes, consolidated tax, and franchise or business license fees. Limitations on these revenues sources provides greater challenges in providing a constant revenue stream to maintain new improvements such as city parks, streets, and storm drains. The City Council increased franchise/business license fees for public utilities doing business within the City as the first step to raise additional revenue for operation and maintenance cost of City facilities.

Performance Measurements

The City Council holds workshops in July of each year to discuss performance during the prior fiscal year and goals and objectives for future years. Following the City Council workshops, the City publishes a qualitative performance measurement document that details the results and performance during the prior year of operation and discusses the goals established in the budget and longer-term goals for future years. This document also discusses projects that occurred during the year that were not anticipated in the original budget together with an explanation of how the projects were completed within available resources. Currently, qualitative measures of performance include methods developed to cope with the City's significant growth without major bottlenecks. The City has been successful in bringing new functions online without major surprises. The City has not established formal quantitative performance measurement standards. The City may establish more formal quantitative performance measures as the City further develops.

Financial and Program Policies

The Fernley City Council has the responsibility to set the budget and establish tax rates for City operations. The Fernley City Council then is responsible for monitoring the budget throughout the year and establishing systems to safeguard City assets.

The City uses a fund accounting system as recommended by the National Council on Governmental Accounting. Fund accounting is needed to demonstrate compliance with regulations governing funding sources. Depending on the fund type, the basis of accounting may be different. The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The budgetary basis is the same as Generally Accepted Accounting Principles (GAAP). Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is used for major purchases through a computerized purchase order system that interfaces with the Accounts Payable and General Ledger modules.

Major financial policies are listed below.

Efficient Safeguarding of Assets: Management of the City of Fernley is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Proper authorization is required for encumbrance or

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expenditure of funds. The proper department must have adequate appropriation available prior to approval of the purchase. The City does not currently use a centralized purchasing function and has not adopted purchasing policies more stringent than state law. Per state law (NRS 332.039), at least two documented quotes and documentation of an advertisement of intent to award must be attached to purchases between \$25,000 and \$50,000. Purchases in this category (\$25,000 to \$50,000 may be competitively bid, if desired). Purchases exceeding \$50,000 must be advertised and competitively bid. The City Council retains the authority to award contracts over \$10,000. The City Council has delegated authority to authorize contracts less than \$10,000 to the City Manager. The City Manager has delegated authority for purchases of up to \$5,000 to each department head. Splitting of orders, allowance for non-monetary items, or any other practices that might be construed as circumventing the purchasing process are unacceptable. Management is also responsible for adequately addressing risk and insurance issues to efficiently safeguard City assets.

Fund Balances and Contingencies: The City general fund balance should be maintained at an amount equivalent to between one and two months of projected annual expenditures (equivalent to between 8% and 17%). The projected annual expenditures before transfers and contingency for the general fund are approximately \$3.9 million; therefore the targeted ending fund balance for the general fund is between \$325,000 and \$650,000. The contingency account in the general fund should be established at 3% (\$117,000) of projected annual expenditures, the maximum contingency allowed under State of Nevada statutes. Approximately \$275,000 of the amount in fund balance was collected from developers for use in future projects, therefore, the projected fund balance of approximately \$539,252 less the \$275,126 earmarked for projects is less than the minimum targeted fund balance.

Balanced Budget: The annual budget should be balanced with current revenues equal to or greater than current expenditures/expenses. The primary mechanisms, in order of priority, for balancing the budget are (1) improve productivity, (2) improve revenues (3) establish fees consistent with the cost of providing the service, (4) reduce programs (5) use fund balances in excess of target amounts, and, lastly, (6) new taxes.

Tax Rate: The tax rate should be set at a rate adequate to produce revenues needed to pay for City services, as approved by the City Council, and to provide a stable revenue source. Major legislative changes in property tax limitation have limited the amount of revenue the City will receive from property taxes. Therefore, the levy set by the City Council is *not* the major determinant of property tax revenue that the City will actually receive. The property tax limitation legislation had the unintended affect (sometimes referred to as a “perverse incentive”) of providing an incentive for each local government to levy the maximum rate available. In this Budget, the tax rate for FY2008/2009 is increased to the maximum available. Although this increase will not produce a significant amount of additional revenue, the City must have a funding source for new services, specifically vector control, animal control and added park properties.

General and Administrative Charges: Full cost accounting should be used to allocate costs to various funds, including general and administrative services such as management, finance, personnel, and use of facilities. The budget continues the past

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practice of allocating facility costs to enterprise funds as “building rent” but eliminates the practice of the enterprise funds paying certain costs (gas, electric, etc.) and deducting these costs from the “rent”. All costs of maintaining City Hall are now included in the General Fund so that costs can be appropriately monitored. The enterprise funds include an allocation of other costs such as management, finance, and personnel. Full cost accounting is also an important element in establishing user charges to cover the full cost of enterprise fund services. The growth in the number of funds and volume of transactions in the City will likely require the City to change the method of allocation of overhead to various funds. This project may be considered in FY2010.

Capital Improvement Plan: The City will establish an annual process to plan, prioritize and identify financing for replacement of existing capital that is worn out or to create new capital projects. New capital projects or programs will not be implemented until a plan for financing the operation and maintenance of the project or program is identified and quantified. The Capital Fund includes a budget to prepare a more formal CIP with more financial projections and a more in depth analysis of funding alternatives to establish prudent public policy and to determine sources of funds for capital expenditures.

Investments: Investments made by the City will be in conformance with State statutes and any investment policies that may be adopted by the City Council. All investments will address safety, liquidity, and yield. Interest earned from investment of available cash will be distributed to funds according to the average balance according to “ownership” of each fund in the total invested cash. Investments should be adequately collateralized.

Utility Rates: The City will periodically review utility rates and establish rates that will generate revenues adequate to cover operating expenses, debt service, and capital replacements/expansions in the water distribution and sewage collection systems. The water and sewer rates were increased effective July 1, 2007 and will be increased for each of the next four fiscal years.

Specific financial and operational policies for the FY2008/2009 budget year are listed below:

Improve productivity through use of technology and leadership: The City was faced with numerous challenges upon incorporation. It is critical for the City to establish systems in which employees can be productive and proud of their accomplishments. Adequate technology, training, and organizational leadership are critical in achieving productivity improvements. The City began a project in FY03/04 to logically approach this through a needs assessment, plan, budget, and implementation schedule. The first phase of the plan was implemented in FY04/05 and subsequent phases have occurred each fiscal year.

Fully explore alternatives for certain services: The City was forced to critically examine each service provided and thoroughly explore alternatives for providing services as efficiently as possible due to limited resources at the July 1, 2001 incorporation. The City simply had to find better, more efficient ways to conduct business.

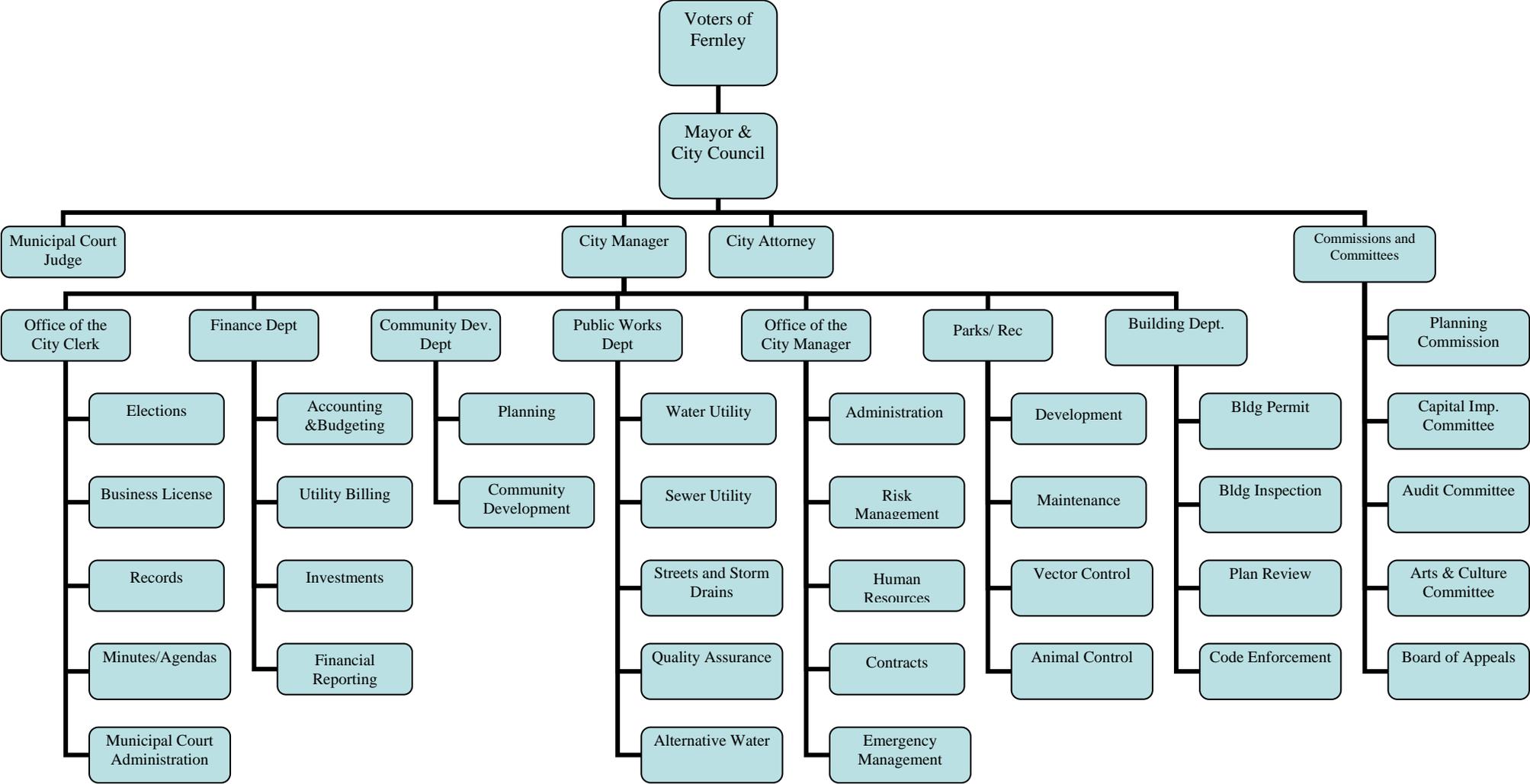
Pursue other funding sources: The City will pursue other sources of funding, such as grants, to improve services to the community.

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Full Funding of Estimated Leave Payoff at Termination: Prior budgets of the City and Town did not include a provision for potential cash due to employees for certain accrued leave payable at termination of employment. Under the City's personnel rules, accrued vacation and, in some cases, a portion of accrued sick leave are payable at termination and represent an unfunded liability. In addition, recent changes to the personnel rules allow for cash out prior to termination of certain annual leave and conversion of excess sick leave to annual leave. The FY08 budget does not reflect full funding of these potential liabilities.

**City of Fernley Annual Budget
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City of Fernley Organizational Chart



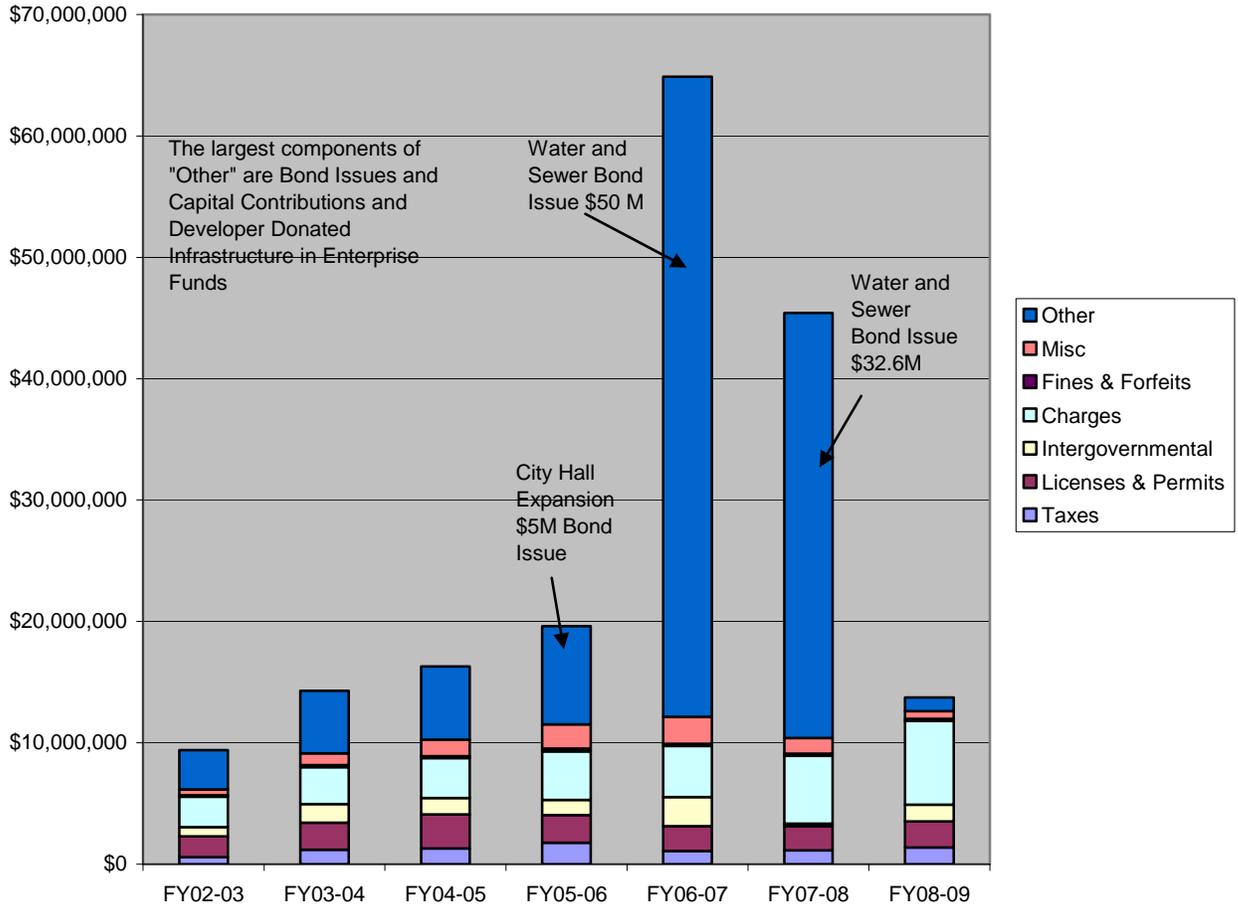
**City of Fernley Annual Budget
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**City of Fernley Annual Budget
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**Overview
Budget Summary-All Funds**

A history of citywide funding sources is shown in the following graph.

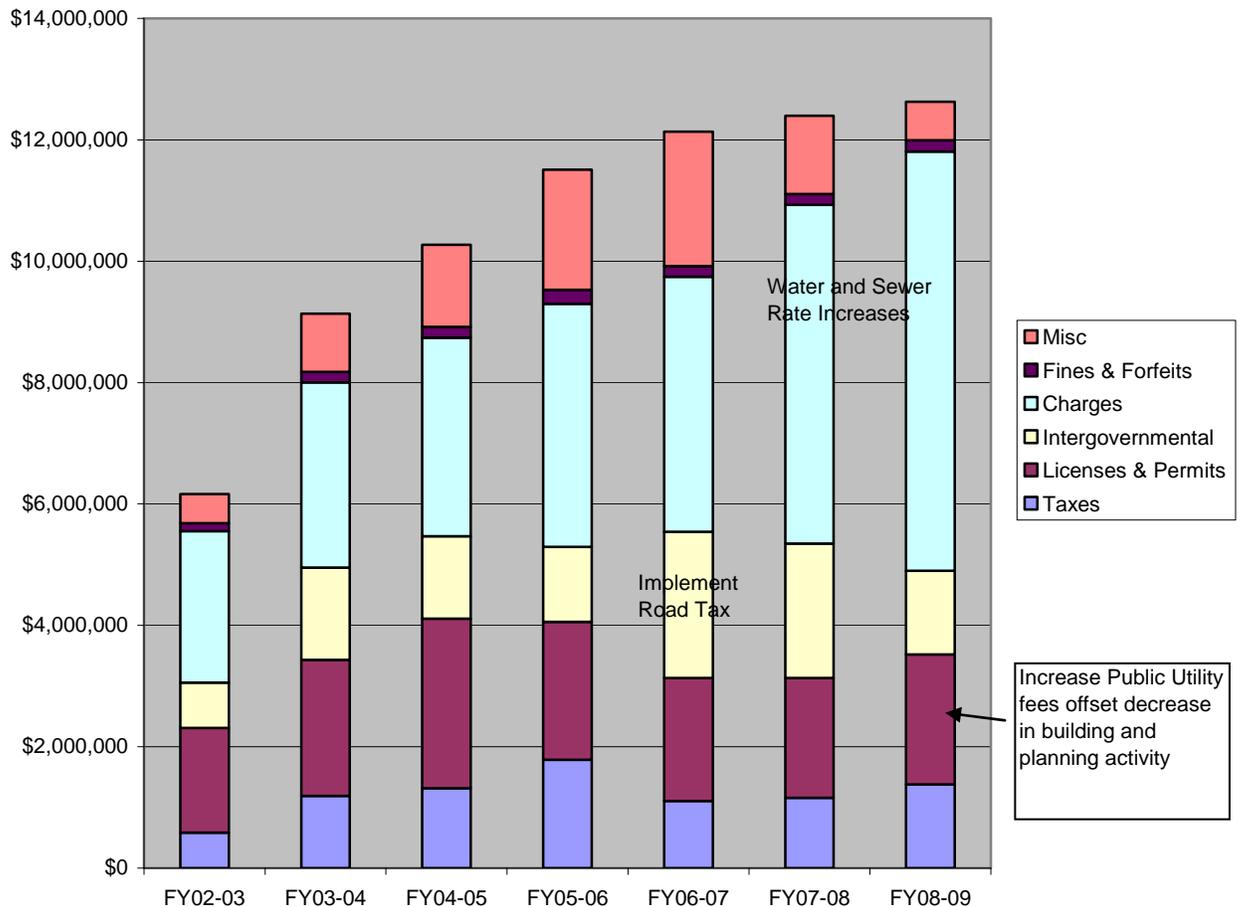


Analysis:

Bond issues to fund infrastructure development and capital improvements dedicated to the City from developers are major components of total sources of funds in some fiscal years, even though these sources are considered “Other Funding Sources”. The large decrease projected for FY08-09 shows the slow down in both borrowing for City construction of infrastructure and in the infrastructure dedicated by developers. This chart is important to show the magnitude of infrastructure investment in the City; however the chart on the following page contains the same information, but excludes other funding sources (primarily bond proceeds and dedicated infrastructure).

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A history of citywide funding sources, excluding “Other Financing Sources” is shown in the following graph.



Analysis:

The “Taxes” section of the chart includes property taxes and park taxes. Revenue from property taxes rose steadily as assessed values increased during the building boom. Although revenue from property taxes continues to rise, property tax limitation legislation limits revenue. The revenue from park taxes is collected with each building permit and therefore revenues increased in the building boom and decreased as building activity fell.

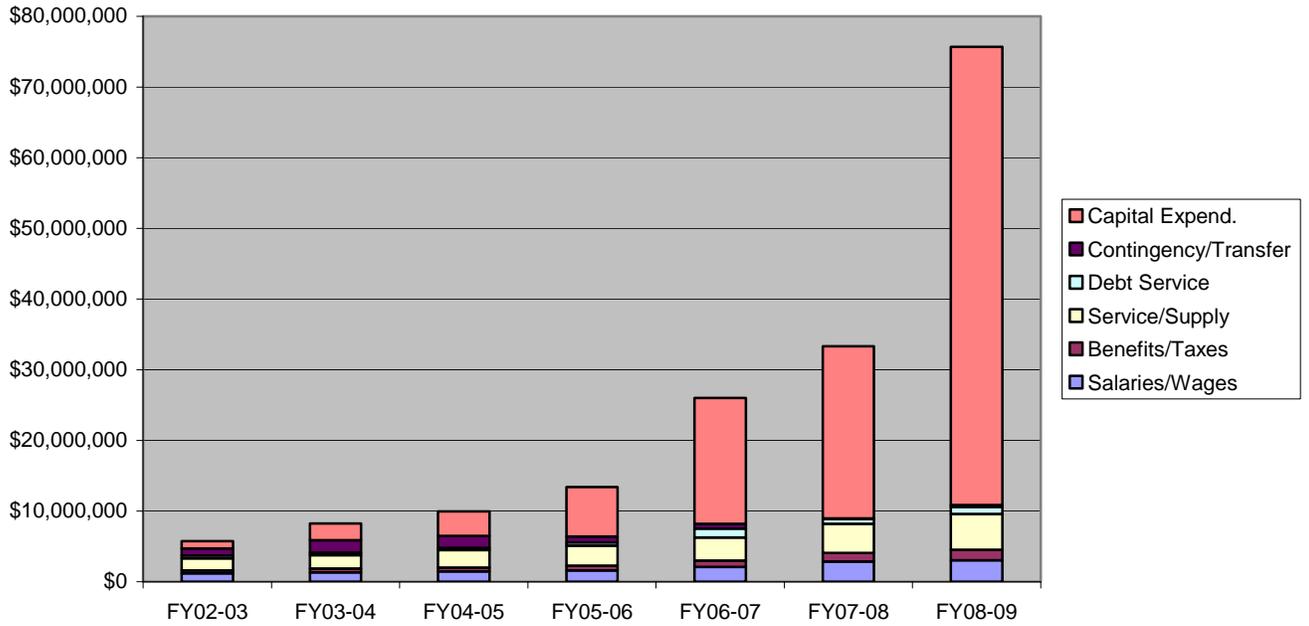
The “Licenses and Permits” section of the chart includes primarily building and planning activities, business license activity and franchise fees. Building and Planning fees increased sharply as the building boom occur and decreased just as sharply when activity lessened. The City increased its business license fees and franchise fees for public utility companies effective April 1, 2008. This increase helped to smooth out the decreases from lower building and planning revenues.

The “Intergovernmental” section of the chart includes primarily motor vehicle fuel taxes and a “Road Tax” collected with each building permit.

The “Charges for Services” section of the chart includes primarily user fees for water and wastewater services. The City implemented a multi-year increase to water and sewer user fees to pay a portion of the new water treatment facility as well as operating costs and capital replacements.

City of Fernley Annual Budget For Fiscal Year 2008-2009

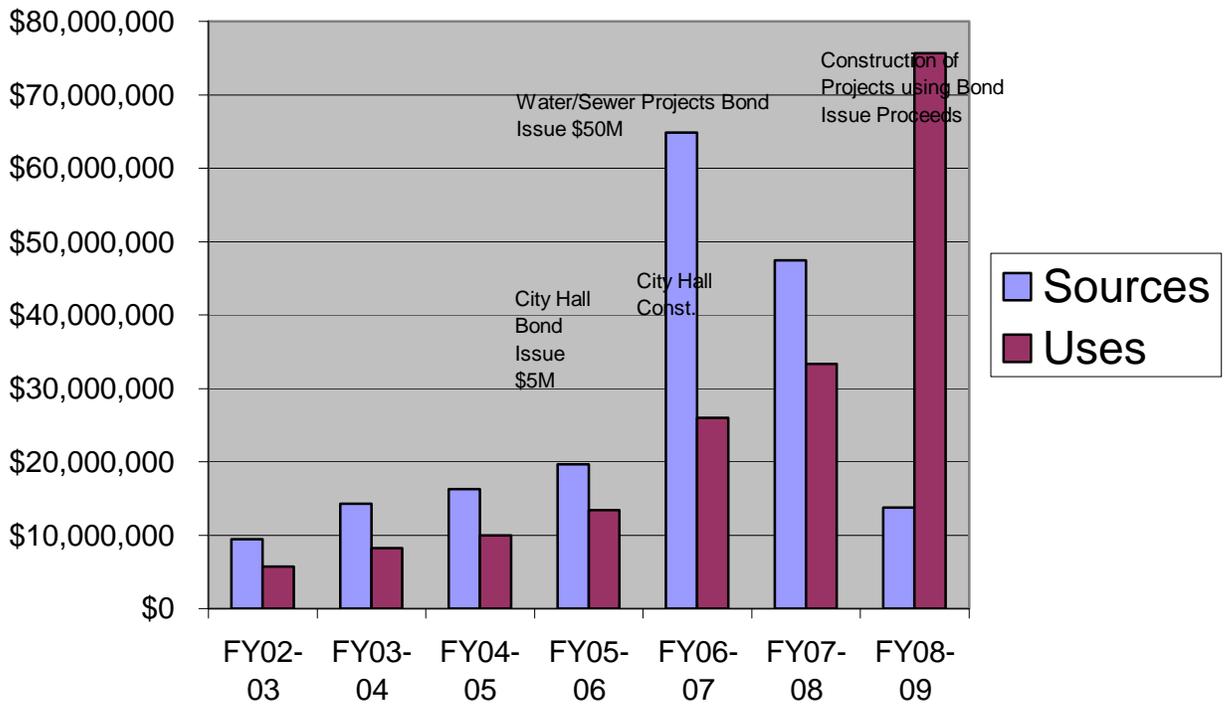
A history of citywide uses of funds is shown in the following graph.



Analysis: The large increase in FY07-08 is primarily due to projected capital expenditures for a new water treatment facility to comply with more stringent standards for water.

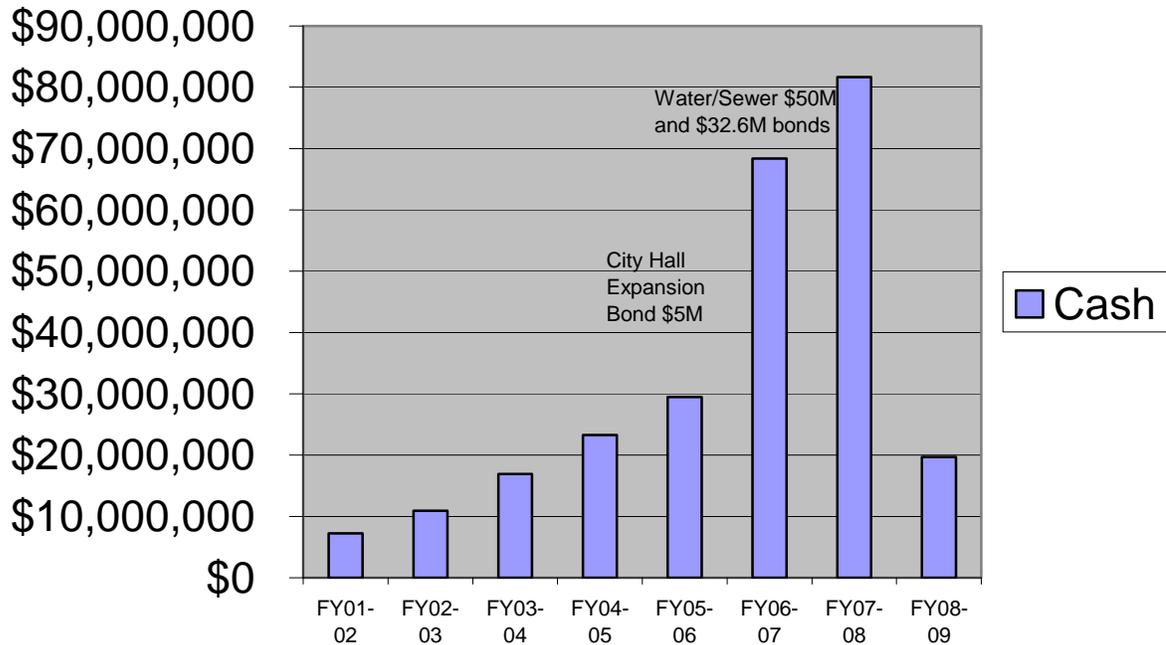
A history of total citywide sources and uses of funds is shown in the following graph.

City of Fernley Annual Budget For Fiscal Year 2008-2009



A history of total citywide cash balances is shown in the following graph.

Cash



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Total citywide sources and uses of cash for **FY2003/2004** are shown in the following table.

FY03-04	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Funding Sources					
Taxes	427,738	762,860			1,190,598
Licenses and Permits	2,230,728	10,901			2,241,629
Intergovernmental Resources	192,492	1,327,968			1,520,460
Charges for Services	0			3,050,237	3,050,237
Fines and Forfeits	141,028	29,808			170,836
Miscellaneous	78,861	6,740	8,480	869,741	963,822
Other Financing Sources	0	1,000,000	776,830	3,348,794	5,125,624
Total Revenue & Other Financing Sources	3,070,847	3,138,277	785,310	7,268,772	14,263,206
Beginning Fund (Cash) Balance	1,012,376	309,399	728,195	8,868,287	10,918,257
Total Available Resources	4,083,223	3,447,676	1,513,505	16,137,059	25,181,463
Funding Uses					
General Government	530,474				530,474
Judicial	151,937	2,577			154,514
Public Works	0	1,074,135		2,869,496	3,943,631
Community Development	421,771		14,323		436,094
Culture and Recreation	365,773	682,838			1,048,611
Health	48,395				48,395
Debt Service	0			331,797	331,797
Other Uses	1,772,553				1,772,553
Total Expenditures and Other Uses	3,290,903	1,759,550	14,323	3,201,293	8,266,069
Ending Fund (Cash) Balance	792,320	1,688,126	1,499,182	12,935,766	16,915,394
Total Fund Commitments and Fund (Cash) Balances	4,083,223	3,447,676	1,513,505	16,137,059	25,181,463
	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Salaries and Wages	670,804	99,363		564,603	1,334,770
Payroll Taxes and Benefits	254,990	40,268		251,943	547,201
Service and Supplies	525,871	194,264		1,185,896	1,906,031
Capital Expenditures	66,685	1,425,655	14,323	867,054	2,373,717
Debt Service	0			331,797	331,797
Contingency & Transfer	1,772,553				1,772,553
Total Uses by Object	3,290,903	1,759,550	14,323	3,201,293	8,266,069

City of Fernley Annual Budget For Fiscal Year 2008-2009

Total citywide sources and uses of cash for FY2005/2006 are shown in the following table.

FY05-06	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Funding Sources					
Taxes	590,127	1,197,822			1,787,949
Licenses and Permits	2,231,632	40,071			2,271,703
Intergovernmental Resources	242,754	988,978			1,231,732
Charges for Services	0			4,009,287	4,009,287
Fines and Forfeits	192,646	35,778			228,424
Miscellaneous	289,389	309,154	195,809	1,184,106	1,978,458
Other Financing Sources	0	0	5,850,000	2,266,195	8,116,195
Total Revenue & Other Financing Sources	3,546,548	2,571,803	6,045,809	7,459,588	19,623,748
Beginning Fund (Cash) Balance	875,022	2,302,972	2,502,129	17,605,089	23,285,212
Total Available Resources	4,421,570	4,874,775	8,547,938	25,064,677	42,908,960
Funding Uses					
General Government	717,355				717,355
Judicial	163,631	5,533			169,164
Public Works	0	2,293,389		5,605,415	7,898,804
Community Development	837,307		515,459		1,352,766
Culture and Recreation	537,507	1,177,538			1,715,045
Health	275,985				275,985
Debt Service	94,789			334,420	429,209
Other Uses	850,000				850,000
Total Expenditures and Other Uses	3,476,574	3,476,460	515,459	5,939,835	13,408,328
Ending Fund (Cash) Balance	944,996	1,398,315	8,032,479	19,124,842	29,500,632
Total Fund Commitments and Fund (Cash) Balances	4,421,570	4,874,775	8,547,938	25,064,677	42,908,960
	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Salaries and Wages	1,221,480	92,561		306,283	1,620,324
Payroll Taxes and Benefits	400,436	38,794		210,914	650,144
Service and Supplies	835,570	250,749		1,754,659	2,840,978
Capital Expenditures	74,299	3,094,356	515,459	3,333,559	7,017,673
Debt Service	94,789			334,420	429,209
Contingency & Transfer	850,000				850,000
Total Uses by Object	3,476,574	3,476,460	515,459	5,939,835	13,408,328

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Total citywide sources and uses of cash for **FY2006/2007** are shown in the following table.

FY06-07	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Funding Sources					
Taxes	929,276	58,780			988,056
Licenses and Permits	1,920,189	29,739			1,949,928
Intergovernmental Resources	248,128	2,085,205			2,333,333
Charges for Services	0			4,072,109	4,072,109
Fines and Forfeits	199,723	34,630			234,353
Miscellaneous	256,871	66,886	258,076	1,699,958	2,281,791
Other Financing Sources	0	567,317	134,766	53,507,438	54,209,521
Total Revenue & Other					
Financing Sources	3,554,187	2,842,557	392,842	59,279,505	66,069,091
Beginning Fund (Cash) Balance	944,996	1,398,315	8,032,479	19,124,842	29,500,632
Total Available Resources	4,499,183	4,240,872	8,425,321	78,404,347	95,569,723
Funding Uses					
General Government	1,025,295				1,025,295
Judicial	192,468	2,050			194,518
Public Works	0	2,344,397		15,021,008	17,365,405
Community Development	817,441		6,027,811		6,845,252
Culture and Recreation	653,083	191,090			844,173
Health	337,051				337,051
Debt Service	379,032			343,932	722,964
Other Uses	505,867	134,766			640,633
Total Expenditures and Other					
Uses	3,910,237	2,672,303	6,027,811	15,364,940	27,975,291
Ending Fund (Cash) Balance	588,946	1,568,588	2,397,510	63,039,407	67,594,451
Total Fund Commitments and					
Fund (Cash) Balances	4,499,183	4,240,891	8,425,321	78,404,347	95,569,742
	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Salaries and Wages	1,298,263	132,565		574,223	2,005,051
Payroll Taxes and Benefits	463,907	49,825		191,408	705,140
Service and Supplies	1,178,581	368,875		2,609,828	4,157,284
Capital Expenditures	84,587	1,986,272	6,027,811	11,645,550	19,744,220
Debt Service	379,032			343,932	722,964
Contingency & Transfer	505,867	134,766			640,633
Total Uses by Object	3,910,237	2,672,303	6,027,811	15,364,940	27,975,291

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Total citywide sources and uses of cash for **FY2007/2008** are shown in the following table.

FY07-08	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Funding Sources					
Taxes	1,130,000	30,000			1,160,000
Licenses and Permits	1,946,400	26,000			1,972,400
Intergovernmental Resources	250,000	1,965,857			2,215,857
Charges for Services	0	\$ -		5,500,000	5,500,000
Fines and Forfeits	152,500	24,500			177,000
Miscellaneous	443,753	96,460	75,000	673,750	1,288,963
Other Financing Sources	0	20,000	0	35,015,681	35,035,681
Total Revenue & Other					
Financing Sources	3,922,653	2,162,817	75,000	41,189,431	47,349,901
Beginning Fund (Cash) Balance	588,946	1,568,588	2,397,510	63,039,407	67,594,451
Total Available Resources	4,511,599	3,731,405	2,472,510	104,228,838	114,944,352
Funding Uses					
General Government	1,337,529				1,337,529
Judicial	265,900	7,000			272,900
Public Works	0	2,890,019		24,469,841	27,359,860
Community Development	929,080		1,471,000		2,400,080
Culture and Recreation	675,653	204,900			880,553
Health	329,110				329,110
Debt Service	378,702			351,551	730,253
Other Uses & Transfers	10,000	11,000			21,000
Total Expenditures and Other Uses	3,925,974	3,112,919	1,471,000	24,821,392	33,331,285
Ending Fund (Cash) Balance	585,625	618,486	1,001,510	79,407,446	81,613,067
Total Fund Commitments and Fund (Cash) Balances	4,511,599	3,731,405	2,472,510	104,228,838	114,944,352
	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Salaries and Wages	1,673,656	109,300		1,097,700	2,880,656
Payroll Taxes and Benefits	624,123	49,050		544,300	1,217,473
Service and Supplies	1,175,640	424,500		2,511,841	4,111,981
Capital Expenditures	63,853	2,520,069	1,471,000	20,316,000	24,370,922
Debt Service	378,702			351,551	730,253
Contingency & Transfer	10,000	10,000			20,000
Total Uses by Object	3,925,974	3,112,919	1,471,000	24,821,392	33,331,285

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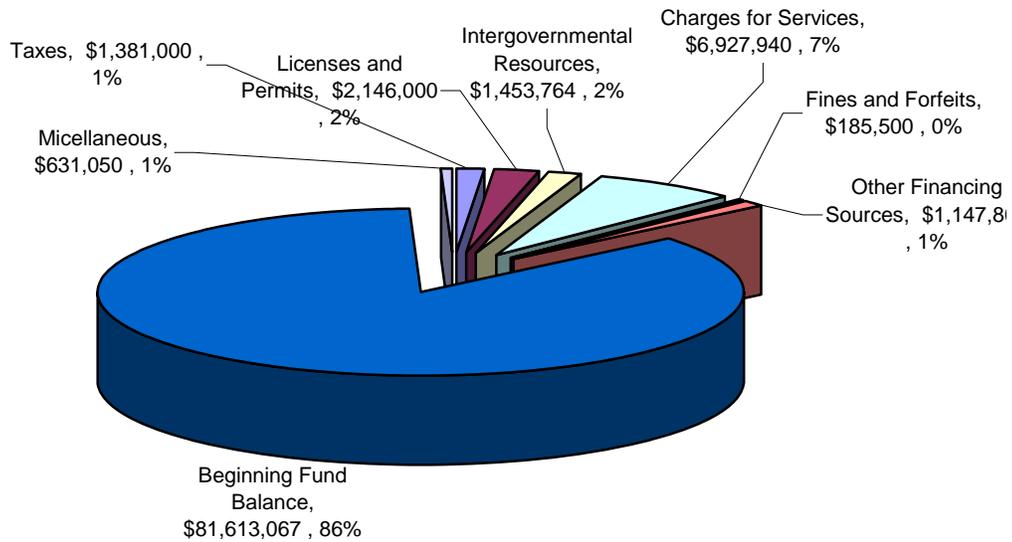
Total citywide sources and uses of cash for **FY2008/2009** are shown in the following table.

FY08-09	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Funding Sources					
Taxes	1,351,000	30,000			1,381,000
Licenses and Permits	2,135,000	11,000			2,146,000
Intergovernmental Resources	256,000	1,197,764			1,453,764
Charges for Services	0	28,440		6,799,500	6,827,940
Fines and Forfeits	161,000	24,500			185,500
Miscellaneous	93,500	32,550	60,000	445,000	631,050
Other Financing Sources	0	175,000	0	972,500	1,147,500
Total Revenue & Other Financing Sources	3,996,500	1,499,254	60,000	8,217,000	13,772,754
Beginning Fund (Cash) Balance	585,625	618,486	1,001,510	79,407,446	81,613,067
Total Available Resources	4,582,125	2,117,740	1,061,510	87,624,446	95,385,821
Funding Uses					
General Government	1,428,150				1,428,150
Judicial	252,900	16,000			268,900
Public Works	0	1,297,862		68,841,100	70,138,962
Community Development	917,900		200,000		1,117,900
Culture and Recreation	607,600	654,400			1,262,000
Health	310,710				310,710
Debt Service	379,113			1,452,600	1,831,713
Other Uses & Transfers	146,500	10,000	145,000		301,500
Total Expenditures and Other Uses	4,042,873	1,978,262	345,000	70,293,700	76,659,835
Ending Fund (Cash) Balance	539,252	165,978	716,510	17,330,746	18,752,486
Total Fund Commitments and Fund (Cash) Balances	4,582,125	2,144,240	1,061,510	87,624,446	95,412,321
	General Fund	Special Revenue Funds	Capital Projects	Enterprise Funds	Total
Salaries and Wages	1,680,700	141,100		1,228,300	3,050,100
Payroll Taxes and Benefits	805,200	80,950		585,100	1,471,250
Service and Supplies	1,022,360	444,340		3,632,100	5,098,800
Capital Expenditures	9,000	1,301,872	200,000	63,395,600	64,906,472
Debt Service	379,113			1,452,600	1,831,713
Contingency & Transfer	146,500	10,000	145,000		301,500
Total Uses by Object	4,042,873	1,978,262	345,000	70,293,700	76,659,835

City of Fernley Annual Budget For Fiscal Year 2008-2009

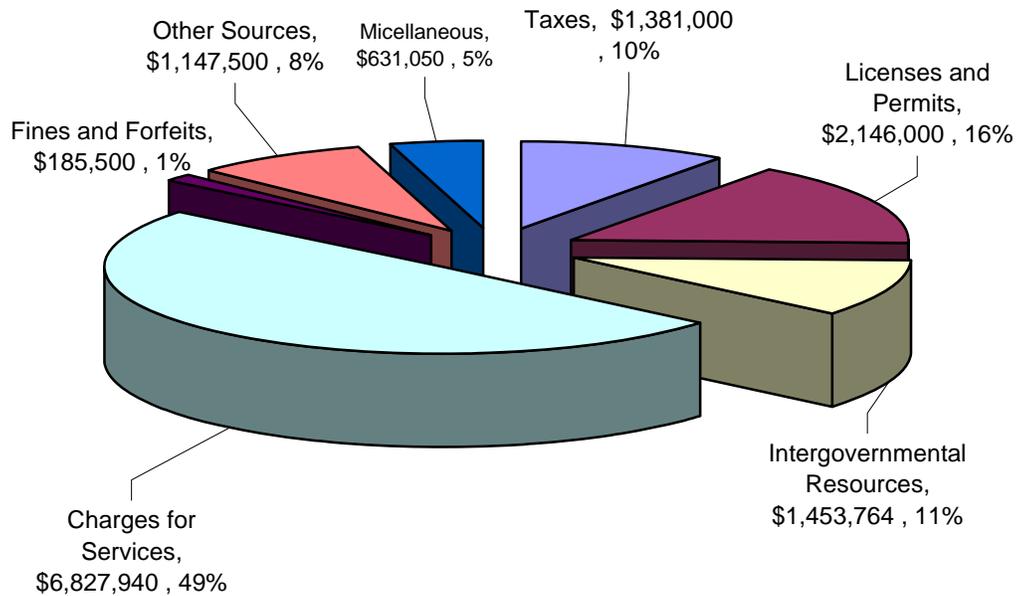
The FY 2008/2009 citywide projected sources of cash are shown in the following chart:

FY2008/2009 Sources-All Funds



The FY2008/2009 Citywide projected revenues (without Beginning Fund Balance and Other Financing Sources) are shown in the following chart:

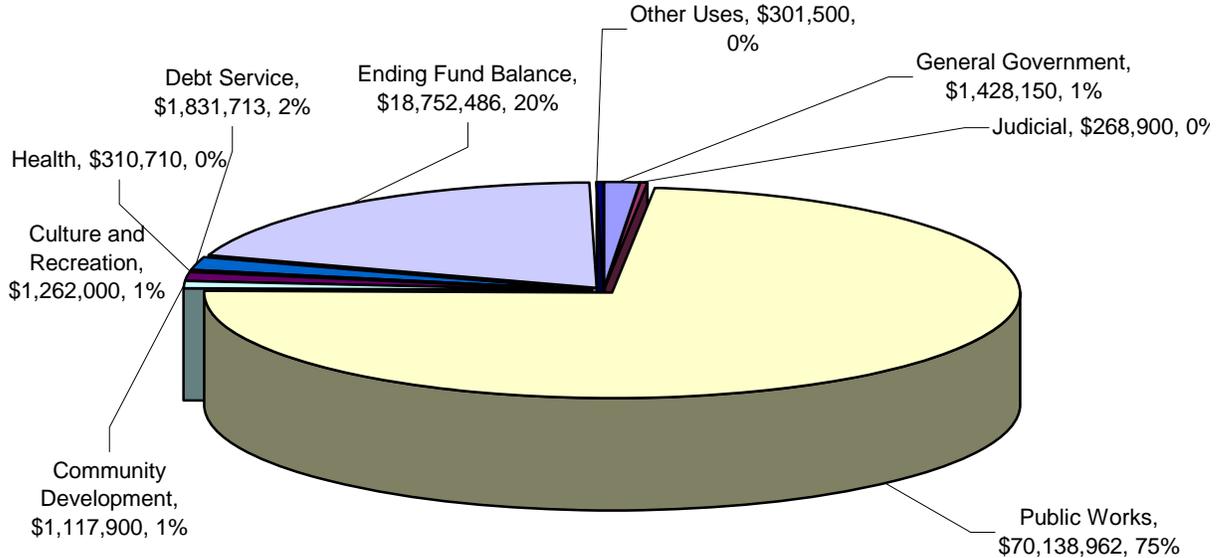
FY2008/2009 Revenues-All Funds



City of Fernley Annual Budget For Fiscal Year 2008-2009

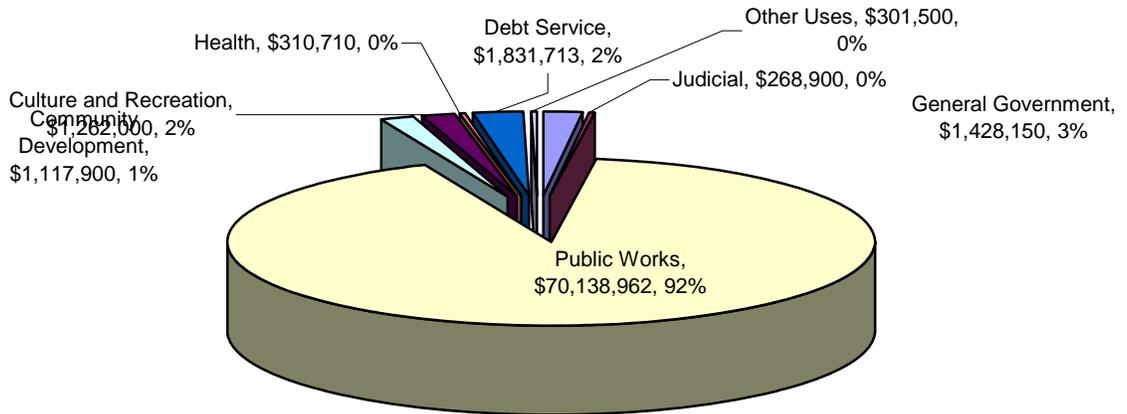
The FY2008/2009 Citywide projected uses of cash, detailed by function, are shown in the following chart:

FY 2008/2009 Citywide Uses by Type



The FY2008/2009 Citywide projected expenditures (without Ending Fund Balance, Contingencies and Transfers) by function are shown in the following chart:

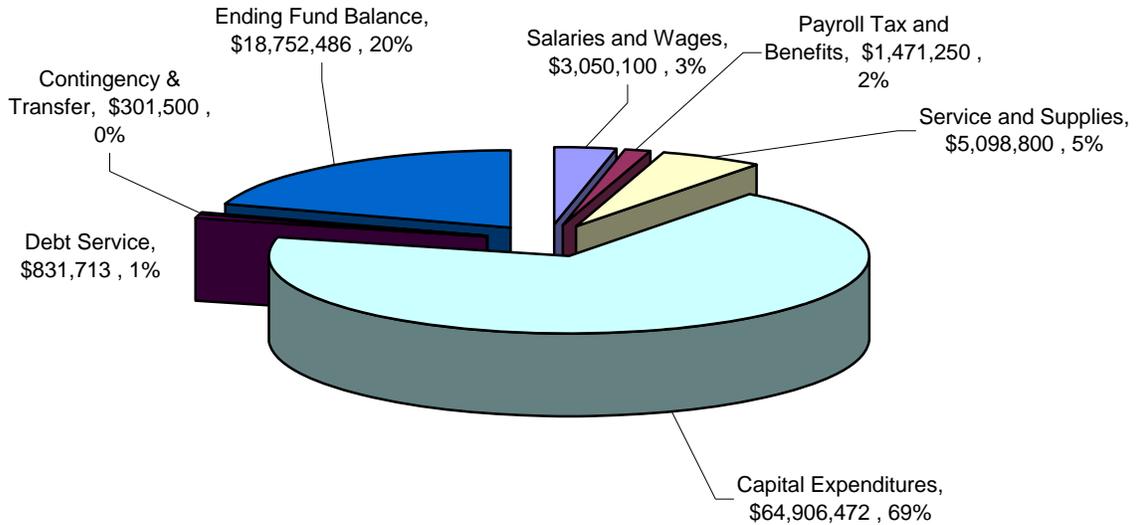
FY 2008/2009 Citywide Expenditures by Type



City of Fernley Annual Budget For Fiscal Year 2008-2009

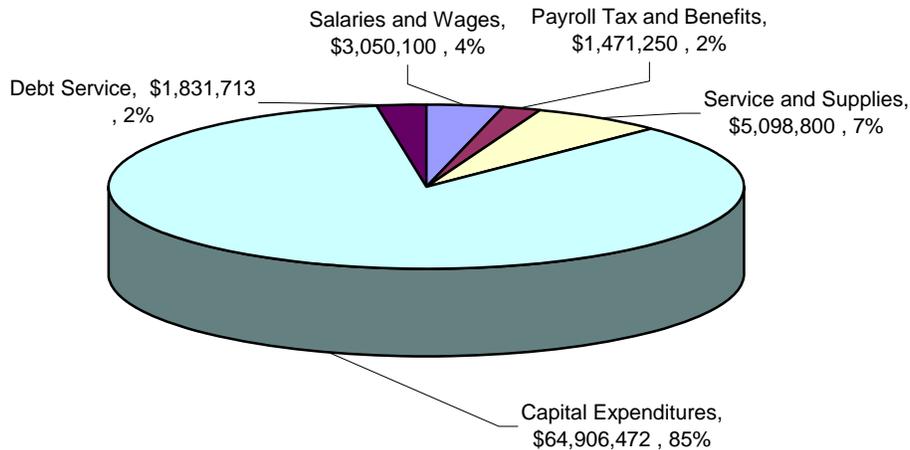
The FY2008/2009 Citywide projected uses of cash, detailed by object, are shown in the following chart:

Projected FY2008/2009 Citywide Uses by Object



The FY2008/2009 Citywide projected expenditures (without Ending Fund Balance, Contingencies and Transfers) by object are shown in the following chart:

Projected FY2008/2009 Expenditures by Object



City of Fernley Annual Budget For Fiscal Year 2008-2009

Revenue Sources

Property (Ad Valorem) Taxes:

NRS 361 determines the procedure for assessment and levy of taxes on real and personal property in Nevada. The County Assessor performs certain assessments and the State of Nevada performs other assessments (centrally assessed property). Tax levies are expressed in terms of dollars per \$100 of assessed value. The assessed valuation of the property is computed at 35% of “taxable value” as determined by County and State assessments according to statutes.

The State of Nevada enacted property tax limitation legislation in the 2005 legislative session. In general, this legislation limits the amount of tax liability for an owner-occupied single-family residence and certain rental properties to 3% of the prior year tax, assuming no new improvements were made to the residence. The legislation also limits other properties not otherwise qualifying for the 3% limitation to an 8% increase in the tax liability. New construction is not subject to the limit in the first year. The limitation legislation does not directly limit assessed value or tax levy, but provides for abatement of tax if the traditional method of calculation exceeds the limits. The abatement is then allocated to each entity comprising the combined tax rate.

The amount of tax, before abatement, is determined by multiplying the assessed value by the tax rate applicable to the area in which the property is located divided by 100. The abatement is the amount in excess of the maximum tax to the taxpayer. The abatement is allocated to each taxing entity for a particular property resulting in a decrease in the tax bill to the owner and a decrease in tax revenue to each taxing entity.

In addition to the statutory limitation referred to above, each “Local Government Taxing Unit” in Lyon County is subject to a limited Allowed Rate determined annually according to statutory formulas based on growth factors. The Fernley City Council may not establish a levy greater than the “Allowed Rate.” Voters may approve imposition of rates above the “Allowed Rate” and the Nevada State Legislature may impose rates above the “Allowed Rate.” The total combined rate for all “Local Government Taxing Units” in a single district may not exceed \$3.64 per \$100 of assessed value.

The City of Fernley Allowed Rate for FY2008/2009 is \$0.3515 per \$100 of assessed value. The FY2008/2009 budget assumes a levy of the full \$0.3515 per \$100 of assessed value. This represents revenue of approximately \$1,356,000, after abatement. The City of Fernley Allowed Rate versus rate levied is shown in the table on the following page:

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Year	Assessed Value	Allowed Rate	Levied Rate	Allowed Revenue before abatement	Levied Revenue before abatement	Abatement Of Tax	Maximum Revenue Possible After Abate.	Tax Levied	Difference between maximum and levied
FY08/09	\$755,529,070	\$0.3515	\$0.3515	\$2,655,679	\$2,655,679	\$1,310,000	\$1,345,679	\$1,346,000	0
FY07/08	\$681,831,281	\$0.3505	\$0.3505	\$2,393,519	\$2,383,260	\$1,267,527	\$1,125,992	\$1,130,000	0
FY06/07	\$511,154,623	\$0.3481	\$0.3481	\$1,779,329	\$1,779,329	\$851,329	\$928,000	\$928,000	0
FY05/06	\$377,743,200	\$0.3447	\$0.1528	\$1,302,081	\$577,192	\$1,060	Not Calc.	\$576,132	Not Calc.
FY04/05	\$303,180,006	\$0.3432	\$0.1528	\$1,040,514	\$463,259	N/A	1,040,514	\$463,259	\$577,255
FY03/04	\$279,403,487	\$0.3141	\$0.1528	\$877,606	\$426,929	N/A	877,606	\$426,929	\$450,677
FY02/03	\$246,640,476	\$0.2936	\$0.1528	\$724,136	\$376,867	N/A	724,136	\$376,867	\$347,269
FY01/02	\$233,552,164	\$0.2576	\$0.1528	\$601,630	\$356,868	N/A	601,630	\$356,868	\$244,762

The highest levy in a Lyon County area in FY2007/2008 is within the City of Yerington at \$3.5957 per \$100 of assessed value, \$0.0443 below the \$3.64 overall cap. The tax rate for property located in the City of Fernley in FY2007/2008 is \$3.0988 per \$100 of assessed valuation, \$0.5412 below the \$3.64 cap.

As indicated earlier, the recent property tax limitation legislation limits the amount the taxpayer will pay for property tax, regardless of the amount levied or the \$3.64 cap.

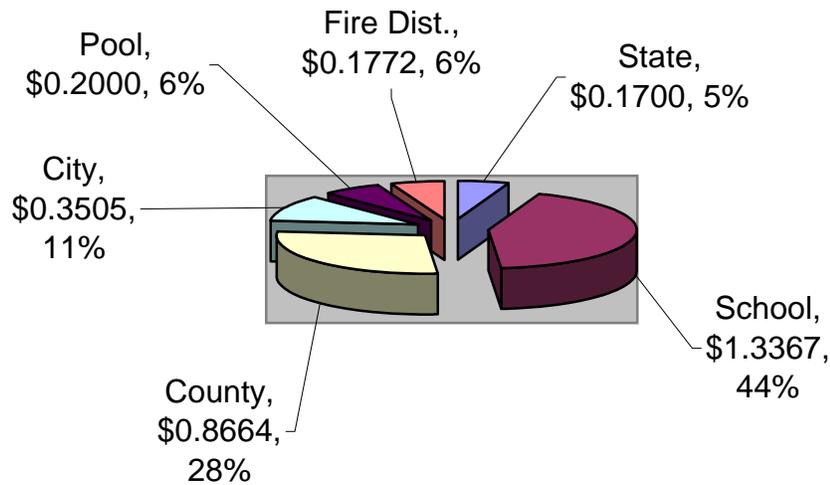
City of Fernley Annual Budget For Fiscal Year 2008-2009

The following table shows a hypothetical FY2007/2008 tax bill for the owner of a \$100,000 home within the City, before abatement under the property tax limitation legislation.

Local Government Taxing Unit	Levy	Tax Before Abatement
State	\$0.1700	\$59.50
School District	\$1.3367	\$467.85
Lyon County	\$0.8644	\$302.54
City of Fernley	\$0.3505	\$122.68
Fernley Swimming Pool District	\$0.2000	\$70.00
North Lyon Fire Maintenance District	\$0.1772	\$62.02
Total	\$3.0988	\$1,084.59

The following graph represents the information in the above table for a hypothetical tax bill on a \$100,000 home in the City of Fernley. If this were an existing home subject to abatement, the City would receive approximately half the amount (the other half abated).

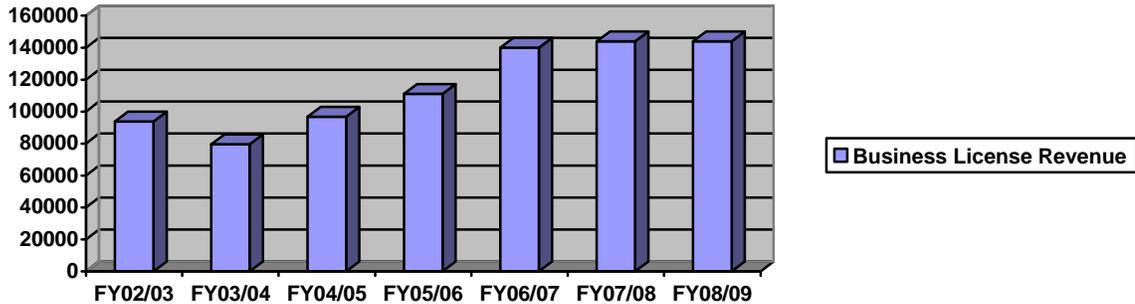
FY2007/2008 Property Tax Bill on a new \$100,000 Home in Fernley



City of Fernley Annual Budget For Fiscal Year 2008-2009

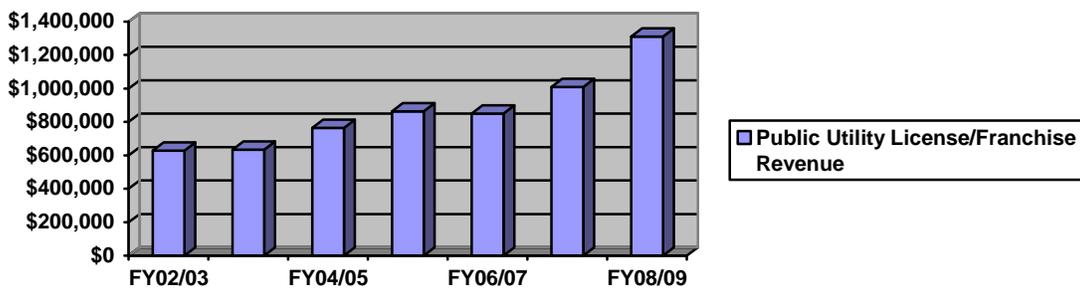
Licenses and Permits:

Business Licenses: Effective with the City's incorporation on July 1, 2001, the City of Fernley began issuing business licenses and collecting revenue for issuance of business licenses. A history of collections for business licenses is shown in the following table:



The revenue estimate for FY2008/2009 was based on this trend analysis and other information such as population. Business license revenues are expected to be essentially flat from FY07/08 due to general economic slowdown. To date, most of the economic downturn related to the residential housing market. Several businesses have opening recently including WalMart, Lowe's, and food and beverage operations. The City believes that these businesses will remain open until the residential housing markets rebounds.

Public Utility Business License and Franchise Fees: Upon incorporation, the City was able to charge a business license to certain public utilities and franchise fees for certain operations within the city limits. The City examined the rates for these types of services and increased rates during FY2002/2003 to provide a more stable revenue base for City operations. The City again raised rates effective April 1, 2007 for the majority of these public utilities. A history for revenue from business license/franchise fees as well as a projection of franchise fees for FY2008-2009 is shown in the following table:



The revenue estimate for FY2008/2009 was based on this trend analysis and other information such as population. The number of customers assumed to be served by the public utilities was not changed because the net effect of a decrease in the number of residential customers in offset by an increase in the number of commercial customers. A

City of Fernley Annual Budget For Fiscal Year 2008-2009

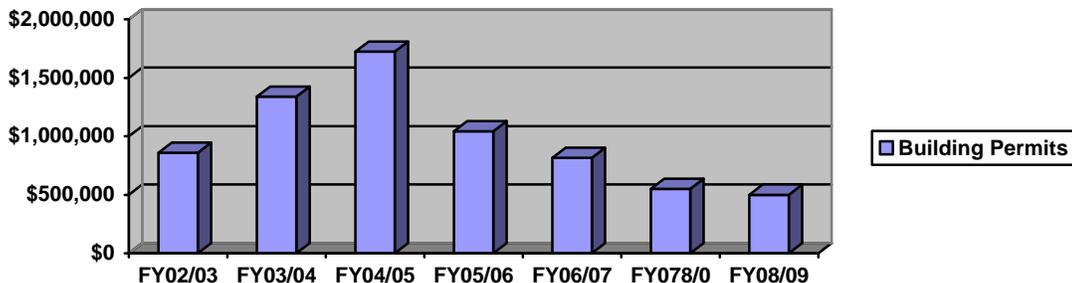
more specific breakdown of the revenue from public utilities is shown in the following table:

Public Utility	Type of Business	Rate	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Sierra Pacific Power (Bus Lic)	Electricity	2%	\$163,663	\$184,914	\$215,600	\$225,000	\$278,000	\$371,250
Southwest Gas (Bus Lic)	Natural Gas	3%	159,794	264,917	278,000	290,000	333,400	409,640
Wasatch Energy (Bus Lic)	Natural Gas	3%	95,500	99,402	109,000	114,000	134,500	165,320
AT&T (Bus Lic)	Telephone	2%	37,359	41,379	44,100	46,000	55,700	74,250
AT&T (Bus. Lic)	Comm.	2%	3,123	2,824	2,250	2,000	3,000	3,300
Charter Communications (Franchise)	Cable TV	5%	48,943	52,665	54,000	55,100	60,500	60,500
Reno Disposal (Franchise)	Refuse Disposal	5%	112,000	116,112	129,000	135,450	143,000	143,000
Other	Various		12,614	1,971	4,050		2,000	7,740
	TOTAL		\$632,996	\$765,184	\$863,449	\$850,000	\$1,010,000	\$1,235,000

Fees for cable TV are already at the maximum of 5%. The City intends to amend its contract with Reno Disposal to increase the franchise fee. The budget estimates do not include the proposed increase. The budget will be amended during FY2009 if this increase is enacted.

County Gaming Licenses: NRS 463 relates to licensing of gaming activity in Nevada. Lyon County is authorized to issue gaming licenses per NRS 463. Per NRS 463.323, Lyon County pays the City 75% of the revenue from gaming licenses collected from businesses within the boundaries of the incorporated City. The City estimates that the City's share of County gaming licenses will be approximately \$101,200 in FY2007/2008 based on the trend of amounts received from this revenue source in prior years. The town government received this same distribution before incorporation.

Building Permits and Fees: Upon incorporation, the City of Fernley was able to institute building permits and related fees. The proceeds from this function fund the Community Development Department. The City anticipates revenue of approximately \$500,000 from building permit fees during FY2008/2009. Revenues from building permits are down significantly primarily as a result of a soft residential housing market.



City of Fernley Annual Budget For Fiscal Year 2008-2009

Planning and Zoning Fees: Upon incorporation, the City was able to impose certain planning and zoning fees. The proceeds from planning and zoning fees are used to fund the Community Development Department. The City anticipates revenue of approximately \$100,000 from planning and zoning application fees in FY2008/2009.

Public Works Fees: The Public Works Department charges fees for items such as road cut permits, plan reviews, and grading permits. The City anticipates receiving approximately \$11,000 during FY2008/2009 for these charges based on activity in prior years. The Public Works Department instituted new fees for inspection of developments. These fees will cover the City's cost to inspect the improvements.

Intergovernmental Revenues:

Consolidated Tax: Consolidated tax is made up of several elements, including certain components of sales tax. The elements of the consolidated tax are 1) Basic City-County Relief Tax (BCCRT), 2) Supplemental City-County Relief Tax (SCCRT), 3) Cigarette Tax, 4) Liquor Tax, 5) Real Property Transfer Tax (RPTT), and 6) Government Services Tax (GST). BCCRT and SCCRT are components of sales tax. The sales tax rate for sales made in the City of Fernley is 6.5%, the minimum rate for the State of Nevada. Lyon County does not impose a sales tax over and above the minimum rate. The components of the 6.5% sales tax are shown in the following table:

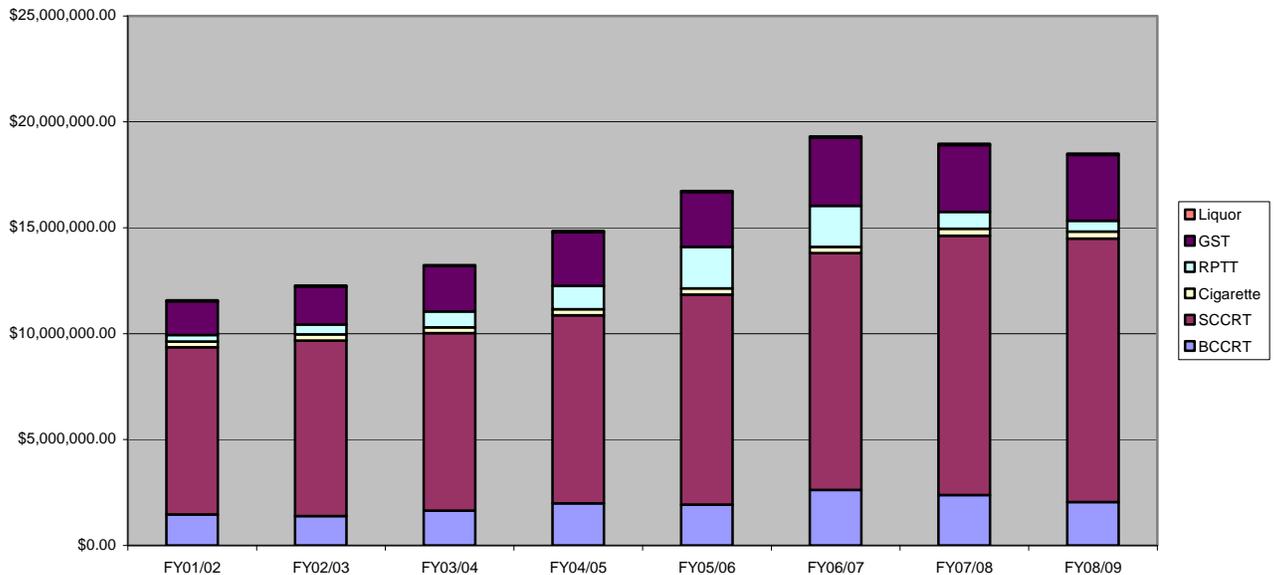
NRS Chapter	Tax Rate	Description	Distribution
372	2.00%	State Sales Tax	To the State General Fund
374	2.25%	Local School Support Tax	In state sales: Back to the school district in which the business is located. Out-of-state sales: To the State Distributive Schools Fund
377	0.50%	Basic City-County Relief Tax	In-state sales: Back to the County where the sale was made distributed to cities and districts as part of consolidated tax according to a statutory formula Out-of-state sales: Distributed to counties based on population and distributed to cities and districts as part of consolidated tax according to statutory formula
377	1.75%	Supplemental City-County Relief Tax	Tax distributed to all local governments in the state according to statutory formula as part of consolidated tax
	6.5%	Total	Minimum Statewide rate

City of Fernley Annual Budget For Fiscal Year 2008-2009

The amounts (expressed in thousands of dollars) available for distribution in Lyon County (the City receives only a small portion of this revenue) for consolidated tax are listed in the following table:

<i>Amounts in thousands</i>	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09
Basic City-County Relief Tax (BCCRT)	\$ 1,643	\$ 1,988	\$ 1,934	\$2,624	\$2,378	\$2,050
Supplemental City County Relief Tax (SCCRT)	8,382	8,881	9,905	11,178	12,249	12,438
Cigarette Tax	271	285	308	306	331	325
Liquor Tax	49	51	57	58	69	68
Real Property Transfer Tax (RPTT)	746	1,101	1,954	1,919	787	520
Government Services Tax (GST)	2,144	2,540	2,585	3,230	3,158	3,103
TOTAL	\$13,237	\$14,846	\$16,743	\$19,315	\$18,972	\$18,504

The following table shows the trend of the elements of consolidated tax for Lyon County since incorporation of the City in July 2001:



The largest component of Consolidated Tax is the Supplemental City County Relief Tax. Lyon County is considered an “importer” of SCCRT because the tax actually collected for SCCRT in Lyon County is less than the amount distributed because of formulas for guaranteed minimum distributions to rural counties in Nevada. Estimates for FY2008/2009 indicate that approximately \$5.6 million will actually be collected for SCCRT in Lyon County but approximately \$12.4 million will be distributed as part of consolidated tax for SCCRT.

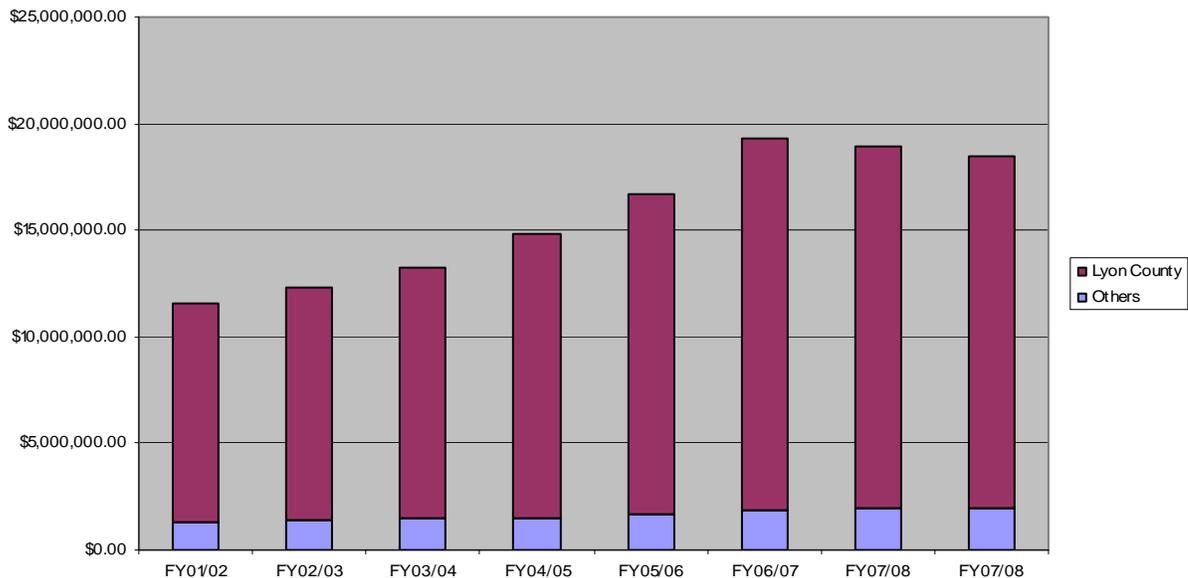
City of Fernley Annual Budget For Fiscal Year 2008-2009

Consolidated Tax is distributed to Lyon County, incorporated cities, and other districts in Lyon County according to a statutory formula described in NRS 360.600 through 360.740. The estimated distribution of consolidated tax in Lyon County is shown in the following table:

<i>Amounts in thousands</i>	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09
Stagecoach GID	\$ 19	\$ 19	\$19	\$ 19	\$ 19	\$ 19
Willowcreek GID	2	2	2	2	2	2
Lyon County	11,000	12,230	15,083	17,413	17,041	17,413
City of Yerington	292	291	305	356	380	356
City of Fernley	123	144	189	215	215	215
Carson-Truckee Water Conservancy District	8	8	10	11	11	11
Central Lyon Fire Protection	396	430	505	586	582	586
Mason Valley Fire Protection	56	57	61	68	70	68
Mason Valley Mosquito Abatement District	50	50	53	60	62	60
North Lyon Fire Protection	120	130	157	174	176	174
Silver Springs Stagecoach Hospital	66	68	75	84	92	84
Smith Valley Fire Protection	41	43	53	64	60	64
South Lyon Hospital District	206	209	231	262	263	262
Total	\$12,313	\$13,683	16,743	19,315	18,972	19,315

GID-General Improvement District

The following table shows the trend of the distributions of consolidated tax for entities within Lyon County since incorporation of the City in July 2001:



This chart shows that Lyon County is primarily benefiting from growth in sales tax, real property transfer tax, and the other elements of consolidated tax while the other taxing entities do not enjoy the substantial revenue increases. The City of Fernley intends to address this fundamental fiscal inequity as Lyon County reduces shared revenues and decreases the level of service Lyon County provides under shares service agreements.

City of Fernley Annual Budget For Fiscal Year 2008-2009

However, the benefit of the City of Fernley not obtaining a significant portion of this revenue source is that declines in this revenues source do not dramatically impact the City's operating budget.

Motor Vehicle Fuel Taxes (Gas Taxes): The City of Fernley receives an allocation of certain taxes levied on sales of motor fuel. The State of Nevada administers the collection and distribution of proceeds to counties in the State. The State of Nevada disburses the City's portion of certain gas taxes to the City monthly. In addition to gas tax directly disbursed to the City, the City is entitled to a portion of gas tax distributed to the Lyon County Regional Transportation Commission, a statutory board established to account for a specific tax on sales of motor fuel. All of these funds are restricted for use in maintenance or capital projects relating to City streets. The various gas taxes with FY2008/2009 estimated amounts allocable to the City of Fernley are shown in the following table.

Description	Rate per Gallon	Note	Statute Reference	Estimated FY09 Lyon Co. Total	Estimated FY09 City Amount
County Option (RTC)	9¢	1	NRS 373.030	\$1,802,256	\$733,158
County Option 1	1¢	2	NRS 365.192	\$201,278	\$70,508
Motor Vehicle Fuel Tax	1.25¢	3	NRS 365.180	310,698	0
Motor Vehicle Fuel Tax	1.75¢	4	NRS 365.190	347,065	141,186
Motor Vehicle Fuel Tax	2.35¢	5	NRS 365.180	584,107	100,137
Subtotal				\$1,443,148	\$311,831
Total	N/A			\$3,245,404	\$1,044,989

Note References in Table:

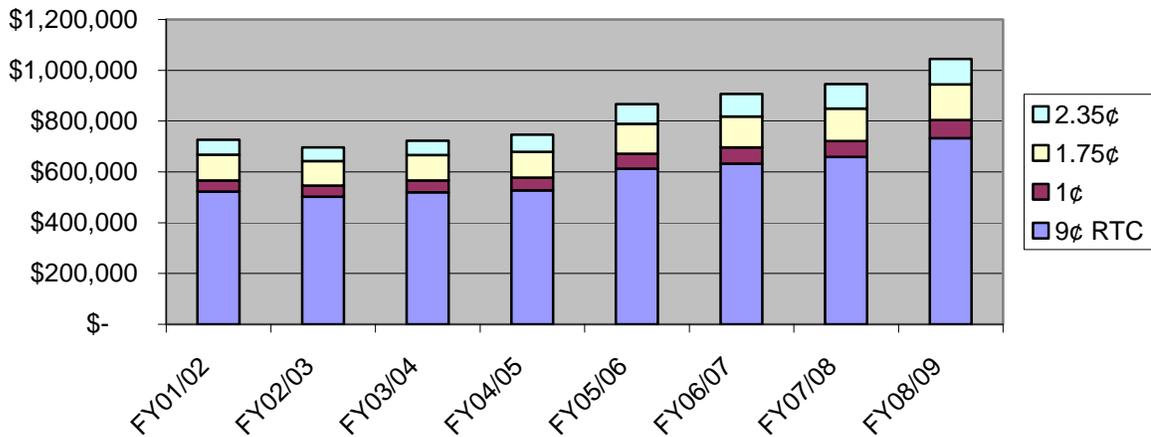
- County Option (RTC)**-The City of Fernley does not receive a direct distribution of this tax (NRS 373.040(2)(a)). The money collected goes into a fund in Lyon County's books and a Regional Transportation Commission oversees use of the money. The City of Fernley appoints one member of the three-member RTC board. The RTC can approve projects to use the money and incorporated cities receive an allocation based on relative assessed value (NRS 373.150). The FY2008/2009 assessed value of Lyon County is \$1,857,324,881 and the FY2008/2009 assessed value of the City of Fernley is \$755,529,070. The City of Fernley assessed value is 40.68% of the total county assessed value, therefore the City of Fernley could expect \$733,158 of this amount to be "reserved" for Fernley projects.
- County Option 1¢**-The City of Fernley receives an allocation of this tax based on relative population. The estimated population of the City of Fernley is 19,585 and the estimated population of Lyon County is 55,903. Therefore, the City of Fernley would receive 35.03% or \$70,508 from this tax.
- MVFT 1.25¢** - This tax is allocated to the county road fund with no amounts passed through to the City of Fernley.
- MVFT 1.75¢** - The City of Fernley receives an allocation of this tax based on relative assessed value. Therefore, the City of Fernley would receive 40.68% of this tax or \$141,186.
- MVFT 2.35¢** - The City of Fernley receives an allocation of this tax based on a formula weighted ¼ on Total Area, ¼ on Population, ¼ on Road Mileage, and ¼ on Vehicle travel miles. The formula results in 17.14% of the tax or \$100,137 apportioned to the City of Fernley.

City of Fernley Annual Budget For Fiscal Year 2008-2009

The historical estimates for the City's portion of fuel taxes are shown in the following table:

Tax	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
(RTC) 9¢	\$521,877	\$501,811	\$520,230	\$527,439	\$612,740	\$632,945	\$658,883	\$733,158
1¢	\$44,382	\$44,232	\$45,380	\$49,550	\$58,805	63,177	62,895	\$70,508
1.25¢	0	0	0	0				0
1.75¢	101,476	96,199	\$100,273	\$101,396	\$117,818	121,864	126,933	141,186
2.35¢	59,325	53,790	\$57,023	\$68,574	\$76,985	88,307	97,105	100,137
Subtotal	\$205,183	\$194,221	202,676	219,520	\$253,608	273,348	\$286,933	\$311,831
Total	\$727,060	\$696,032	\$722,906	\$746,959	\$866,348	906,293	\$945,816	\$1,044,989

The following graph shows the data for fuel taxes:



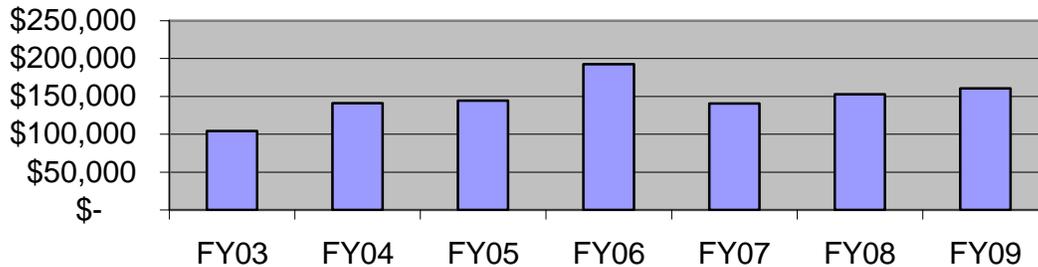
Road Ad Valorem Tax: Pursuant to NRS 403 and NRS 266, the City of Fernley is entitled to a portion of the ad valorem tax collected in the Lyon County road fund based on relative assessed value. Prior to FY2003/2004, Lyon County assessed \$0.0777 per \$100 of assessed value in the County Road Fund. In FY2003/2004, Lyon County stopped the levy in the Road Fund and levied the tax in the County general fund instead. This eliminated the legal requirement to share revenue with the City. Lyon County decided to provide an amount to the City in lieu of the lost revenue since the City assumed the expenses previously associated with this revenue. In the County's FY06 budget, the County Commissioners elected to provide approximately \$293,500 to the City. Lyon County changed its mind in FY07 and decided not to share this revenue with the City. The City is investigating its alternatives to restore the fiscal inequity caused by Lyon County's action.

Parks Agreement: Lyon County has a policy to provide funding to Cities and other districts in the County for parks. In FY2001/2002 through FY2006/2007 the City received \$52,882 each fiscal year from Lyon County for parks. The FY08 budget for Lyon County increased this shared revenue to \$60,000. The City anticipates the same amount for FY09.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Fines and Forfeitures:

Municipal Court Fines and Forfeitures: Revenue from Court operations is expected to increase slightly based on trends of revenues in prior fiscal years. The revenue estimate is \$161,000 for FY 09. The historical revenue for fines and forfeits is shown in the following chart:

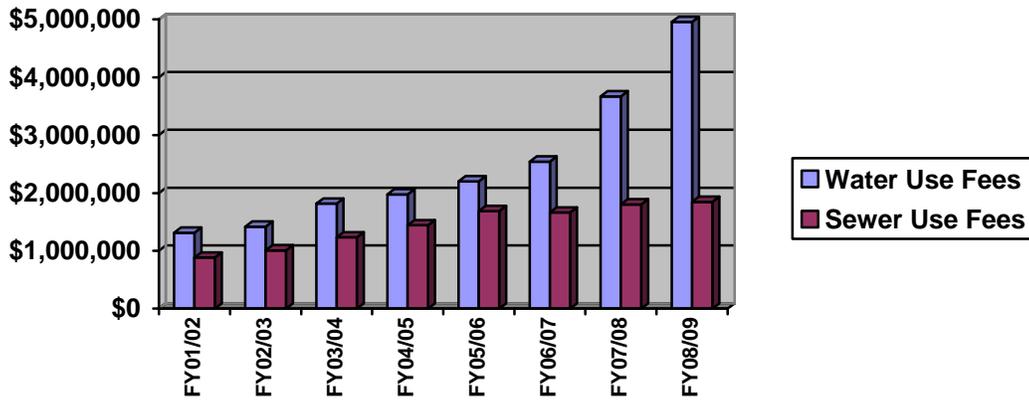


Charges for Services:

Water and Sewer Use Fees: The City of Fernley provides water and sewer services to a majority of the residents of Fernley. The City established a rate structure to charge users an amount needed to cover cost of operations, including depreciation and debt service. Capital contributions and the funded portion of depreciation are slated for use in capital projects and are not available for payment of operating costs. In FY08, the City increased both user rates and capital fees in order to maintain sufficient balances for projected capital projects, especially compliance with unfunded mandates such as water treatment for arsenic removal. The increase for user fees was spread over a five year implementation period. Rates were increased 50% effective July 1, 2007 and will be increased an additional 35% on July 1, 2008.

The revenue estimates for FY09 were based on an analysis of the customer base and the revised user fees as shown in the following chart. The customer base for residential is flat to slightly down and the customer base for commercial is up. The net effect is essential a flat assumption for the number of customers on the system between FY08 and FY09. The rates used for the analysis have been adopted by the City Council in the five year phased rate increase:

City of Fernley Annual Budget For Fiscal Year 2008-2009



Miscellaneous Income:

Park Development Fees: The City and the developer of the Donner Trails subdivision have an agreement that provides for payment of \$100 per lot for park development. The subdivision is largely built out so no revenue is expected in FY09.

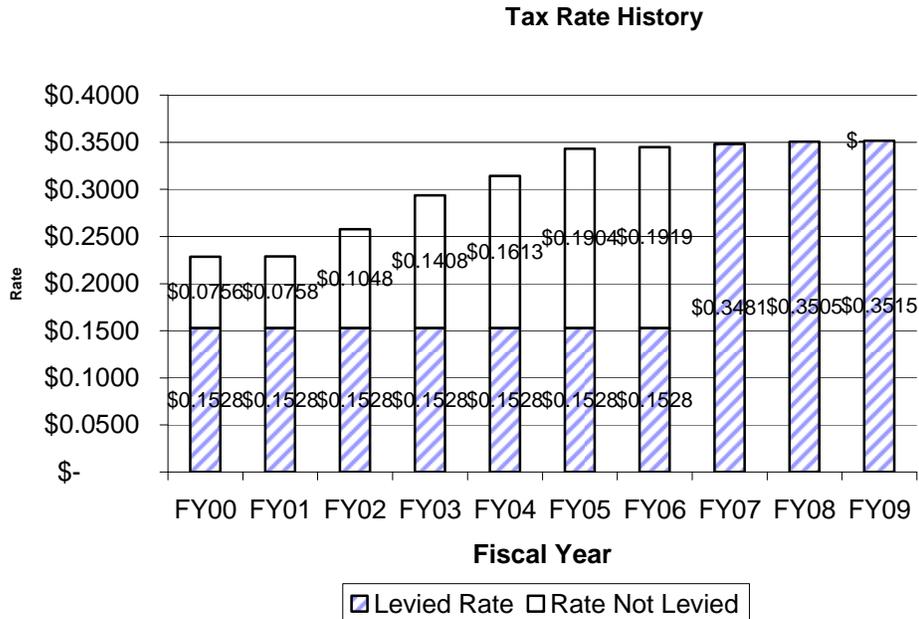
City of Fernley Annual Budget For Fiscal Year 2008-2009

Tax Rate History

The City's (or Town's) Allowed Rate and the rate levied for the past several fiscal years are shown in the following table. Note that these levies are before the abatement provisions of the tax limitation legislation.

Year	Fernley Allowed Rate	Fernley Levied Rate	Excess Rate Not Levied
FY2008-2009	\$0.3515	\$0.3515	-0-
FY2007-2008	\$0.3505	\$0.3505	-0-
FY2006-2007	\$0.3481	\$0.3481	-0-
FY2005-2006	\$0.3447	\$0.1528	\$0.1919
FY2004-2005	\$0.3432	\$0.1528	\$0.1904
FY2003-2004	\$0.3141	\$0.1528	\$0.1613
FY2002-2003	\$0.2936	\$0.1528	\$0.1408
FY2001-2002	\$0.2576	\$0.1528	\$0.1048
FY2000-2001	\$0.2286	\$0.1528	\$0.0758
FY1999-2000	\$0.2284	\$0.1528	\$0.0756

The tax rate history is shown in the following table:



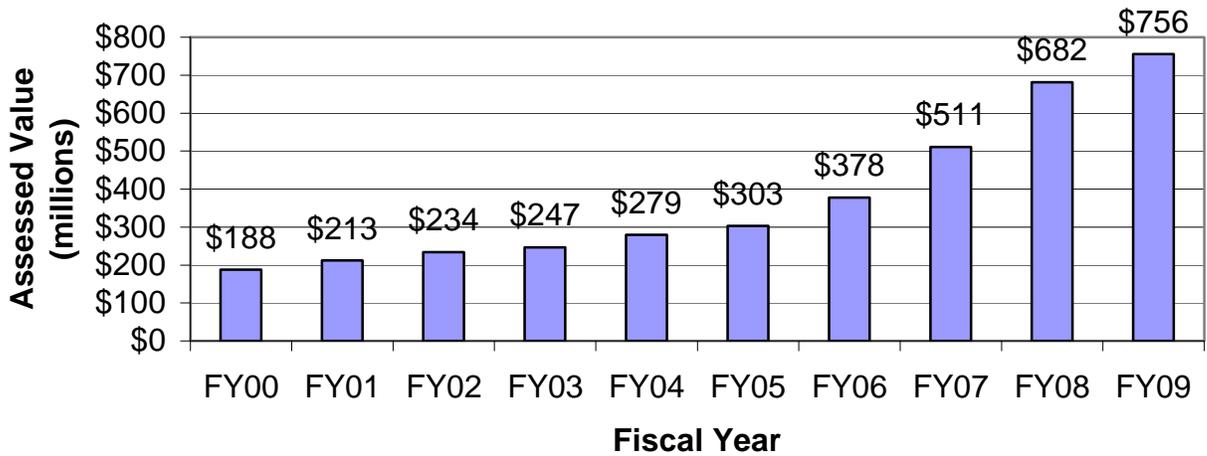
**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Assessed Value History

The history for the assessed value of the Town of Fernley or the City of Fernley over the past several fiscal years is shown in the following table:

Year	Fernley Assessed Value	% Change in Value	Lyon County Assessed Value	% Change in Value
FY2008-2009	755,529,070	10.81%	1,857,324,881	11.02%
FY2007-2008	681,831,281	33.39%	1,672,893,091	22.59%
FY2006-2007	511,154,623	35.32%	1,364,617,737	29.58%
FY2005-2006	377,743,200	24.60%	1,053,093,222	17.3%
FY2004-2005	303,180,006	8.51%	897,631,383	10.72%
FY2003-2004	279,403,487	13.28%	810,688,136	9.15%
FY2002-2003	246,640,476	5.60%	762,493,482	5.57%
FY2001-2002	233,552,164	9.90%	722,102,643	5.14%
FY2000-2001	212,507,285	13.30%	672,144,241	9.26%
FY1999-2000	187,568,265		615,185,680	

Fernley Assessed Value History

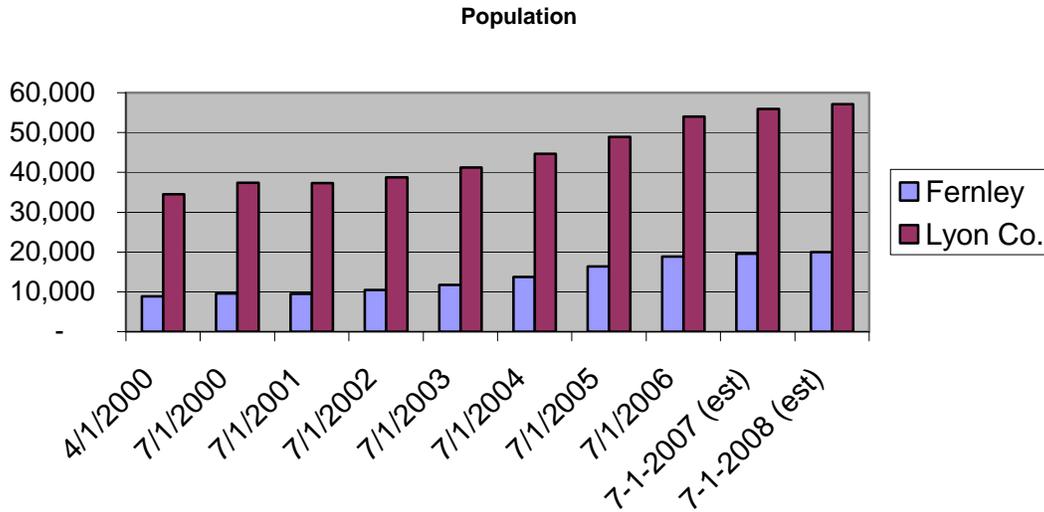


City of Fernley Annual Budget For Fiscal Year 2008-2009

Population History

The following table shows population data as published by the Nevada State Demographer, except for July 1, 2008 estimates which are based on City data:

Year	Fernley	% Change	Lyon County	% Change
July 1, 2008 (est)	20,000	2.08%	57,100	2.14%
July 1, 2007	19,585	3.90%	55,903	3.46%
July 1, 2006	18,850	15.24%	54,031	10.58%
July 1, 2005	16,357	18.74%	48,860	9.44%
July 1, 2004	13,775	17.55%	44,646	8.25%
July 1, 2003	11,718	12.24%	41,244	6.36%
July 1, 2002	10,440	9.56%	38,777	3.88%
July 1, 2001	9,529	(0.43%)	37,329	(0.17%)
July 1, 2000	9,570	8.40%	37,393	8.38%
April 1, 2000	8,830		34,501	



**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Capital Expenditure Summary

Capital Expenditures for FY2008/2009 are summarized in Appendix D.

The largest capital improvement projects slated for FY2009 are water, alternative water, and sewer infrastructure projects. The operation and maintenance costs of these projects were factored into the multiyear water and sewer rate increase effective July 1, 2007.

The capital improvement plan also has several streets projects funded primarily through shared revenues. The operation and maintenance costs for the street projects will be funded through gas taxes.

The proposed water treatment plant and associated piping systems are expected to cost in excess of \$63 million. The proposed treatment plan is designed to meet necessary compliance with the USEPA Arsenic Rule. Currently, all groundwater sources exceed the Maximum Contaminant Level for arsenic. However, the City and the State of Nevada (regulatory authority for the federal unfunded mandate) executed a Bilateral Compliance Agreement extending the compliance to January 2009. The treatment plant is also designed to treat surface water in the future to utilize the City's surface water rights since most of the underground right are currently used for existing customers. A combination of groundwater and surface water will be required to provide adequate potable water to the growing customer base. The system is also designed to provide untreated or minimally treated water for irrigation, landscaping, and construction.

The largest sewer project is a lift station project estimated at \$2.5 million. .

The largest street project is reconstruction of the indicated street at an estimated cost of approximately \$400,000. The City will also be spending approximately \$375,000 for its Crack Seal Program and its Slurry, Seal Coat and Patch Program for multiple areas in the City. These programs will be paid from Gas Taxes.

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

General Fund

Overview:

The General Fund is used to account for all transactions not recorded in other funds. The primary sources of revenue for the General Fund include Property (Ad Valorem) Tax, Intergovernmental Revenues, and Licenses and Permits.

The General Fund contains the following cost centers arranged according to the function indicated. The function classifications are required under Nevada statutes for budgets of local governments in Nevada.

General Government:

Administration (eliminated in FY2007/2008)
Mayor and City Council
Office of the City Manager
Office of the City Attorney
Office of the City Treasurer/Finance
Office of the City Clerk
Facility and General Expenditures
Information Systems

Judicial:

Municipal Court

Public Works:

Public Works (Streets & Storm Drains) Note: Transferred to Special Revenue Fund in FY2003/2004

Culture and Recreation:

Parks

Community Support:

Building
Planning/Community Development

Health:

Animal Services
Vector Control Services

Debt Service:

Debt Service-City Hall Construction Bond

Other Uses:

Contingency
Interfund Transfers

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

General Fund Summary

The following table summarizes the activity of the General Fund:

	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
Revenues:				
Taxes	590,127	929,276	1,130,000	1,351,000
Licenses and Permits	2,231,632	1,920,189	1,946,400	2,135,000
Intergovernmental Resources	242,754	248,128	250,000	256,000
Charges for Services	0	0	0	0
Fines and Forfeits	192,646	199,723	152,500	161,000
Miscellaneous	289,389	256,871	443,753	93,500
Total Revenues	3,546,548	3,554,187	3,922,653	3,996,500
Operating Expenditures:				
Administration	574,932	855,805	0	0
Mayor/City Council	0	0	129,300	109,000
Office of the City Manager	0	0	296,650	303,800
Office of the City Attorney	0	0	124,060	113,700
Finance	142,423	169,490	210,700	167,900
Office of the City Clerk	0	0	253,450	238,350
Facility and General Expense	0	0	323,369	365,500
Technology	0	0	0	120,900
Municipal Court	163,631	192,468	265,900	252,900
Parks	508,797	646,383	611,800	607,600
Vector Control	161,150	170,593	191,860	190,310
Community Development	810,965	800,700	929,080	0
Animal Services	95,588	105,312	137,250	120,400
Planning	0	0	0	438,230
Building	0	0	0	479,670
Debt Service	94,789	379,032	378,702	379,113
Total Operating Expenditures	2,552,275	3,319,783	3,852,121	3,887,373
Excess of Revenues over Operating Expenditures	994,273	234,404	70,532	109,127
Capital Expenditures:				
Office of the City Attorney	0	0	0	9,000
Animal Services	0	25,044	0	0
Parks	28,710	6,700	63,853	0
Vector Control	19,247	36,102	0	0
Community Development	26,342	16,741	0	0
Total Capital Expenditures	74,299	84,587	63,853	9,000
Total Expenditures	2,626,574	3,404,370	3,915,974	3,896,373
Revenues less Total Expenditures	919,974	149,817	6,679	100,127
Other Financing Sources & Uses:				
Contingency (100-900-900)	0	0	0	100,000
Sale of Capital Assets (100-392-100)		-61,450		
Transfer to Streets Fund (100-900-910)	0	550,000		
Transfer to Capital Fund (100-900-910)	850,000	0	0	0
Transfer to Private Sector Community Support		17,317	20,000	20,000
Transfer to Green Valley Landscape Maint Dist				2,000
Transfer to Silverland Landscape Maint Dist				4,500
Transfer to Autumn Winds Landscape Maint Dist				20,000
Transfer to (from) Grants Fund (100-900-910)	0	0	-10,000	
Total Other Financing Uses	850,000	505,867	10,000	146,500
Total Expenditures and Other Uses	3,476,574	3,910,237	3,925,974	4,042,873
Net Increase (Decrease) in fund Balance	69,974	-356,050	-3,321	-46,373
Fund Balance July 1	875,022	944,996	588,946	585,625
Fund Balance June 30	944,996	588,946	585,625	539,252
Designated for future projects				-275,126
Undesignated Fund Balance				264,126

City of Fernley Annual Budget For Fiscal Year 2008-2009

The following table summarizes General Fund Expenditures by Object:

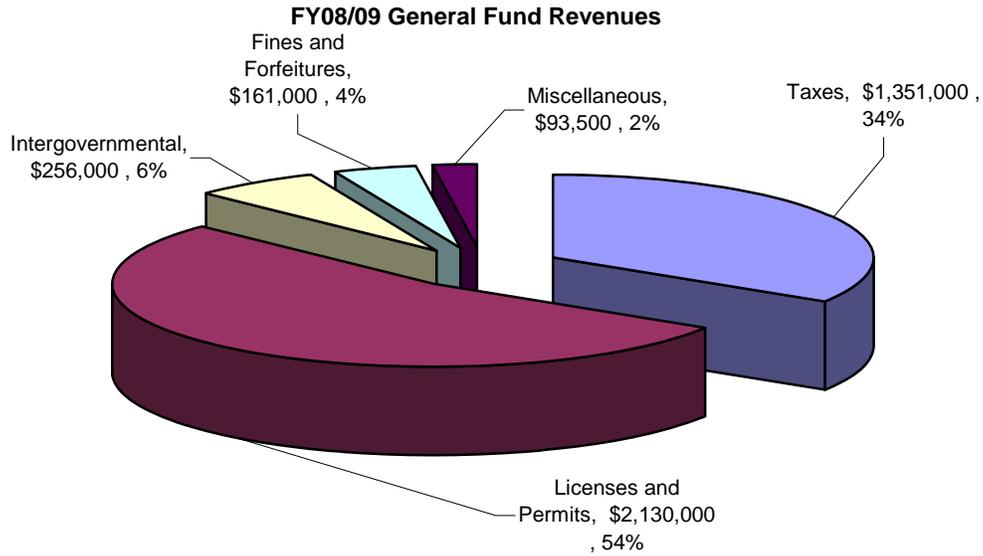
	FY05-06 Actual	FY06-07 Expected	FY07-08 Expected	FY08-09 Budget
Salaries and Wages	1,221,480	1,298,263	1,673,656	1,680,700
Payroll Taxes and Benefits	400,436	463,907	624,123	805,200
Service and Supplies	835,570	1,178,581	1,175,640	1,022,360
Capital Expenditures	74,299	84,587	63,853	9,000
Debt Service	94,789	379,032	378,702	379,113
Contingency and Transfers	850,000	505,867	10,000	146,500
Total	3,476,574	3,910,237	3,925,974	4,042,873

The following table summarizes General Fund Expenditures by Function

	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
Administration	574,932	855,805	0	0
Mayor/City Council	0	0	129,300	109,000
Office of the City Manager	0	0	296,650	303,800
Office of the City Attorney	0	0	124,060	122,700
Finance	142,423	169,490	210,700	167,900
Office of the City Clerk	0	0	253,450	238,350
Facility and General Expense	0	0	323,369	365,500
Information Technology	0	0	0	120,900
Municipal Court	163,631	192,468	265,900	252,900
Public Works (Streets/Stormdrains)	0	0	0	0
Parks	537,507	653,083	675,653	607,600
Vector Control	180,397	206,695	191,860	190,310
Community Development	837,307	817,441	929,080	0
Building	0	0	0	479,670
Planning	0	0	0	438,230
Animal Services	95,588	130,356	137,250	120,400
Debt Service	94,789	379,032	378,702	379,113
Contingency and Transfers	850,000	505,867	10,000	146,500
Total	3,476,574	3,910,237	3,925,974	4,042,873

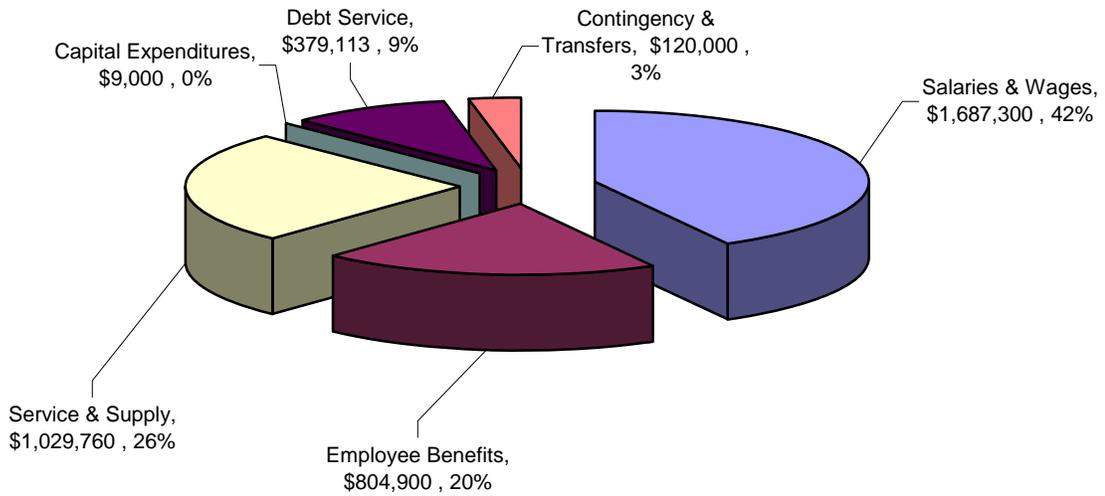
City of Fernley Annual Budget For Fiscal Year 2008-2009

The following chart shows FY2008/2009 General Fund Revenues by Type



The following chart shows FY2008/2009 General Fund Expenditures By Object

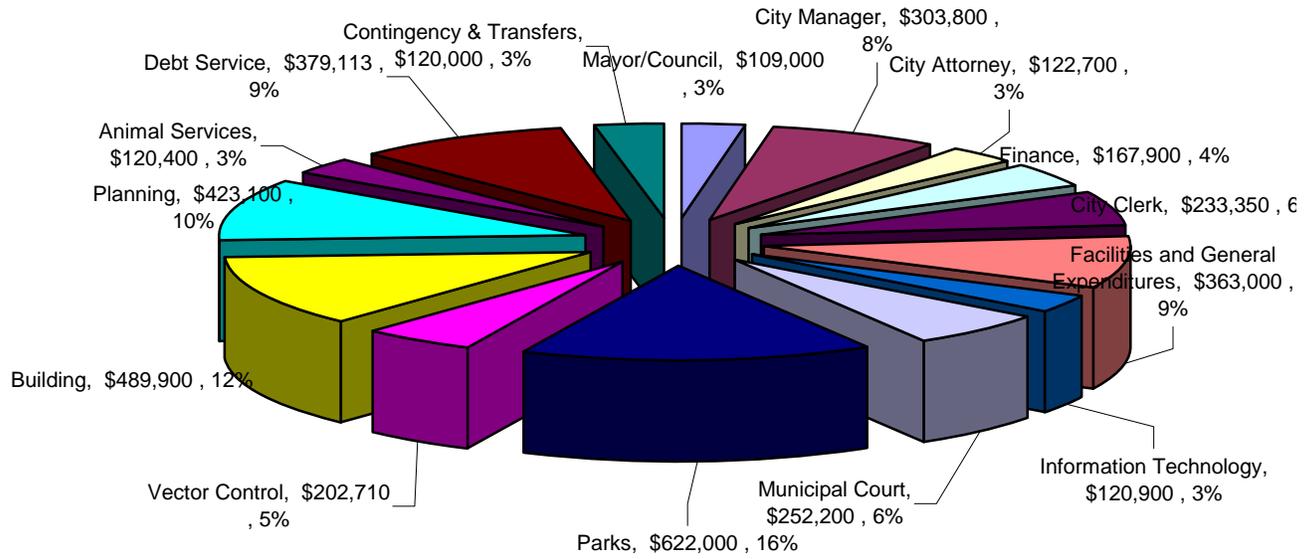
FY2008/2009 General Fund Expenditures By Object



City of Fernley Annual Budget For Fiscal Year 2008-2009

The following chart shows FY2008/2009 General Fund Expenditures By Function

FY2008/2009 General Fund Expenditures By Function



City of Fernley Annual Budget For Fiscal Year 2008-2009

The detail for General Fund Revenues is shown in the following table:

Account	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	TAXES:				
100-310-100	Property Taxes	583,851	921,565	1,120,000	1,346,000
100-310-200	Property Taxes - Delinquent	6,276	7,711	10,000	5,000
	Total Taxes	590,127	929,276	1,130,000	1,351,000
	LICENSES AND PERMITS:				
100-320-100	Business License Fees	111,075	123,382	144,000	150,000
100-320-110	Bus Lic/Franchise Public Utilities	863,449	968,668	1,010,000	1,235,000
100-320-150	Liquor License Fees	24,831	27,736	25,200	30,000
100-320-160	Gaming License Fees	97,121	98,753	101,200	105,000
100-320-170	Animal License Fees	2,348	4,318	3,000	3,000
100-320-180	Passport Fees	9,300	17,742	13,000	12,000
100-320-200	Building Permits and Fees	1,042,513	614,080	550,000	500,000
100-320-210	Planning and Zoning Permits and Fees	80,995	65,510	100,000	100,000
	Total Licenses and Permits	2,231,632	1,920,189	1,946,400	2,135,000
	INTERGOVERNMENTAL RESOURCES:				
100-330-310	CTX (Consolidated Tax)	187,872	188,128	190,000	196,000
100-330-400	Park Agreement	54,882	60,000	60,000	60,000
	State Grants				
	Total Intergovernmental Resources	242,754	248,128	250,000	256,000
	CHARGES FOR SERVICES:				
	Total Charges for Services	0	0	0	0
	FINES AND FORFEITS:				
100-350-100	Municipal Court Revenue	166,847	174,971	132,000	140,000
100-350-200	Warrant Fees	12,126	13,778	11,000	11,000
100-350-205	Misc Fees	10,713	7,934	7,000	7,000
100-350-210	Bond Fees	2,960	3,040	2,500	3,000
	Total Fines and Forfeits	192,646	199,723	152,500	161,000
	MISCELLANEOUS:				
100-360-100	Interest Income	60,479	40,234	45,000	40,000
100-360-200	Building Rental	20,000	20,000	10,200	
100-360-201	Interfund Cost Allocation Enterprise funds			40,000	40,000
100-360-202	Interfund Cost Alloc.City Projects			268,700	
100-360-710	Park Development	8,150	48,355	1,000	0
100-360-735	Donations-Youth City Council		1,250	6,500	5,000
100-360-736	Donations-Founders Day		4,804	500	500
100-360-820	Bike Path Assessment	28,515	55,414		
100-360-821	Hwy 95A Turn Lane @ Cottonwood	13,724			
100-360-822	Hwy 95A Sidewalk Curb Gutter		27,378		
100-360-824	Miller Lane @ Shadow Lane	105,381			
100-360-825	Park In Lieu Willow Springs			63,853	
100-360-905	School RCT Admin Fee	1,536	1,344	2,000	2,000
100-360-900	Miscellaneous	51,604	58,092	6,000	6,000
	Total Miscellaneous	289,389	256,871	443,753	93,500
	TOTAL REVENUES	3,546,548	3,554,187	3,922,653	3,996,500

Analysis:

In FY 2008-2009 the property tax revenue increased 20% on an increase in assessed value of 11%. The difference represents two factors: (1) new construction and (2) recovery of prior abatement of tax under property tax limitation legislation. In FY2006-2007, the City increased the tax rate from \$0.1528 to \$0.3481 per \$100 of assessed value (more than double) and assessed value increased 35.32%. However, revenue to the City only increased 52% due to the abatements under the property tax limitation legislation.

City of Fernley Annual Budget For Fiscal Year 2008-2009

The budget assumes the maximum legal levy even though each taxpayer will not pay the full levy and the City will not receive the full revenue from the levy.

Previously, the largest component of general fund revenues was Building Permits and Fees at approximately 25% to 47% of total general fund revenues each fiscal year. In the last fiscal year, revenues from Building Permits and Fees decreased substantially due to a slow down in residential development, despite an increase in the commercial market. This revenue source is volatile and will likely decrease in future years as growth slows and projects are built out.

In FY09, the other major components of General Fund revenues are property taxes, consolidated tax, and a combination of business license and franchise fees, especially from public utilities operating within the City. Decreases in consolidated tax are based on a statutory allocation formula based on growth factors so this revenue source will likely increase in future years as growth continues. If the City assumes responsibility for some services currently provided by Lyon County (such as law enforcement), the City would request reallocation of the Consolidated Tax revenue or other revenues to fund the programs. There is no guarantee that any re-allocation would occur. Revenues from business licenses and franchise fees will also likely increase in future years as growth continues and the City may increase these rates, especially for public utilities, in future years to provide additional revenues.

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Program Descriptions

The City of Fernley uses cost centers (departments) to account for the costs of each program in the General Fund. This allows the City to determine the direct cost to provide a particular service or program. Indirect costs, such as administration, finance, insurance, facilities and general government, are allocated at the fund level rather than the program level.

The General Fund contains the following cost centers:

Category	Cost Center	Number
General Government	Administration	411
General Government	Mayor and City Council	412
General Government	Office of the City Manager	413
General Government	Office of the City Attorney	414
General Government	Office of the City Treasurer/Finance	415
General Government	Office of the City Clerk	416
General Government	Facilities and General Expenditures	417
General Government	Information Technology	418
Judicial	Municipal Court	425
Public Works	Public Works (Streets and Storm Drains)	475
Culture and Recreation	Parks	575
Health	Animal Services	525
Health	Vector Control	528
Community Support	Community Dev. (Building & Planning)	600
Community Support	Building Department	605
Community Support	Planning Department	610
Debt Service	Debt Service	625
Other Uses	Contingency	900

The North Lyon County Fire Protection District, a separate legal and accounting entity, provides fire services within the boundaries of the City of Fernley. The Fernley Swimming Pool District, a separate legal and accounting entity, owns and operates the Fernley Swimming Pool. Lyon County provides certain services within the boundaries of the City of Fernley, such as law enforcement, library, senior center, juvenile probation, district court, justice court, welfare (indigent) programs, and operation of a regional youth facility.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Administration

Description:

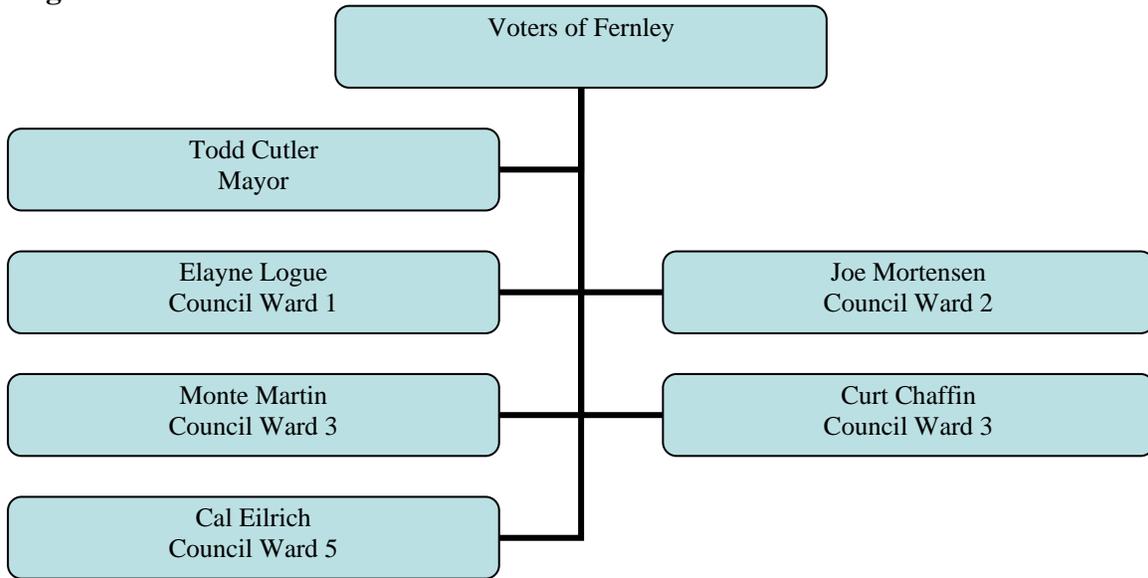
The Administration cost center was eliminated in the FY2007/2008 budget and the costs previously accounted for in this cost center were allocated to other cost centers. The Administration cost center previously included cost for the activities of the Mayor, City Council, City Manager, City Attorney, City Clerk, maintenance of City Hall, general liability insurance, community support, and other general expenses.

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-411-100	Salaries and Wages	231,650	276,655		
100-411-130	Overtime	980	9,777		
100-411-140	Annual Leave Pay	2,490	3,537		
100-411-150	Sick Leave Pay	2,354	2,476		
100-411-160	Holiday Pay	3,067	4,515		
	Subtotal Salaries & Wages	240,541	296,960		0
100-411-200	FICA	987	1,358		
100-411-210	Medicare	3,377	4,160		
100-411-220	Unemployment	966	1,968		
100-411-230	Retirement (PERS)	42,416	50,933		
100-411-240	Group Insurance	32,500	44,941		
100-411-250	Workers Compensation Insurance	5,112	8,711		
100-411-260	Other Benefits	787	858		
	Subtotal Employee Benefits	86,145	112,929		0
	Total Salaries & Benefits	326,686	409,889		0
100-411-300	Professional Services-City Attorney	50,582	55,455		
100-411-310	Professional Services-Legal	13,360	63,426		
100-411-321	Professional Services-GIS		2,938		
100-411-322	Professional Services-Other	20,265	29,304		
100-411-342	Tech Services-Other	922	2,486		
100-411-344	Tech Services-Elections	1,775	0		
100-411-348	Commission on Ethics Assessment	2,326	2,277		
100-411-410	Utility Service-Water & Sewer	1,153	1,971		
100-411-412	Utility Service-Refuse	1,420	1,466		
100-411-430	Service-Building Maintenance	3,005	1,505		
100-411-441	Rental	1,745	3,518		
100-411-520	Insurance	46,310	59,252		
100-411-530	Communications	6,384	8,343		
100-411-540	Advertising	2,055	11,150		
100-411-550	Printing and Postage	4,554	15,243		
100-411-580	Travel & Training	13,937	22,754		
100-411-581	Dues & Subscriptions-NLCM	13,811	8,482		
100-411-585	Educational Assistance Program	0	66		
100-411-600	General Supplies	8,461	58,057		
100-411-604	General Supplies-Passports		1,250		
100-411-605	Minor Equipment	3,560	11,275		
100-411-612	Bldg Maint-Supplies	1,347	31		
100-411-621	Natural Gas	3,257	3,971		
100-411-622	Electricity	19,147	28,316		
100-411-640	Books and Periodicals	0	1,195		
100-411-650	Community Support	28,870	52,185		
	Total Service & Supplies	248,246	445,916		0
	Total Operating Expenses	574,932	855,805		0
	Total Capital	0	0		0
	Total Operating and Capital	574,932	855,805		0

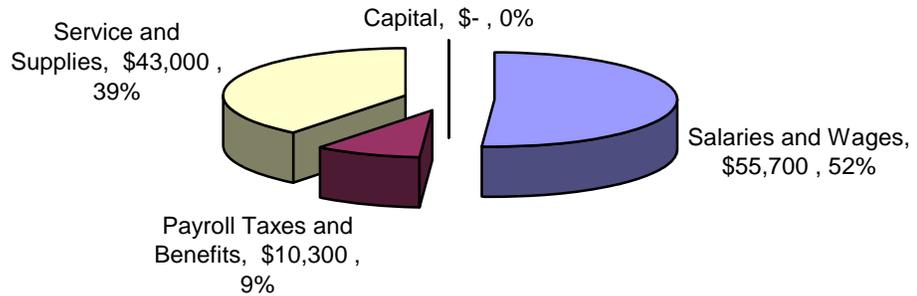
City of Fernley Annual Budget For Fiscal Year 2008-2009

Mayor and City Council

Organizational Chart:



Mayor/City Council FY2008/2009 Expenditures



Description:

The City of Fernley operates under a Council/Manager form of government, which combines the strong political leadership of the elected Mayor and City Council with the strong professional experience of an appointed manager. The general powers of the City Council are described in NRS 266.390 and NRS 266.260 through 266.368. The primary duties of the City Council are to:

1. Acquire, improve, equip, operate and maintain public works
2. Control and maintain buildings and real property for City use
3. Regulate traffic and parking
4. Provide utilities

City of Fernley Annual Budget For Fiscal Year 2008-2009

5. Grant franchises
6. Create and enforce ordinances
7. Control animals and collect associated fees
8. Provide for safeguarding of public health within the City
9. Provide for the abatement, prevention and removal of nuisances
10. License and regulate professions, trades, and businesses
11. Create any office that may be deemed necessary for the good government of the city
12. Provide for filling all vacancies in elective and appointive offices
13. Regulate and prescribe the powers, duties and compensation of all officers of the city, except as otherwise provided by law
14. Require all officers or employees of the city responsible for the handling of city funds to give bond and security for the faithful performance of their duties
15. Require from every officer of the city at any time a report in detail of all transactions in his office, or any matters connected therewith

The mayor is considered the Chief Executive Officer of the City (NRS 266.165) and is responsible for the general affairs of the City through performing the following general duties:

1. Give the City Council information relative to the state of the City
2. Recommend to the City Council measures that may be beneficial to the City
3. See that general laws and ordinances of the City are observed and enforced
4. Take proper measures to preserve the public peace
5. Oversee contract administration
6. Perform other duties prescribed by ordinance
7. Preside over the City Council when in session
8. Vote in the case of a tie of the City Council
9. Veto
10. Sign resolutions, ordinances, licenses, warrants, and claims against the City

Goals and Objectives:

Mayor/City Council Goal: To effectively and efficiently govern the City of Fernley.

Objective #1: To consider and act upon Council agenda items at regular meetings and request of staff any adjustments in regulations or policies to address issues confronting the City.

Mayor/City Council Goal: To effectively and efficiently prioritize projects and to allocate resources accordingly.

Objective #1: To annually review goals, objectives, and projects and provide appropriate feedback to staff during the budget process.

Mayor/City Council Goal: To provide vision and leadership.

Objective #1: To annually, and as needed, review goals, objectives, and priorities and provide for appropriate feedback to staff.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Mayor/City Council Goal: To develop policies and procedures to efficiently direct City operations and maximize the creativity and performance of City employees.

Objective #1: To annually, and as needed, review with the City Manager desired changes in the organization.

Mayor/City Council Goal: To develop effective intergovernmental relations to improve services to the public.

Objective #1: To meet with Lyon County regarding continued law enforcement, road tax, and animal control issues.

Objective #2: To attend various meetings of the Nevada League of Cities, POOL/PACT, and legislative meetings to keep abreast of current trends and issues.

City of Fernley Annual Budget For Fiscal Year 2008-2009

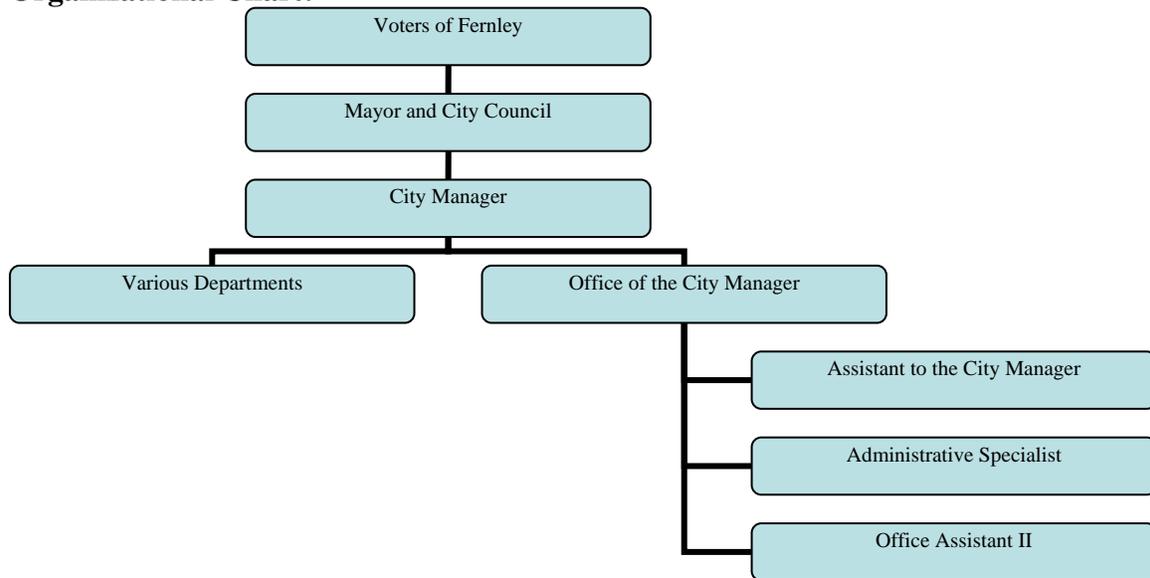
Line Item Budget Mayor/City Council:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-412-100	Salaries and Wages			54,100	55,700
	Subtotal Salaries & Wages	0	0	54,100	55,700
100-412-200	FICA			1,900	1,900
100-412-210	Medicare			800	900
100-412-220	Unemployment			600	600
100-412-230	Retirement (PERS)			5,100	5,200
100-412-250	Workers Compensation Insurance			1,700	1,700
	Subtotal Employee Benefits	0	0	10,100	10,300
	Total Salaries & Benefits	0	0	64,200	66,000
100-412-322	Professional Services-Other			3,000	3,000
100-412-342	Tech Services-Other			1,000	1,000
100-412-530	Communications			2,000	2,000
100-412-540	Advertising			2,000	2,000
100-412-550	Printing and Postage			2,500	2,500
100-412-580	Travel & Training			15,000	10,000
100-412-581	Dues & Subscriptions			500	500
100-412-600	General Supplies			15,000	10,000
100-412-602	Supplies - Events			5,000	5,000
100-412-603	Youth City Council			6,500	5,000
100-412-605	Minor Equipment			12,000	2,000
100-412-650	Community Support			600	0
	Total Service & Supplies	0	0	65,100	43,000
	Total Operating Expenses	0	0	129,300	109,000
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	129,300	109,000

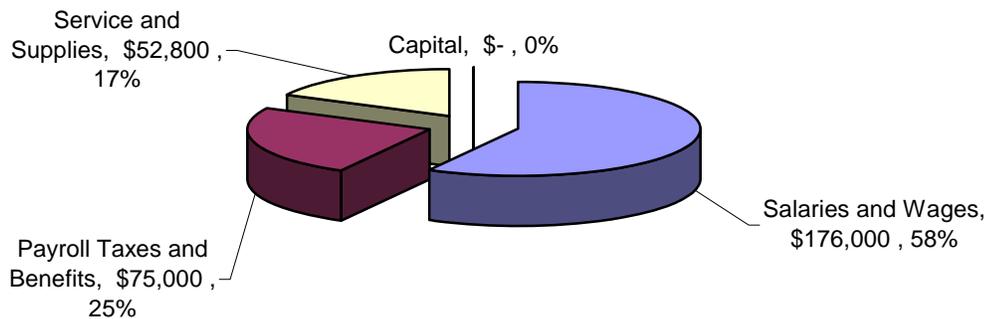
City of Fernley Annual Budget For Fiscal Year 2008-2009

Office of the City Manager

Organizational Chart:



Office of City Manager FY2008/2009 Expenditures



Description:

The City Manager is the Chief Administrative Officer of the City. The duties of the City Manager are contained in Fernley City Ordinance 2001-0001. The primary duties of the City Manager include:

1. Direct and supervise the administration of all departments, offices, and agencies of the City
2. Administer the affairs of the City
3. Assist the Mayor in accomplishing the Mayor's statutory duties
4. Appoint and remove non-elected officers and employees
5. Prepare the City's budget annually
6. Keep the Council advised on financial matters and make recommendations
7. Recommend a schedule of pay for each office and position in the City

City of Fernley Annual Budget For Fiscal Year 2008-2009

8. Recommend adoption of policies and procedures
9. Maintain the structure of the organization, subject to City Council approval
10. Attend meetings of the City Council
11. Supervise purchase of items, let contracts under \$10,000, bid items over \$10,000
12. Investigate the affairs of the City or any department
13. Perform other duties as may be required by the Council

Legal Requirements:

The City operates under a Council/Manager form of government. Ordinance 2001-001 created the Office of the City Manager.

Significant Expenditures and Staffing Changes:

One new position was added to perform human resource, emergency management, risk management, and other duties.

Staffing Levels and Cost Allocation:

Portions of the cost of the department are allocated to this cost center in the General Fund as well as to enterprise funds. See Appendices A through C of this report for a full analysis of the cost allocations.

Goals and Objectives:

City Manager Goal: To effectively manage and administer the day-to-day operations of the City according to the policy and direction of the Mayor and City Council within the limitations of appropriated resources.

Objective #1: To effectively delegate appropriate responsibility and authority to qualified department heads according to the direction of the Mayor and City Council.

Objective #2: To keep the Mayor and City Council members informed regarding day-to-day operations and issues.

City Manager Goal: To efficiently plan and complete quality capital projects, within available resources and as directed by the Mayor and City Council.

Objective #1: To provide input into the prioritization process for the Capital Improvement Program.

Objective #2: To effectively select quality consultants to provide specialized services toward completion of projects within available resources.

City Manager Goal: To provide advice to the Mayor and City Council.

Objective #1: To keep current on trends and issues at both the state and federal level.

Objective #2: To coordinate efforts for intergovernmental relations.

City of Fernley Annual Budget For Fiscal Year 2008-2009

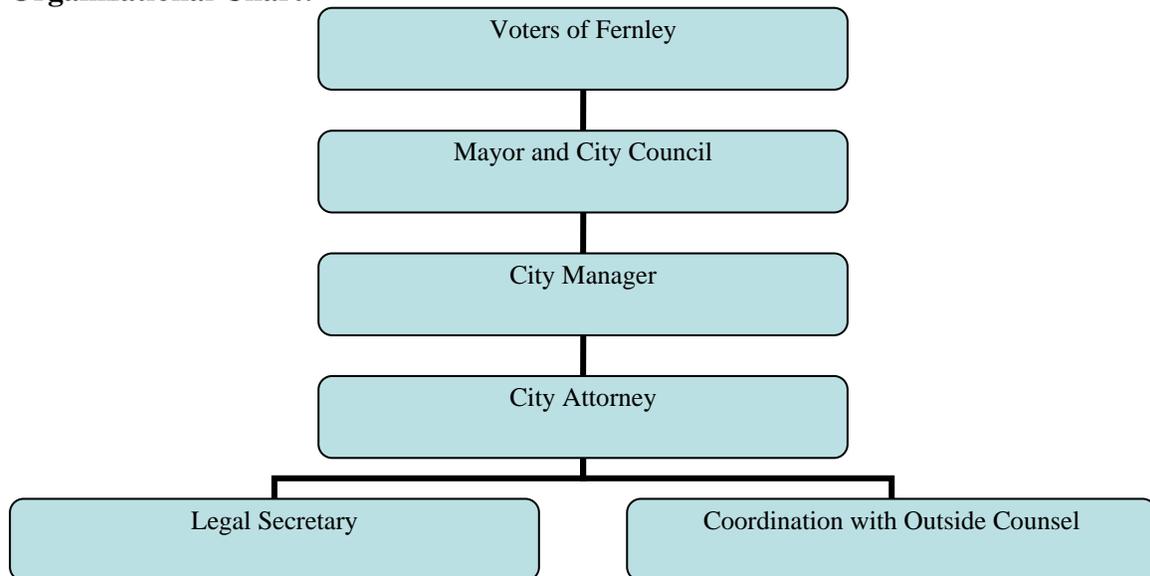
Line Item Budget - Office of the City Manager:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-413-100	Salaries and Wages			144,000	145,400
100-413-130	Overtime			9,000	1,500
100-413-140	Annual Leave Pay			5,000	10,900
100-413-150	Sick Leave Pay			1,000	10,100
100-413-160	Holiday Pay			6,000	8,100
	Subtotal Salaries & Wages	0	0	165,000	176,000
100-413-200	FICA				0
100-413-210	Medicare			2,500	2,600
100-413-220	Unemployment			800	1,800
100-413-230	Retirement (PERS)			32,600	35,800
100-413-240	Group Insurance			19,200	29,500
100-413-250	Workers Compensation Insurance			4,000	5,300
	Subtotal Employee Benefits	0	0	59,100	75,000
	Total Salaries & Benefits	0	0	224,100	251,000
100-413-310	Professional Services-Legal			10,000	10,000
100-413-322	Professional Services-Other			15,000	10,000
100-413-342	Tech Services-Other			1,500	1,500
100-413-441	Rental			300	0
100-413-530	Communications			3,150	3,000
100-413-540	Advertising			2,000	2,000
100-413-550	Printing and Postage			11,500	11,500
100-413-580	Travel & Training			10,000	5,000
100-413-581	Dues & Subscriptions			300	300
100-413-585	Educational Assistance Program			2,000	500
100-413-600	General Supplies			10,000	7,500
100-413-605	Minor Equipment			1,300	1,000
100-413-640	Books and Periodicals			1,500	500
100-413-650	Community Support			4,000	
	Total Service & Supplies	0	0	72,550	52,800
	Total Operating Expenses	0	0	296,650	303,800
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	296,650	303,800

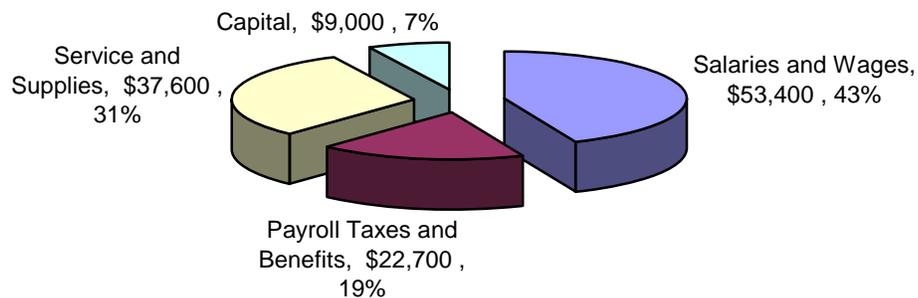
City of Fernley Annual Budget For Fiscal Year 2008-2009

Office of the City Attorney

Organizational Chart:



Office of City Attorney FY2008/2009 Expenditures



Description:

The City Attorney's Office provides legal advice to City Council, Mayor, City Manager, and department heads. The duties of the City Attorney require the exercise of extensive independent judgment as the ultimate legal authority for the City including the following:

1. Renders verbal and written opinions to the City Council, Mayor, City Manager, department heads, and other City officials.
2. Attends City Council meetings and conferences for the purpose of learning policies underlying official action, and gives advice on legal questions involved, including advice as to alternative legal and administrative approaches to the solution of major City problems.
3. Plans and supervises the work of professional staff.
4. Supervises the preparation and trial of important cases.

City of Fernley Annual Budget For Fiscal Year 2008-2009

5. Represents the City in all courts.
6. Reviews information to keep informed of proposed state and federal legislation affecting the City.
7. Prepares, reviews, and approves proposed ordinances for final consideration by the City Council.
8. Demonstrates continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service.
9. Research, draft, review and negotiate contracts and agreements including, but not limited to, interlocal agreements, land transactions, employment, planning, sewer, business licenses, grant proposals and redevelopment.
10. Draft, review, evaluate, revise and recommend City ordinances, policies and procedures; explain and promote City policies and issues to employees, elected officials and the general public.
11. Perform legal research and provide legal opinions to educate all departments, board, commissions, agencies and established committees.
12. Review, evaluate, negotiate and consult on all claims, court complaints, cross claims and third party accusations filed against the City.
13. Prepare, file, research and represent the City in all administrative agency, State and Federal appellate actions.
14. Review, analyze, answer, oppose, initiate, research and file all pleadings in court actions; perform discovery including interrogatories, depositions, investigations, evidence preparation and preparation of reports.
15. Serve as City's counsel in all court appearances, mediation, arbitration, negotiation and conferences with opposing counsel; prepare legal strategy for trial, discovery, negotiations, resolutions, mediation, arbitration and court appearances.
16. Select, train, motivate and evaluate legal personnel; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline and termination procedures.
17. Plan, direct, coordinate and review the work plan for the assigned division; meet with staff to identify and resolve problems; assign work activities, projects and programs; monitor work flow; review and evaluate work products, methods and procedures.
18. Participate in the development and administration of the division budget; direct the forecast of additional funds needed for staffing, equipment, materials and supplies; direct the monitoring of and approve expenditures; direct and implement adjustments as necessary.
19. Serve as liaison for the assigned division with other City departments, divisions and outside agencies; negotiate and resolve significant and controversial issues.
20. Provide responsible staff assistance to the City; prepare and present staff reports and other necessary correspondence.

Legal Requirements:

Pursuant to NRS 266.470, City Ordinance 2001-003, and the City Council approved job description, the City Attorney is the legal adviser of the City

City of Fernley Annual Budget For Fiscal Year 2008-2009

Council, Mayor, City Manager, and department heads in all matters respecting the affairs of the city and shall perform such duties as may be required of him by the City Council or prescribed by ordinance.

Significant Expenditures and Staffing Changes:

The City Attorney's Office is requesting the purchase of an office copier to meet the current and future demands of court and litigation.

Staffing Levels and Cost Allocation:

The costs of the office of the City Attorney are allocated to various cost centers as follows: 40% to prosecution services, 40% to general civil services, and 20% to legal matters relating to enterprise funds.

Goals and Objectives:

Goal #1: Act as General Counsel for the Mayor and City Council, City Manager and Department Heads to ensure that City operations comply with all federal, state and local laws.

Objective #1: Provide legal representation through legal advice by providing responses which are timely, clear, supported by law, and answers the question(s) asked.

Performance Measures

- a. Respond to requests for service for general legal analysis, advice, opinions and answers related to legal issues within 10 business days of receipt 90% of the time.
- b. Review submitted standard contracts within 5 business days 90% of the time and submitted non-standard contracts within 15 business days 90% of the time.
- c. Review other submitted non-standard legal documents to which the City is a party within 15 business days 90% of the time.

Objective #2: Provide legal assistance and guidance at Council, board, and staff meetings.

Performance Measures

- a. Attend City Council Meetings 100% of the time.
- b. Attend appointed boards 90% of the time.
- c. Attend other boards as requested 100% of the time.
- d. Maintain a satisfactory level of quality performance by requesting a client satisfaction survey bi-annually from the City Council, Mayor, and all appointed boards, rating the services received from the City Attorney's Office on the issues of timeliness, cooperation, courtesy, availability, understanding clients needs, quality of service and overall satisfaction.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Objective #3: Provide legal services regarding ordinances, resolutions and other council actions.

Performance Measures

- a. Respond to city council requests for ordinances and resolutions as requested within 8 business days of request 95% of the time.
- b. Provide legal review of agenda items submitted to the City Attorney's Office within 5 business days 90% of the time.

Objective #4: Defend and prosecute civil lawsuits involving the city.

Performance Measures

- a. Upon receipt of a complaint or other legal pleading, requiring outside counsel, notify the necessary parties including the City Manager, Mayor and insurance representative within 2 business days 95% of the time.
- b. Review all pleadings filed by outside counsel within 2 business days of receipt.
- c. Communicate with contracted outside legal counsel once a month, at a minimum, 95% of the time where cases are active.
- d. Provide legal briefings, at the minimum, once every two months.

Objective #5: Establish a City of Fernley Code.

Performance Measure

- a. Prepare and submit an Ordinance to the City Council establishing and codifying the City of Fernley Code.

Objective #6: Promote continuing education to ensure competent representation.

Performance Measure

- a. Fulfill requirements for State Bar of Nevada Continuing Education Requirements.
- b. Review case summaries received by from the US Supreme Court, 9th Circuit Court of Appeals, and Nevada Supreme Court within 5 business days of receipt 90% of the time.

Goal #2: Prosecute all criminal cases in such a manner that justice may be served.

Objective #1: Zealously represent the interest of the City in all criminal matters.

Performance Measures

- a. Attend scheduled Court 100% of the time.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Objective #2: Critically review and analyze all criminal cases to determine that there is a reasonable likelihood of successful prosecution.

Performance Measure

a. Review and make charging decisions within 15 business days upon receipt of report submitted 90% of the time.

City of Fernley Annual Budget For Fiscal Year 2008-2009

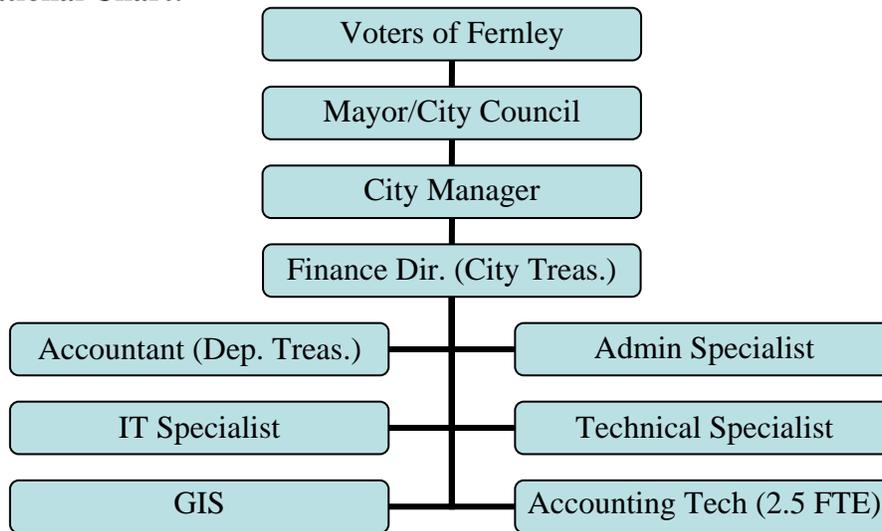
Line Item Budget – City Attorney Cost Center:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-414-100	Salaries and Wages			43,100	44,000
100-414-130	Overtime			1,000	500
100-414-140	Annual Leave Pay			1,800	3,300
100-414-150	Sick Leave Pay			1,500	3,100
100-414-160	Holiday Pay			1,400	2,500
	Other Benefits	0	0	860	0
	Subtotal Salaries & Wages	0	0	49,660	53,400
100-414-210	Medicare			800	800
100-414-220	Unemployment			600	600
100-414-230	Retirement (PERS)			8,600	10,900
100-414-240	Group Insurance			3,300	8,800
100-414-250	Workers Compensation Insurance			1,600	1,600
	Subtotal Employee Benefits	0	0	14,900	22,700
	Total Salaries & Benefits	0	0	64,560	76,100
100-414-300	Professional Services-City Attorney			18,750	
100-414-310	Professional Services-Legal			3,000	3,000
100-414-322	Professional Services-Other			3,000	3,100
100-414-342	Tech Services-Other			1,100	1,150
100-414-530	Communications			2,150	2,250
100-414-550	Printing and Postage			1,500	3,100
100-414-580	Travel & Training			6,500	9,000
100-414-581	Dues & Subscriptions			1,000	1,500
100-414-600	General Supplies			10,000	10,000
100-414-605	Minor Equipment			5,000	1,500
100-414-640	Books and Periodicals			7,500	3,000
	Total Service & Supplies	0	0	59,500	37,600
	Total Operating Expenses	0	0	124,060	113,700
100-414-741	Machinery				9,000
	Total Capital	0	0	0	9,000
	Total Operating and Capital	0	0	124,060	122,700

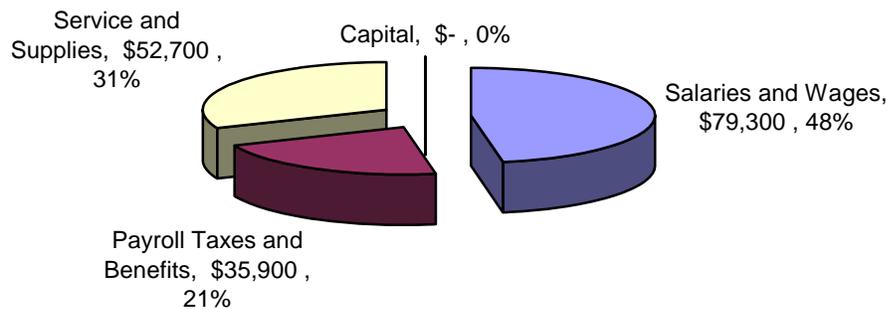
City of Fernley Annual Budget For Fiscal Year 2008-2009

Office of the City Treasurer/Finance Department

Organizational Chart:



Finance FY2008/2009 Expenditures



Description:

The Finance Department provides financial management, internal control, and guidance to the City Manager, Mayor, and City Council. The Finance Department is responsible for utility billing, payroll, accounts payable, purchasing, fund accounting (general ledger), employee benefit administration, capital asset accounting, investment of central treasury, internal financial reporting, information technology, certain aspects of risk management and human resource management, internal audit, coordination of the annual examination of the financial statements by independent accountants, compliance with accounting standards, and special projects as assigned by the City Manager. Because the Finance Department performs services for enterprise funds, the costs of the department are allocated between this cost center in the General Fund and the enterprise funds.

The priorities of the Finance Department for the upcoming year are:

City of Fernley Annual Budget For Fiscal Year 2008-2009

1. Streamline the steps needed for compliance with new auditing standards that require more formal internal controls.
2. Streamline processes in human resource management and payroll and assist in developing a separate human resource function in the City Manager's office..
3. Coordinate water and sewer rate analysis.
4. Provide quality internal and external customer service through appropriate training and policy/procedure development.
5. Submit the completed budget for consideration under the Government Finance Officers Association Distinguished Budget Presentation Awards Program and plan for future submission of a Comprehensive Annual Financial Report and other "popular" reporting programs.
6. Provide quality financial information and support to the City Manager, Mayor, City Council, other City departments for continued improvement of the public perception of the City government.
7. Begin research and planning for future implementation of a more formal performance measurement program.

Legal Requirements:

The Office of the City Treasurer was established under City of Fernley Ordinance #2001-0005. Appointment of a City Treasurer is required pursuant to NRS 266.405. The City Treasurer reports to and is under the supervision of the City Manager. The statutory duties and responsibilities of the City Treasurer are described in NRS 266.500 through 266.525. The City Council may prescribe the specific duties and responsibilities of the City Treasurer through ordinances. The job description for the City Treasurer (Administrative Services Director), duly adopted by the City Council, indicates that the City Treasurer serves as the chief financial officer and budget officer for the City, oversees payroll and data processing functions of the City, manages the operation of the Administrative Services Department, and provides related assistance to the City Manager.

Significant Expenditures and Staffing Changes:

One FTE was added to the department in FY09 related to information technology. See the information technology section for a description of this position.

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Staffing Levels and Cost Allocation:

The staff levels and cost allocations for the department are shown in Appendix C of this report. A total of 1.405 FTE are allocated to this cost center.

Goals and Objectives:

Goal: To efficiently provide timely internal financial services in a cost effective manner within resource constraints.

Objective #1: To effectively implement and use applicable technology to maximize productivity.

Task #1: To maintain integrated financial software.

Task #2: To expand and upgrade computer hardware and networks, as needed, to implement further integrated financial software.

Task #3: To develop the knowledge, skills, and abilities of Department personnel, as needed, to effectively and efficiently use software to increase productivity.

Task #4: To delegate responsibilities to the Assistant City Treasurer to assure that monthly tasks are completed.

Objective #2: To develop and implement internal policies and procedures for efficient processing of financial data.

Task #1: To design and implement new procedures for purchasing and cash disbursements to improve internal controls and accountability.

Task #2: To train staff on policies and procedures.

Task #3: To delegate responsibilities to the Assistant City Treasurer to monitor programs.

Objective #3: To improve administration of payroll and benefits.

Task #1: To develop an Employee Benefits Orientation program and coordinate with the City Manager's Office on Human Resource issues.

Task #2: To develop and implement procedures for maintenance of personnel records, including computerized information.

Objective #4: To implement procedures for monthly general ledger "closing" and issuance of internal financial statement.

Task #1: To develop checklists and assign personnel to monthly reconciliation of certain general ledger accounts to subsidiary ledgers.

Task #2: To develop a review procedure for the City Treasurer or Assistant City Treasurer to sign off on the monthly processes.

Task #3: To develop an internal audit function to periodically review actual practices against internal control procedures.

Goal: To efficiently coordinate the annual examination of the financial statements by independent accounts.

Objective #1: To provide information needed for audit of financial statements under GASB #34 and other pronouncements.

Task #1: Develop record-keeping systems to gather the information necessary to implement the new accounting standards.

Task #2: Keep current on standards.

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Task #3: Prepare checklist and take decisions regarding implementation of accounting standards to the person or body with proper authority to make the decision.

Objective #1: To prepare workpapers and other information needed to streamline the audit process.

Task #1: Coordinate with independent accountants in planning of the audit.

Task #2: Prepare certain workpapers.

Task #3: Train personnel in the practices to facilitate the audit at year-end.

Goal: To streamline the budget process and create a user friendly budget document.

Objective #1: To obtain information from department heads, City Council, and other parties to ascertain citywide visions and goals.

Task #1: Develop budget instructions and forms.

Task #2: Assist departments in format of budget submissions.

Task #3: Coordinate with City Manager on budget workshops to obtain the vision and direction of the City Council and incorporate in final budget documents.

Objective #1: To prepare the budget document according to the format recommended by GFOA.

Task #1: Research GFOA criteria.

Task #2: Organize the budget document according to the criteria.

Task #3: Complete the outlined document using information gathered.

Goal: To participate in organizations and attend conferences to improve the leadership and technical capacity of the Administrative Services Department, including staff.

Objective #1: To attend conferences to keep current.

Objective #2: To develop targeted training for staff to improve productivity through development of skill levels.

City of Fernley Annual Budget For Fiscal Year 2008-2009

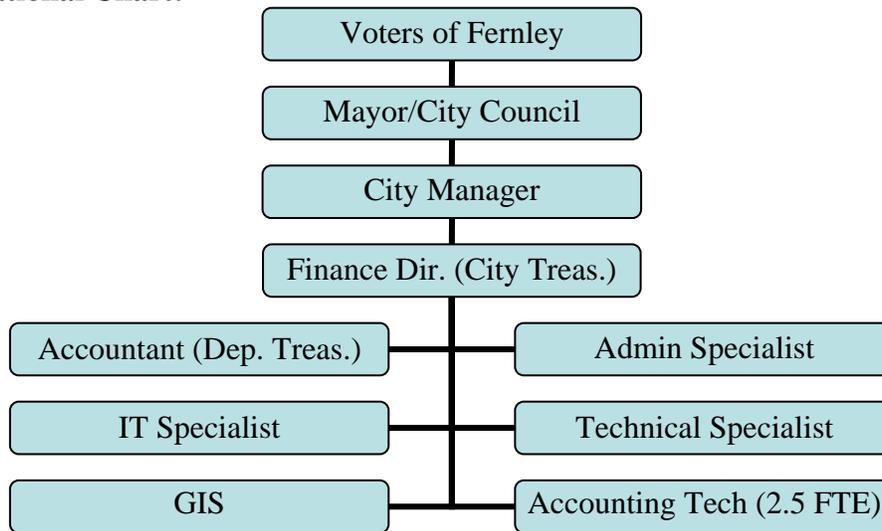
Line Item Budget Office of the City Treasurer/Finance Cost Center:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-415-100	Salaries and Wages	62,240	73,187	89,700	64,800
100-415-130	Overtime	1,727	720	2,500	1,500
100-415-140	Annual Leave Pay	3,310	3,084	6,800	4,900
100-415-150	Sick Leave Pay	3,366	1,809	5,300	4,500
100-415-160	Holiday Pay	1,669	1,729	5,000	3,600
	Subtotal Salaries & Wages	72,312	80,529	109,300	79,300
100-415-200	FICA				0
100-415-210	Medicare	976	1,106	1,600	1,200
100-415-220	Unemployment	363	625	600	800
100-415-230	Retirement (PERS)	13,554	15,283	22,100	16,000
100-415-240	Group Insurance	13,712	15,787	15,200	15,500
100-415-250	Workers Compensation Insurance	1,553	2,514	3,300	2,400
100-415-260	Other Benefits	72	78	400	0
	Subtotal Employee Benefits	30,230	35,393	43,200	35,900
	Total Salaries & Benefits	102,542	115,922	152,500	115,200
100-415-322	Professional Services-Other	9,703	7,766	10,000	4,000
100-415-328	Professional Services-Auditing	12,667	14,864	20,000	20,000
100-415-342	Tech. Services-Other	2,494	4,053	4,000	4,000
100-415-530	Communications	1,376	1,148	2,200	2,200
100-415-540	Advertising	904	2,667	1,000	3,000
100-415-550	Printing and Postage	1,265	1,649	2,000	2,000
100-415-580	Travel & Training	4,425	9,121	7,500	5,000
100-415-581	Dues & Memberships	989	647	1,000	1,000
100-415-585	Educational Assistance Program	0	0		1,000
100-415-600	General Supplies	5,212	6,035	5,000	5,000
100-415-605	Minor Equipment	846	5,500	5,000	5,000
100-415-640	Books & Periodicals	0	118	500	500
	Total Service & Supplies	39,881	53,568	58,200	52,700
	Total Operating Expenses	142,423	169,490	210,700	167,900
	Total Capital	0	0	0	0
	Total Operating and Capital	142,423	169,490	210,700	167,900

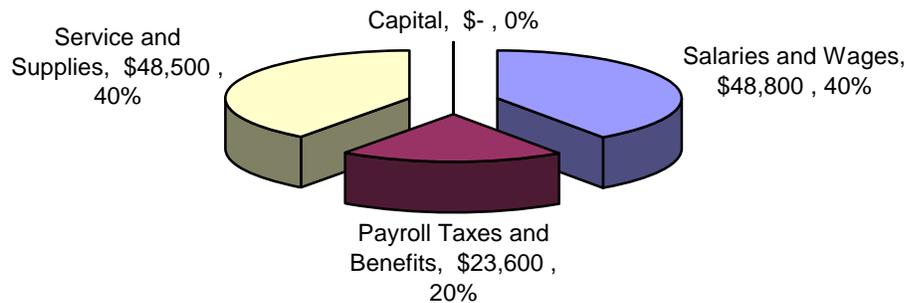
City of Fernley Annual Budget For Fiscal Year 2008-2009

Information Technology

Organizational Chart:



Information Technology FY2007/2008 Expenditures



Description:

The Finance Department provides supervision for the information technology of the City including network administration and geographic information systems applications. See the Finance Department section.

The priorities of the Information Technology function for the upcoming year are:

1. Create a technology “roadmap” encompassing all key projects to occur over the next several years through collaboration with outside consultants and all departments within the City.
2. Implement the most critical projects with a vision to the overall plan.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Legal Requirements:

The job description for the City Treasurer (Finance Director), duly adopted by the City Council, indicates that the City Treasurer oversees payroll and data processing functions of the City.

Significant Expenditures and Staffing Changes:

A new position of Geographic Information Systems Technician was added in FY09.

Staffing Levels and Cost Allocation:

The staff levels and cost allocations for the department are shown in Appendix C of this report. A total of 1 FTE is allocated to providing this function.

Goals and Objectives:

Goal: To effectively manage planning and implementation of appropriate technology.

Objective #1: To develop a Business Technology Plan for the City network addressing the following:

- Current and future business requirements of the City which can be resolved using technology
- A high-level overview of the technologies and projects required to meet those business requirements
- A description of how the technology can be applied in the City network
- A budget estimate to implement each technology project
- A tentative timeline in which these technology projects can be implemented.

Objective #2: To develop and implement internal policies and procedures for efficient use of the City's network and protection of the City's network.

Objective #3: To properly define and program effective and efficient use of GIS technology.

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

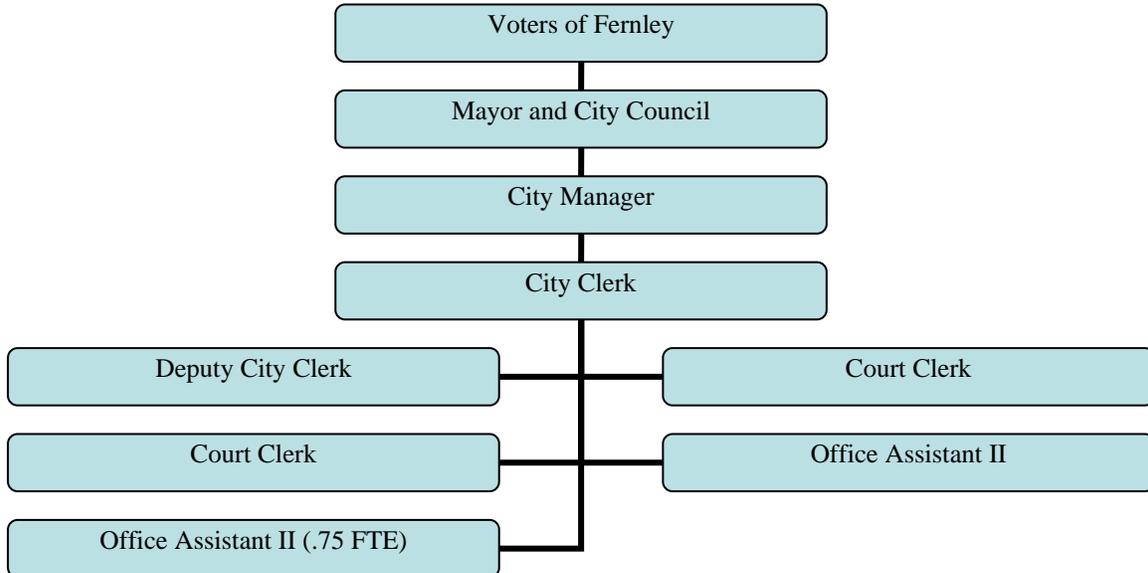
Line Item Budget Information Technology Cost Center:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-418-100	Salaries and Wages				40,100
100-418-130	Overtime				500
100-418-140	Annual Leave Pay				3,100
100-418-150	Sick Leave Pay				2,800
100-418-160	Holiday Pay				2,300
	Contract Salaries				0
	Subtotal Salaries & Wages	0	0	0	48,800
100-418-200	FICA				0
100-418-210	Medicare				700
100-418-220	Unemployment				500
100-418-230	Retirement (PERS)				9,900
100-418-240	Group Insurance				11,000
100-418-250	Workers Compensation Insurance				1,500
100-418-260	Other Benefits				0
	Subtotal Employee Benefits	0	0	0	23,600
	Total Salaries & Benefits	0	0	0	72,400
100-418-321	Professional Services-GIS				25,000
100-418-342	Tech Services-Other				10,000
100-418-580	Travel & Training				3,000
100-418-600	General Supplies				5,000
100-418-605	Minor Equipment				5,000
100-418-640	Books and Periodicals				500
	Total Service & Supplies	0	0	0	48,500
	Total Operating Expenses	0	0	0	120,900
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	0	120,900

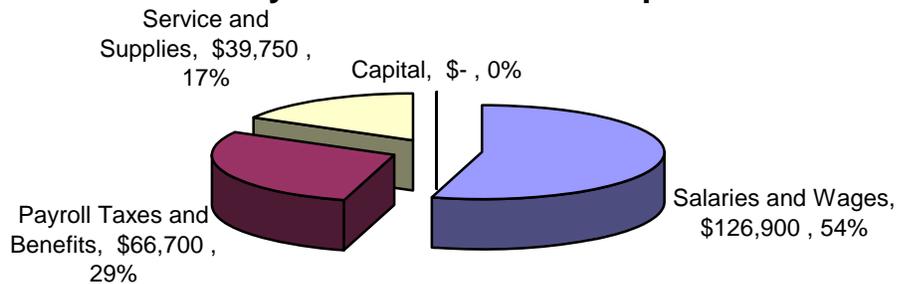
City of Fernley Annual Budget For Fiscal Year 2008-2009

Office of the City Clerk

Organizational Chart:



Office of City Clerk FY2008/2009 Expenditures



Description:

The primary responsibilities of the City Clerk are to administer and safeguard the integrity of the municipal governing process including the administration of an open and fair election process. Pursuant to NRS 266.480, the city clerk shall (1) keep their office at the place of meeting of the city council, or some other place convenient thereto, as the council may direct, (2) keep the corporate seal and all papers and records of the city, (3) keep a record of the proceedings of the city council, whose meetings they shall attend, (4) countersign all contracts made in behalf of the city, and every such contract or contracts to which the city is a party shall be void unless signed by the city clerk, and (5) cause to be published quarterly in some newspaper published in the city a statement of the finances of the city, showing receipts and disbursements, and bills allowed and paid with

City of Fernley Annual Budget For Fiscal Year 2008-2009

the signature of the mayor attested by the city clerk. The City Clerk is also responsible for overseeing city elections pursuant to NRS 293C to NRS 306. Additional responsibilities include processing City Council agendas and minutes, develop and maintain a citywide record management program, processing passport applications, distributing mail, preparing the Clerk's budget, processing the Franchise Business License fees, and administering the Business and Liquor license programs. The City Clerk is also responsible for the timely and accurate accumulation, organization, dissemination, and archival of information from City Council, staff, and citizens for decision-making consistent with public law and community values. In FY2007-2008, the administrative operations of the Municipal Court were transferred to the Office of the City Clerk.

Because the Office of the City Clerk performs services for enterprise funds and performs the administrative functions of the municipal court, the costs of the department are allocated between cost centers in the General Fund and the enterprise funds.

Legal Requirements:

The general duties of the Office of the City Clerk are described in NRS 266.480. The requirements related to elections are described in NRS 293C through NRS 306.

Significant Expenditures and Staffing Changes:

The Office of the City Clerk assumed responsibility for the administrative functions in the Fernley Municipal Court. Two staff members were transferred into the Office of the City Clerk from another department. In addition, one Office Assistant II position was increased from .50 FTE to 1.00 FTE and another Office Assistant II positions was increased from .50 FTE to .75 FTE.

Staffing Levels and Cost Allocation:

The cost allocations for all the positions are shown in Appendix C of this report. 3.10 FTE are allocated for these functions.

Goals and Objectives:

Goal: To conduct city business in compliance with NRS and the Open Meeting Law.

Objective #1: To process City Council agendas in a timely and effective manner.

Task #1: Gather agenda items from Mayor, Council, Staff, and the public.

Task #2: Post agendas 3 days prior to the day of the meeting, excluding weekends and holidays.

Task #3: Post on the City web site, mail, fax, or email a copy of the agenda to all persons requesting a copy and to anyone who has an item on the agenda.

Task #4: Ensure a recording of the meeting is available within 30 days of each meeting.

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Task #5: Enter agenda items into database for easy access. File agenda, agenda reports, and audiocassette tapes and electronic media in an easily retrievable fashion.

Task #6: Ensure accurate minutes are approved by the City Council as the official record of the meetings.

Task #7: Improve productivity through use of technology and training opportunities

Goal: To provide a basis to regulate entities which do business in Fernley, collect fees sufficient to cover the cost of any impact of such business upon Fernley, and collect additional revenue for the operations of Fernley Government.

Objective #1: To assist applicants in obtaining the proper business or liquor licenses, processing franchise fees, and to ensure compliance of all businesses with the City's business license ordinances, State and Federal regulations.

Task #1: Review application for applicable inspector's signatures, completion of all applicable forms, and payment of fees and penalties.

Task #2: Agendize each application for City Council approval.

Task #3: Complete background investigation for liquor license applicants.

Task #4: Mail the approved license to the applicant in a timely fashion.

Task #5: Notify all businesses of annual renewal requirements and/or payment delinquency.

Task #6: Provide information on businesses as requested by the public and other State and local agencies.

Task #7: Maintain database with business information including payment records.

Task #8: Provide funds to the Finance Department for deposit.

Task #9: Investigate reports of businesses being conducted without a valid business license.

Task #10: Enforce regulations and assist businesses, which are operating without a license or with a delinquent license, to become compliant.

Task #11: Review and revise City code regarding issuance of business licenses.

Task #12: Make recommendations to the City Council regarding modification of fees and/or fee structures

Task #13: Improve productivity through use of technology and training opportunities.

Goal: To conduct City elections pursuant to NRS 293C, including redistricting when necessary.

Objective #1: To proactively train and prepare for future elections, including coordinating with Lyon County Clerk/Treasurer to conduct municipal elections in even number years.

Task #1: Improve productivity through use of technology and training opportunities.

Task #2: Arrange for adequate funding needed to prepare plan and implement plan.

Task #3: Review and modify Ward boundaries, as necessary.

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Task #4: Pursuant to an inter-local agreement with Lyon County, combine resources and provide assistance with elections.

Task #5: Ensure candidates meet legal requirements for filing declaration of candidacy and assist them in mandatory filing requirements.

Task #6: Fulfill publication requirements for notice of city election in a timely fashion.

Task #7: Arrange for early voting, including extending the hours the Clerk's Office is open to the public.

Task #8: Obtain the necessary pollbooks and equipment from Lyon County

Task #9: Ensure compliance with accessibility to polling place for elderly and disabled voters.

Task #10: post copies of voting results in a timely fashion, including submitting information to the Secretary of State's election web site.

Task #11: Ensure canvas and abstract of votes is completed in a timely fashion.

Task #12: Ensure proper reports are submitted to the Commission on Ethics and Secretary of State in a timely manner

Goal: To process ordinances and resolutions

Objective #1: To process ordinances and resolutions in compliance with NRS 266.115.

Task #1: Place ordinances and resolutions on City Council agendas for approval.

Task #2: Publish notification of proposal and adoption of ordinances.

Task #3: Ensure that the ordinances are completed within the timeframe required by NRS 266.155.

Task #4: Ensure the Mayor and City Clerk sign the originals and distribute copies as necessary.

Task #5: Accept all ordinances and resolutions in electronic format for codification with City Code.

Task #6: Improve productivity through use of technology and training opportunities.

Goal: To process passport applications, including passport photo service if requested.

Objective #1: To process complete passport applications and/or photos in compliance with U. S. Department of State regulations.

Task #1: Provide appropriate application to applicant.

Task #2: Review application for correct information, verifying proof of citizenship and current photo identification.

Task #3: If requested, provide two 2" X 2" photographs.

Task #4: Process payments to City of Fernley and US Department of State.

Task #5: Complete transmittal form and send applications, photos, and payments to US Department of State.

Task #6: Improve productivity through use of technology and training opportunities

Goal: To countersign contracts, keep the corporate seal and records of the City.

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Objective #1: To establish and maintain a comprehensive electronic imaging, records and information management program.

Task #1: Pursuant to NRS 266.480(4), countersign all contracts made in behalf of the City.

Task #2: Establish document categories and classes, including documents deemed “sensitive”.

Task #3: Initiate a records retention program based on department policies and schedules.

Task #4: Establish electronic imaging and document tracking process.

Task #5: Establish migration process from active records to storage.

Task #6: Establish records destruction procedure.

Task #7: Establish training program.

Task #8: Establish monitoring to measure program compliance.

Task #9: Establish program enforcement.

Task #10: Implement plans.

Task #11: To improve productivity through use of technology and training opportunities.

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Line Item Budget – Office of the City Clerk:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-416-100	Salaries and Wages			98,400	103,600
100-416-130	Overtime			2,500	3,000
100-416-140	Annual Leave Pay			7,400	7,800
100-416-150	Sick Leave Pay			6,900	7,200
100-416-160	Holiday Pay			5,500	5,800
	Subtotal Salaries & Wages	0	0	120,700	127,400
100-416-210	Medicare			1,800	1,900
100-416-220	Unemployment			1,200	1,300
100-416-230	Retirement (PERS)			24,200	25,500
100-416-240	Group Insurance			20,000	34,100
100-416-250	Workers Compensation Insurance			3,600	3,900
100-416-260	Other Benefits			1,400	0
	Subtotal Employee Benefits	0	0	52,200	66,700
	Total Salaries & Benefits	0	0	172,900	194,100
100-416-321	Professional Services-GIS			1,500	1,500
100-416-322	Professional Services-Other			37,000	6,000
100-416-342	Tech Services-Other			1,500	500
100-416-344	Tech Services-Elections			10,000	10,000
100-416-441	Rental				1,000
100-416-530	Communications			1,750	1,750
100-416-540	Advertising			5,000	1,000
100-416-550	Printing and Postage			7,500	7,500
100-416-580	Travel & Training			5,000	4,500
100-416-581	Dues & Subscriptions			500	500
100-416-585	Educational Assistance Program				500
100-416-600	General Supplies			5,000	5,000
100-416-604	Supplies Passports			4,000	3,000
100-416-605	Minor Equipment			1,000	1,000
100-416-612	Building Maintenance Supplies			300	
100-416-640	Books and Periodicals			500	500
	Total Service & Supplies	0	0	80,550	44,250
	Total Operating Expenses	0	0	253,450	238,350
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	253,450	238,350

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Facilities and General Expenditures

Organizational Chart:

N/A

Description:

Certain general and administrative costs that are not readily allocable to certain cost centers were previously accounted for in the Administration cost center. In FY2007-2008, certain cost centers were split out of the Administration cost center. The remaining costs that were not readily allocable were moved to this cost center.

Legal Requirements:

There is no legal requirement to segregate the general and administrative costs.

Significant Expenditures and Staffing Changes:

The allocation of personnel to perform the function in City Hall is shown in Appendix C. A Total of 2.15 FTEs are allocated to these functions.

Staffing Levels and Cost Allocation:

The budget includes an allocation of personnel to facilities for cleaning, maintenance, supplies, and utilities for City Hall.

The detail for the community support line is:

Fernley 4 th of July Fireworks	13,500
Lyon Council on Alcohol and Drugs	10,000
Western Nevada Development District	3,000
Northern Nevada Development Authority	5,000
Retired Senior Volunteer Program (RSVP)	4,000
Lyon County Emergency Services-Communications	2,000
Public Safety Task Force-Neighborhood Watch	5,000
TOTAL	42,500

The money available for community support was cut from \$50,000 in FY08 to \$42,500 in FY09. In the prior fiscal year, \$10,000 was transferred from the grant fund to allow for a larger program for community support. The grant fund does not have available money for transfer in FY09.

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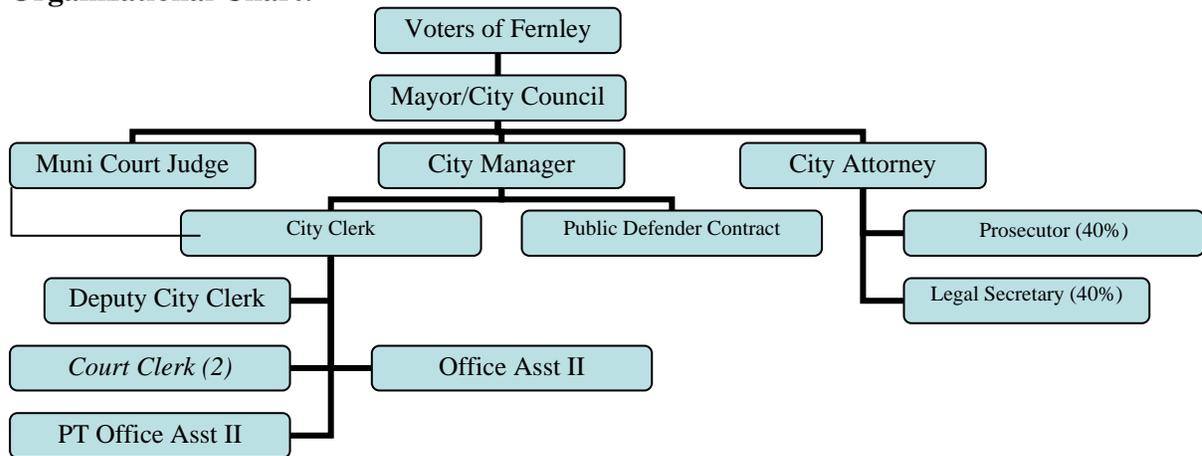
Line Item Budget:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-417-100	Salaries and Wages			51,456	76,100
100-417-130	Overtime				0
100-417-140	Annual Leave Pay			3,517	5,800
100-417-150	Sick Leave Pay			2,643	5,300
100-417-160	Holiday Pay			2,580	4,300
	Contract Salaries				0
	Subtotal Salaries & Wages	0	0	60,196	91,500
100-417-200	FICA				0
100-417-210	Medicare			804	1,400
100-417-220	Unemployment			360	1,000
100-417-230	Retirement (PERS)			11,066	18,800
100-417-240	Group Insurance			8,353	23,700
100-417-250	Workers Compensation Insurance			1,272	2,800
100-417-260	Other Benefits			468	0
	Subtotal Employee Benefits	0	0	22,323	47,700
	Total Salaries & Benefits	0	0	82,519	139,200
100-417-322	Professional Services-Other			6,500	2,000
100-417-342	Tech Services-Other			2,000	2,000
100-417-348	Commission on Ethics Assessment			4,000	4,000
100-417-410	Utility Service-Water and Sewer			6,000	4,000
100-417-412	Utility Service-Refuse			4,500	4,500
100-417-430	Service-Building Maintenance			1,000	0
100-417-520	Insurance			68,000	70,000
100-417-540	Advertising			200	0
100-417-581	Dues & Subscriptions-NLCM			11,000	11,000
100-417-600	General Supplies			20,000	20,000
100-417-605	Minor Equipment			3,000	3,000
100-417-612	Building Maintenance Supplies			300	300
100-417-621	Natural Gas			15,000	15,000
100-417-622	Electricity			48,000	48,000
100-417-640	Books and Periodicals			250	
100-417-650	Community Support			51,100	42,500
	Total Service & Supplies	0	0	240,850	226,300
	Total Operating Expenses	0	0	323,369	365,500
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	323,369	365,500

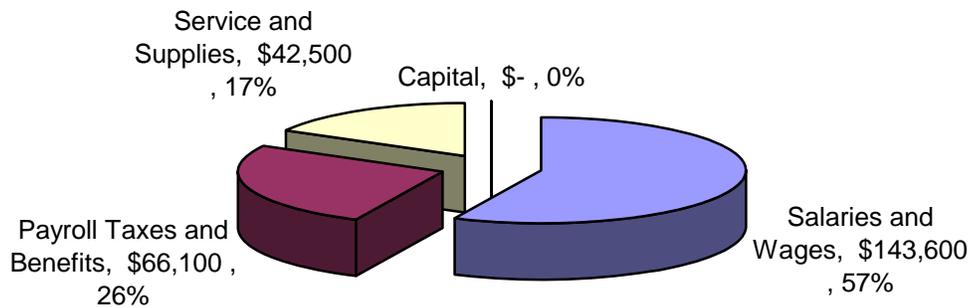
City of Fernley Annual Budget For Fiscal Year 2008-2009

Municipal Court

Organizational Chart:



Municipal Court FY2008/2009 Expenditures



Description:

The Fernley Municipal Court is a limited jurisdiction court that hears misdemeanor cases. Maximum sentences are \$1,000 or six months in jail or both.

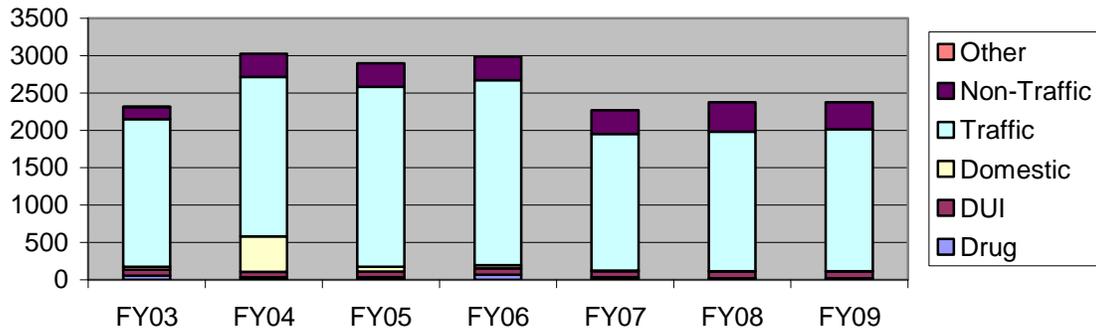
Growth:

The Municipal Court began operations on October 1, 2001 as a joint operation with the Canal Township Justice Court. The City began separate operations on October 1, 2002. The caseload for the court has decreased as shown in the following table and chart.

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Following is a summary of the charges filed in Municipal Court for the periods indicated:

	Drug	DUI	Domestic Violence	Traffic	Non-Traffic	Other	Total
FY03	55	82	37	1979	160	5	2318
FY04	33	71	48	2132	309	0	2593
% change	(40%)	(13.4%)	29.7%	7.7%	93.1%	N/M	11.9%
FY05	34	75	65	2410	314	1	2899
% change	3.03%	5.6%	35.4%	13.0%	1.6%	N/M	11.8%
FY06	67	86	44	2474	315	0	2986
% change	48%	15%	(32%)	2.6%	-	NM	3%
FY07	35	81	5	1829	319	0	2269
% change	(48%)	(5.8%)	(87%)	(26%)	1%		(24%)
FY08 (est)	22	90	3	1,868	394	2	2,379
% change	(37%)	(11%)	(40%)-	2%	24%		(5%)
FY09 (est)	22	90	3	1900	360		2375



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Legal Requirements:

NRS 266.550 through 266.595 describes the jurisdiction and operation of municipal courts. The municipal court has similar powers and jurisdiction in the city that are provided by law for justices' courts, subject to the overall limited jurisdiction of misdemeanor criminal offenses. The powers of the municipal court include the power to charge and collect those fees authorized pursuant to NRS 5.073.

Significant Expenditures and Staffing Changes:

The personnel allocated to the operation of the Municipal Court are shown in Appendix C of this report. A total of 3.00 FTE are involved in Municipal Court Operations.

Staffing Levels and Cost Allocation:

None

Goals and Objectives:

Goal: To provide efficient and fair disposition of traffic and non-traffic misdemeanors that involve violation of city ordinances.

Goal: To establish policies and procedures for efficient and timely administration of court processes.

Goal: To improve productivity through the use of technology and training opportunities

Goal: To address issues and implement remedies related to the identified deficiencies in the December 2007 Minimum Accounting Standards Audit.

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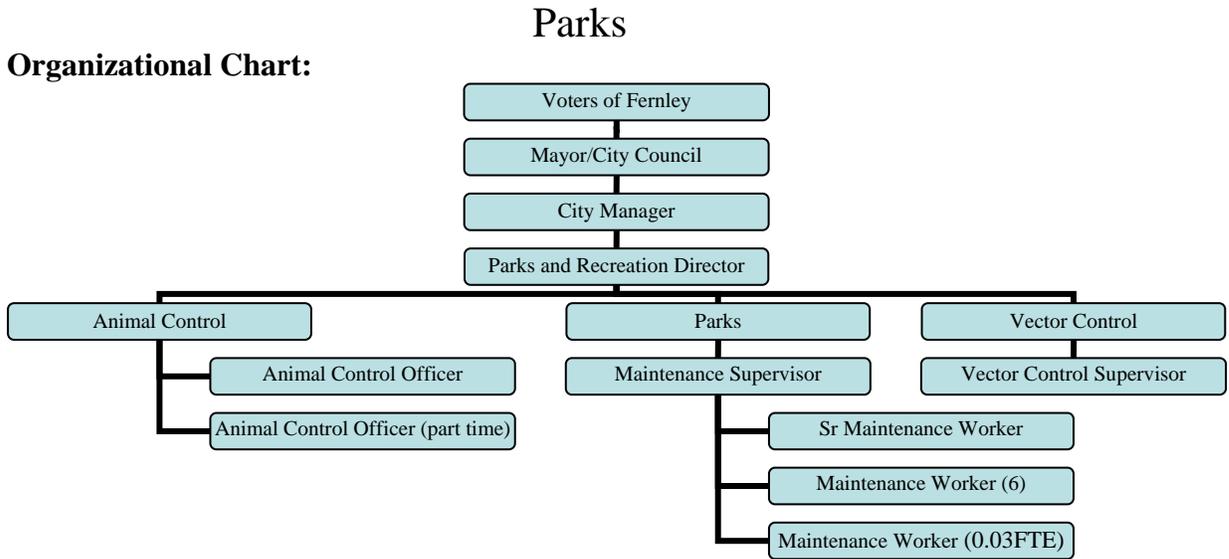
Line Item Budget – Municipal Court Cost Center:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-425-100	Regular Pay	67,527	81,135	123,700	124,600
100-425-130	Overtime Pay	661	2,717	500	1,000
100-425-140	Annual Leave Pay	2,486	3,257	6,600	6,700
100-425-150	Sick Leave Pay	2,321	4,106	6,100	6,300
100-425-160	Holiday Pay	2,057	2,258	4,900	5,000
	Subtotal Salaries & Wages	75,052	93,473	141,800	143,600
100-425-200	FICA	1,488	1,954		0
100-425-210	Medicare	1,098	1,331	2,100	2,200
100-425-220	Unemployment	314	614	1,500	1,500
100-425-230	Retirement (PERS)	9,866	11,438	21,600	21,900
100-425-231	Retirement (JRS)			13,500	8,100
100-425-240	Group Insurance	6,811	7,266	30,900	28,600
100-425-250	Workers Comp-Other	2,022	3,213	4,300	4,500
100-425-260	Other Benefits	1,216	1,326	1,600	
	Subtotal Employee Benefits	22,815	27,142	75,500	66,800
	Total Salaries & Benefits	97,867	120,615	217,300	210,400
100-425-312	Professional Service-Prosecutor	33,000	36,000	3,000	
100-425-314	Professional Service-Pub. Def.	21,300	23,169	30,000	30,000
100-425-322	Professional Service-Other	1,546	1,365	2,500	1,500
100-425-342	Tech Services-Other	1,204	2,536	4,000	4,000
100-425-530	Communications	2,087	2,247	2,000	2,000
100-425-540	Advertising	0	500		0
100-425-550	Printing and Postage	1,353	514	1,000	1,000
100-425-580	Travel & Training	588	-218	1,000	0
100-425-581	Dues and Memberships	201	99	600	500
100-425-600	General Supplies	3,805	2,953	4,000	3,000
100-425-605	Minor Equipment	285	2,643		0
100-425-640	Books & Periodicals	395	45	500	500
	Total Service & Supplies	65,764	71,853	48,600	42,500
	Total Operating Expenses	163,631	192,468	265,900	252,900
	Total Capital	0	0	0	0
	Total Operating and Capital	163,631	192,468	265,900	252,900

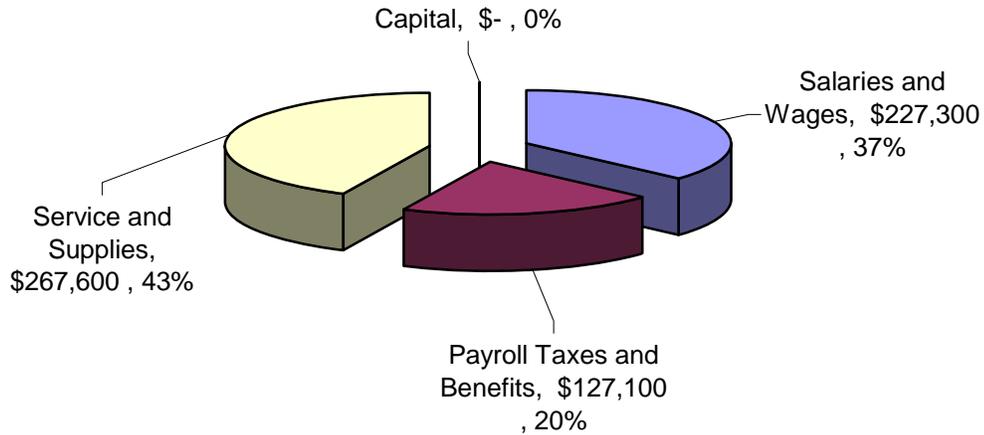
Analysis:

The increase in Salaries and Wages for the Municipal Court regular step increases for employees but no change to the salary table. The decrease in service and supplies reflects the change in prosecution services.

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Parks FY2008/2009 Expenditures



Description:

Parks Department staff members are responsible for maintenance of the following parks:

Facility Name	Nearest Cross Streets	Area (in acres)
Fernley Depot (Assistance)	Main Street/Lois Lane	1.00
Eagle's Nest Park	Eaglewood Dr/Wildwood Dr.	0.25
Green Valley Park	Green Valley Dr/Ricci Ln.	6.00
In Town Park	Hwy 95A/Cedar St.	2.25
Johnson Memorial Park	Richards Wy/Smithridge	10.00
Millennium Park/City Hall	Silver Lace Blvd/Main St	1.00
Out of Town Park	Farm District Rd/Hwy 50A	72.30
Ponderosa Park	Farm District Rd/Edgewood Dr	2.00
River Ranch Park	River Ranch Rd	2.00
Fernley Pool (Assistance)	Cottonwood Ln./Hardie Ln.	

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The following parks are scheduled to come into the maintenance system in the near future:

Facility Name	Nearest Cross Streets	Area (in acres)
Autumn Winds Park	Farm District Rd./Clearwater Pwy.	7.00
Cloverland Park	Clover Ln.	2.00
Silverland Park	Tamsen Ln.	3.00
Jackson Ranch		
Friendly Five		

The Parks Department staff members also maintain the grounds at City Hall and provides maintenance and cleaning services in City Hall (see facilities and general expenses section).

Significant Expenditures and Staffing Changes:

Seasonal employees were eliminated.

Staffing Levels and Cost Allocation:

The Parks cost center includes allocated costs for personnel as noted in Appendix C of this report. A total of 6.42 FTE are allocated to provide park maintenance and event functions.

Goals and Objectives:

Goal: To conduct effectively manage, maintain and improve existing parks and facilities while ensuring proper development of new properties and programs.

Objective #1: To repair and renovate inadequate irrigation systems.

Task #1: Identify problem areas and systems.

Task #2: Establish system mapping with GPS and GIS interface.

Task #3: Budget for system improvements annually until improvements are completed for all facilities.

Task #4: Create as-builts for all park irrigation systems using GPS and GIS.

Objective #2: To establish written fee schedules for appropriate events and activities within the Parks.

Task #1: Evaluate events and activities based on impacts to utilities.

Task #2: Meet with user groups for their input and recommendations.

Task #3: Propose fee schedule based on impacts.

Objective #3: To expand available athletic field opportunities, enhance existing athletic facilities and coordinate facility management.

Task #1: Program all athletic tournaments and other special events up to one year in advance to avoid conflicts with other athletic leagues, activities and special events.

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Task #2: Meet with athletic field users to schedule and coordinate routine and tournament activities.

Task #3: Facilitate pursuit of donations, grants and sponsorships to fund facility improvements by user groups.

Objective #4: To facilitate creation of new youth activities, programs and facilities.

Task #1: Attend and participate in COMPASS and other youth activity groups.

Task #2: Coordinate with groups to improve and enhance their efforts to develop and establish activities, programs and facilities.

Task #3: Complete update of Parks and Recreation Plan, including inventory of existing facilities, possible properties for and projection of future development priorities.

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Line Item Budget – Parks Cost Center:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-575-100	Regular Pay	209,153	251,611	200,000	181,100
100-575-130	Overtime Pay	10,248	17,251	17,500	10,000
100-575-140	Annual Leave Pay	5,634	13,487	5,000	13,600
100-575-150	Sick Leave Pay	6,512	10,967	7,000	12,500
100-575-160	Holiday Pay	6,927	7,733	11,900	10,100
	Subtotal Salaries and Wages	238,474	301,049	241,400	227,300
100-575-200	FICA	1,141	3,310	2,800	100
100-575-210	Medicare	3,296	4,200	4,000	3,200
100-575-220	Unemployment	1,483	1,802	2,600	2,200
100-575-230	Retirement (PERS)	27,901	33,103	32,700	44,400
100-575-240	Group Insurance	32,049	44,350	30,600	69,100
100-575-250	Workers Compensation Insurance	5,982	9,669	9,100	6,900
100-575-260	Other Benefits	1,430	1,410	1,200	1,200
	Subtotal Employee Benefits	73,282	97,844	83,000	127,100
	Total Salaries & Benefits	311,756	398,893	324,400	354,400
100-575-322	Professional Services-Other	51,795	52,915	48,700	30,000
100-575-342	Tech Services-Other	4,048	21,924	5,000	1,000
100-575-410	Utility Service-Water and Sewer	32,287	47,268	80,000	55,600
100-575-412	Utility Service-Refuse	6,883	8,451	11,000	12,000
100-575-430	Service-Repair and Maintenance	8,495	9,292	8,000	6,000
100-575-441	Rental		2,802		
100-575-520	Insurance	500			
100-575-530	Communications	7,294	6,176	7,500	5,500
100-575-540	Advertising	42	1,298	1,500	500
100-575-550	Printing and Postage	0	23	500	500
100-575-580	Travel and Training	403	2,120	2,000	2,300
100-575-581	Dues and Memberships	110	240	500	500
100-575-585	Educational Assistance Program	0	0	500	
100-575-600	General Supplies	43,382	53,824	75,000	93,000
100-575-605	Minor Equipment	5,511	5,476	9,000	4,000
100-575-610	Automotive Supplies	2,832	1,830	3,000	3,000
100-575-612	Building Maintenance Supplies	1,053	436	500	1,000
100-575-616	Safety Supplies	3,527	2,754	3,500	3,000
100-575-621	Natural Gas		559	1,000	1,000
100-575-622	Electricity	17,924	15,887	17,600	17,600
100-575-623	Propane	487	682	600	300
100-575-626	Gasoline	10,468	13,533	12,000	16,000
100-575-642	Licenses and Permits	0	0		400
	Total Service & Supplies	197,041	247,490	287,400	253,200
	Total Operating Expenditures	508,797	646,383	611,800	607,600
100-575-730	Improvements Other Than Bldgs.	0	0	63,853	0
100-575-741	Machinery	28,710	6,700		
	Total Capital	28,710	6,700	63,853	0
	Total Operating and Capital	537,507	653,083	675,653	607,600

Analysis:

Salaries and wages decreased in FY09 due to the elimination of 2.94 FTE of seasonal laborers. If seasonal labor is needed, an employment agency will be used. The budget assumes normal step increases but does not provide for an increase in the salary table.

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Community Development

Description:

The Community Development Department previously existed to perform four primary functions: (1) building inspections and permits, (2) planning and zoning, (3) geographic information systems and mapping, and (4) code enforcement. The department was split in to two new departments. See Building Department and Planning Department below.

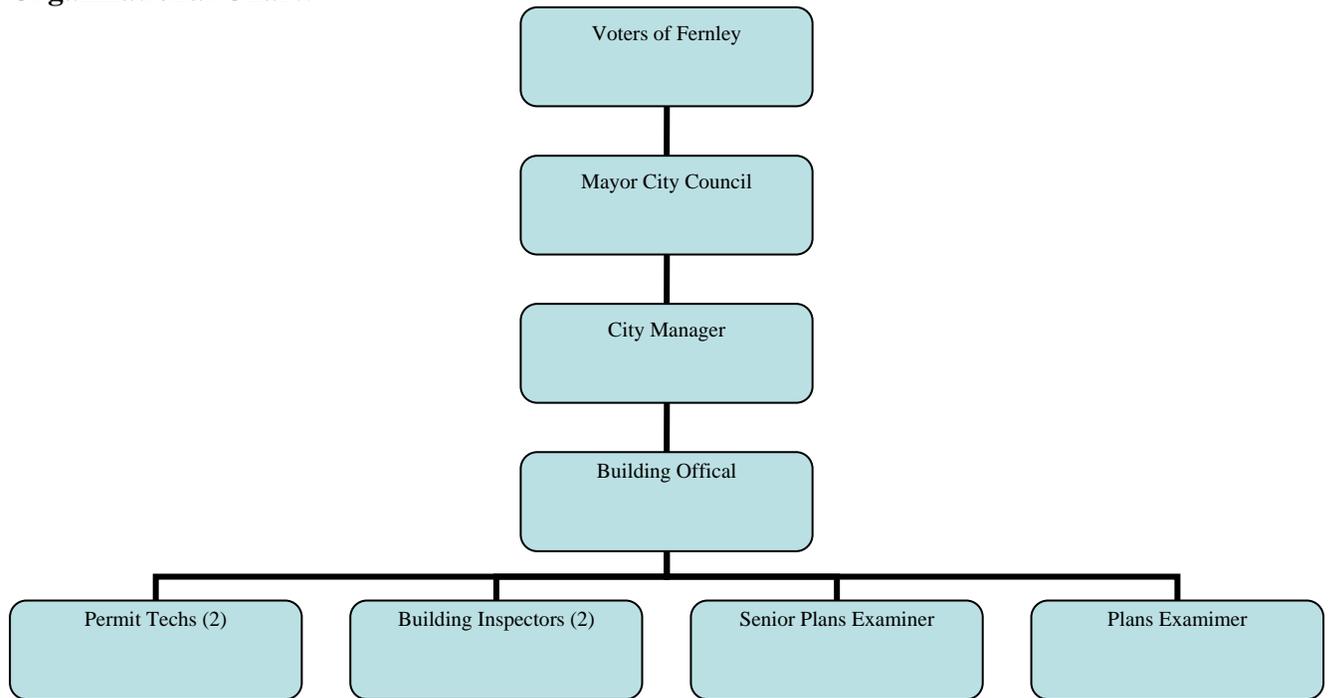
Line Item Budget – Community Development:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-600-100	Regular Pay	435,469	398,085	482,300	
100-600-130	Overtime Pay	7,498	3,562	3,000	
100-600-140	Annual Leave Pay	18,939	14,952	33,100	
100-600-150	Sick Leave Pay	13,098	12,544	34,200	
100-600-160	Holiday Pay	11,068	10,086	24,200	
	Subtotal Salaries and Wages	486,072	439,229	576,800	
100-600-210	Medicare	6,660	6,236	8,900	
100-600-220	Unemployment	3,518	4,253	4,900	
100-600-230	Retirement (PERS)	64,969	62,607	104,800	
100-600-240	Group Insurance	70,131	62,829	73,000	
100-600-250	Workers Compensation Insurance	8,016	16,487	15,400	
100-600-260	Other Benefits	0	5,000	2,000	
	Subtotal Employee Benefits	153,294	157,412	209,000	0
	Total Salaries & Benefits	639,366	596,641	785,800	0
100-600-320	Professional Services-Engineering	120	429	3,000	
100-600-321	Professional Services-GIS		74,230	62,000	
100-600-322	Professional Services-Other	105,686	53,490	5,000	
100-600-342	Tech Services-Other	1,639	3,071	2,000	
100-600-430	Service-Repair and Maintenance	930	1,175	1,780	
100-600-441	Rental	4,852	4,977	3,000	
100-600-530	Communications	9,971	9,577	10,000	
100-600-540	Advertising	840	3,663	3,000	
100-600-550	Printing and Postage	8,042	4,083	5,000	
100-600-580	Travel & Training	10,182	6,925	10,000	
100-600-581	Dues and Memberships	838	1,874	1,000	
100-600-585	Educational Assistance Program	49	425	100	
100-600-600	General Supplies	9,738	24,452	20,000	
100-600-605	Minor Equipment	11,804	9,818	7,900	
100-600-610	Automotive Supplies	381	54	0	
100-600-616	Safety Supplies	145	0	500	
100-600-626	Gasoline	5,686	4,372	6,000	
100-600-640	Books and Periodicals	696	1,444	3,000	
	Total Service & Supplies	171,599	204,059	143,280	0
	Total Operating Expenditures	810,965	800,700	929,080	0
100-600-741	Machinery	26,342			
100-600-742	Vehicles	0	16,741		
	Total Capital	26,342	16,741	0	0
	Total Operating and Capital	837,307	817,441	929,080	0

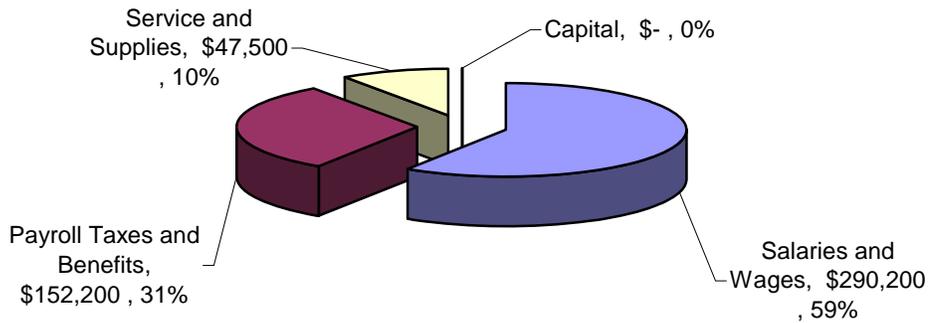
City of Fernley Annual Budget For Fiscal Year 2008-2009

Building Department

Organizational Chart:



Building Department FY2008/2009 Expenditures



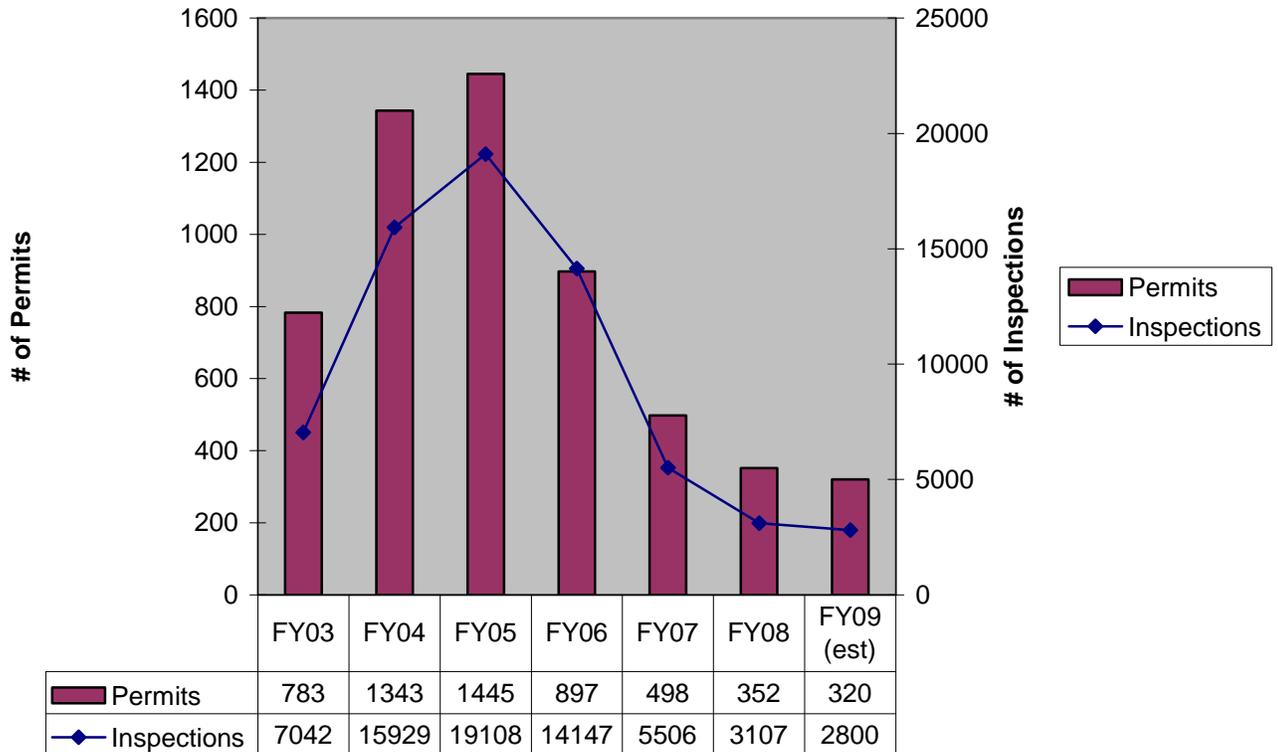
Description:

The Building Department exists to perform three primary functions: (1) building inspections and permits, (2) plan review, and (4) code enforcement.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Growth

Building Permits and Inspections



Legal Requirements:

Pursuant to NRS 266, the City Council has the authority to pass ordinances relating to buildings and to require building inspections.

Significant Expenditures and Staffing Changes:

The Community Development Department was split into two separate departments: A Building Department and a Planning/Community Development Department. Two unfilled positions were eliminated.

Staffing Levels and Cost Allocation:

The Building Department cost center includes 7 positions as listed in Appendix C of this report. .

Goals and Objectives:

Goal: To continue to improve the building permit process.

Task #1: Continue to implement policies and procedures to improve the plan review and building permit process.

Goal: To review civil improvement plans within 30 days of submittal.

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- Task #1: Ensure that all applications are complete and accurate.
- Task #2: Establish policies and procedures for efficient review of civil plans.
- Task #3: Improve the civil improvement plan process.

Goal: To continue to perform all inspections within the requested dates.

Goal: To continue high level of customer service and professional review of projects.

- Task #1: Provide public counter coverage during business hours.
- Task #2: Reply to phone calls within 24 hours.
- Task #3: Improve over the counter plan check procedures for minor residential projects.

Goal: To establish greater communication between the City, the development community, and the citizens of Fernley.

- Task #1: Continue quarterly meetings with the development community.
- Task #2: Establish neighborhood meetings
- Task #3: Continue to improve customer service training for staff.

Goal: To provide code enforcement services.

- Task #1: Respond and investigate complaints within one week.
- Task #2: Re-inspect violations within one week after deadlines.
- Task #3: Utilize non-judicial means to correct the issue.
- Task #4: Coordinate failures to comply cases with the City Attorney's office.
- Task #5: Maintain monthly statistical information.

Goal: To reduce and maintain residential building permit review/process to two weeks.

- Task #1: Continue to streamline building permit processing procedures.

Goal: To maintain monthly statistical public information pamphlets.

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Line Item Budget –Building Department:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-605-100	Regular Pay				241,400
100-605-130	Overtime Pay				500
100-605-140	Annual Leave Pay				18,100
100-605-150	Sick Leave Pay				16,800
100-605-160	Holiday Pay				13,400
	Subtotal Salaries and Wages	0	0	0	290,200
100-605-210	Medicare				4,200
100-605-220	Unemployment				2,900
100-605-230	Retirement (PERS)				59,400
100-605-240	Group Insurance				77,000
100-605-250	Workers Compensation Insurance				8,700
	Subtotal Employee Benefits	0	0	0	152,200
	Total Salaries & Benefits	0	0	0	442,400
100-605-322	Professional Services-Other				4,200
100-605-342	Tech Services-Other				1,000
100-605-430	Service-Repair and Maintenance				4,700
100-605-530	Communications				5,370
100-605-550	Printing and Postage				500
100-605-580	Travel & Training				500
100-605-581	Dues and Memberships				500
100-605-600	General Supplies				6,000
100-605-605	Minor Equipment				3,000
100-605-610	Automotive Supplies				250
100-605-616	Safety Supplies				250
100-605-626	Gasoline				6,000
100-605-640	Books and Periodicals				5,000
	Total Service & Supplies	0	0	0	37,270
	Total Operating Expenditures	0	0	0	479,670
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	0	479,670

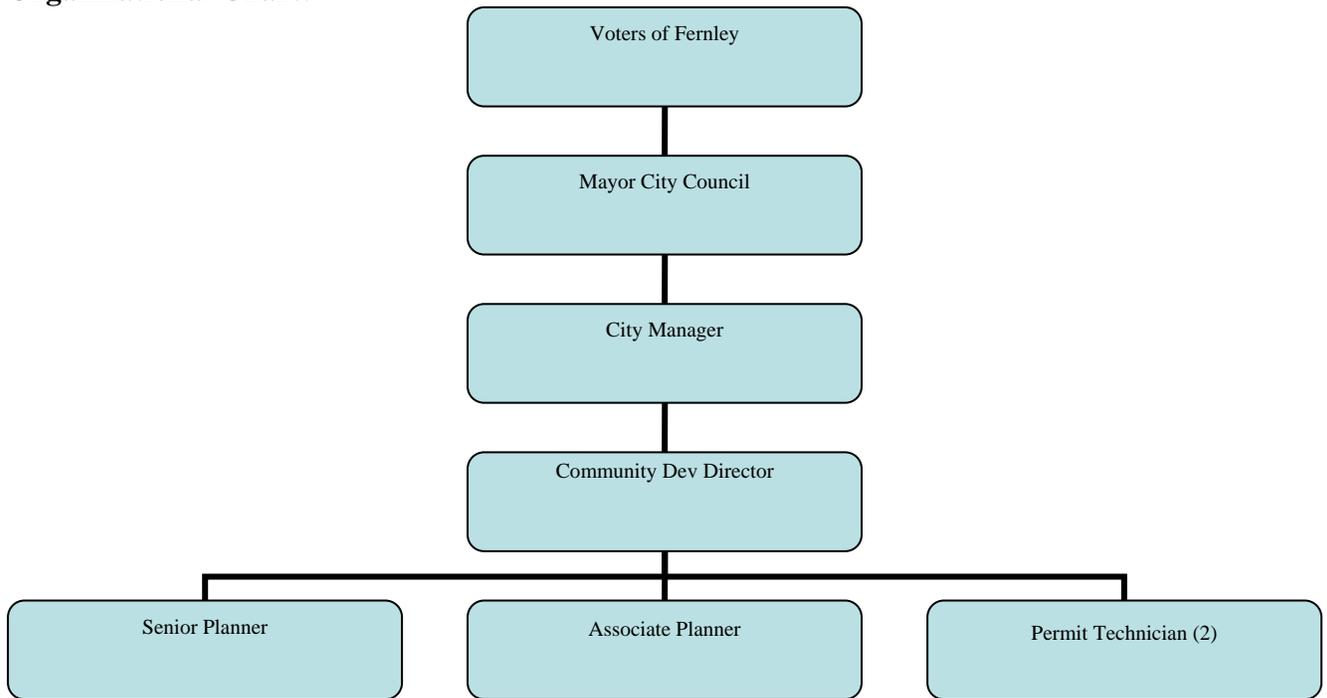
Analysis:

This is a new cost center for FY09.

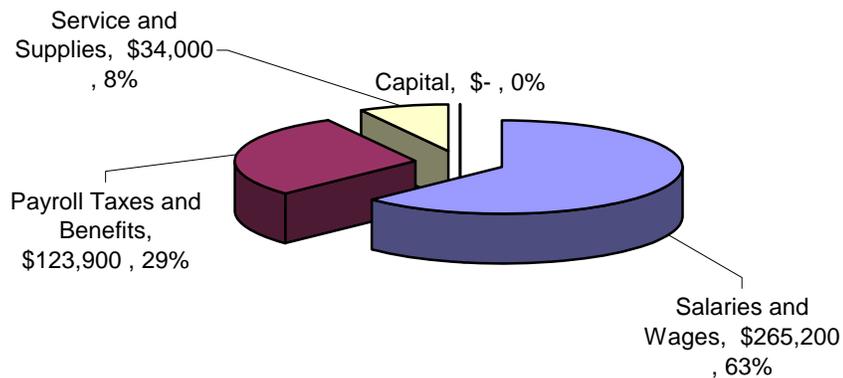
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Community Development (Planning) Department

Organizational Chart:



Planning FY2008/2009 Expenditures



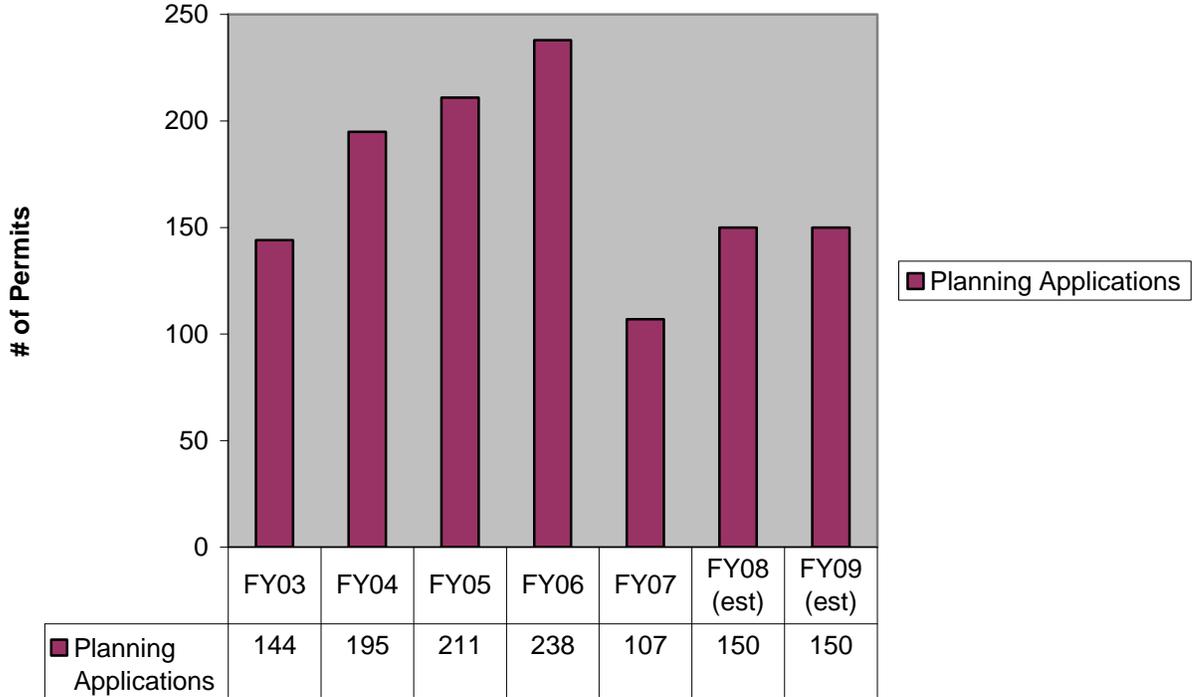
Description:

The Community Development Department exists to perform two primary functions: (1) planning and zoning and (2) community development. The Community Development Department provides support to the Planning Commission, including research and recommendations.

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Growth

Planning Applications



Legal Requirements:

NRS 278 describes the Nevada laws related to planning. City Councils are authorized to establish planning departments or participate in Regional Planning Commissions. Pursuant to NRS 266, the City Council has the authority to pass ordinances relating to buildings and to require building inspections.

Significant Expenditures and Staffing Changes:

No positions were added or removed. The Geographic Information Systems function was moved into the Finance Department as part of the Information Technology function..

Staffing Levels and Cost Allocation:

The Planning and Community Development cost center includes 5 positions as listed in Appendix C of this report.

Goals and Objectives:

Goal: To meet all statutory requirements for review of planning applications.

Goal: To continue high level of customer service and professional review of projects.

Task #1: Provide public counter coverage during business hours.

Task #2: Reply to phone calls within 24 hours.

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Task #3: Continue to complete all staff reports by Planning Commission and City Council packet deadlines.

Goal: To update the development code.

Task #1: Include changes identified in the Comprehensive Plan.

Task #2: Include changes desired by the Planning Commission and City Council.

Task #3: Include changes identified by staff and public input.

Goal: To establish greater communication between the City, the development community, and the citizens of Fernley.

Task #1: Continue quarterly meetings with the development community.

Task #2: Establish neighborhood meetings

Task #3: Continue to improve customer service training for staff.

Goal: To continue the development process of the Downtown.

Task #1: Hold neighborhood meetings with the citizens.

Task #2: Hold meetings with downtown business/land owners.

Task #3: Meet with all stakeholders to develop a plan and to determine needs.

Task #5: Present plan options to all stakeholders

Task #6: Prioritize planning options for presentation to the Planning Commission and the City Council.

Goal: To maintain monthly statistical public information pamphlets.

Goal: To assist the Parks and Recreation Department in long term planning for parks and open space.

Task #1: Identify potential public lands for open space as part of the Master Plan update.

Task #2: Continue to acquire land under the Truckee Canal for a regional trail system.

Task #3: Work with BOR and BLM on long-term park and open space planning.

Goal: To create new review process public information pamphlets.

Planning Projects for FY09

Downtown Development Plan: Both the citizens and the City are interested in revitalizing the downtown area and getting much needed business services brought into the City of Fernley. To determine the needs of the citizens and the current business/land owners, neighborhood meetings were held throughout the City during FY08. As a result of the meetings, a list of needs was established to assist in bringing new businesses to the City. The list may help existing businesses modify their existing businesses to better serve their customers. The City staff worked closely with the Chamber of Commerce, business community, citizens, builders, and developers to begin the transition of the downtown. Involved in this process will be changes to the City's codes, research for grants, and community involvement. Once all data is collected, development options are established and Code changes are identified, additional neighborhood meetings will be held to get a consensus from the citizen and downtown business/land owners. The plan

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options will be presented to the Planning Commission and the City Council for review, approval and possible implementation of projects.

Development Code and Comprehensive Plan: During FY08, significant changes to the layout and content of the Development Code were presented to the Planning Commission and City Council. These changes provide more options to the citizens and the development community as well as clarifying the content of the Code.

During FY09, additional changes will be proposed to the Development Code and the Comprehensive Plan. A major work load for the Department will be the zoning and conformance process, which will run throughout FY09 and FY10.

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Line Item Budget –Planning Department:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-610-100	Regular Pay				223,900
100-610-130	Overtime Pay				500
100-610-140	Annual Leave Pay				16,800
100-610-150	Sick Leave Pay				15,500
100-610-160	Holiday Pay				12,500
	Subtotal Salaries and Wages	0	0	0	269,200
100-610-200	FICA				
100-610-210	Medicare				3,900
100-610-220	Unemployment				2,700
100-610-230	Retirement (PERS)				55,100
100-610-240	Group Insurance				55,000
100-610-250	Workers Compensation Insurance				8,100
	Subtotal Employee Benefits	0	0	0	124,800
	Total Salaries & Benefits	0	0	0	394,000
100-610-322	Professional Services-Other				4,200
100-610-342	Tech Services-Other				1,000
100-610-430	Service-Repair and Maintenance				1,080
100-610-530	Communications				4,630
100-610-540	Advertising				2,500
100-610-550	Printing and Postage				7,500
100-610-580	Travel & Training				7,820
100-610-581	Dues and Memberships				2,000
100-610-610	General Supplies				7,000
100-610-605	Minor Equipment				2,000
100-610-610	Automotive Supplies				250
100-610-616	Safety Supplies				250
100-610-626	Gasoline				2,000
100-610-640	Books and Periodicals				2,000
	Total Service & Supplies	0	0	0	44,230
	Total Operating Expenditures	0	0	0	438,230
	Total Capital	0	0	0	0
	Total Operating and Capital	0	0	0	438,230

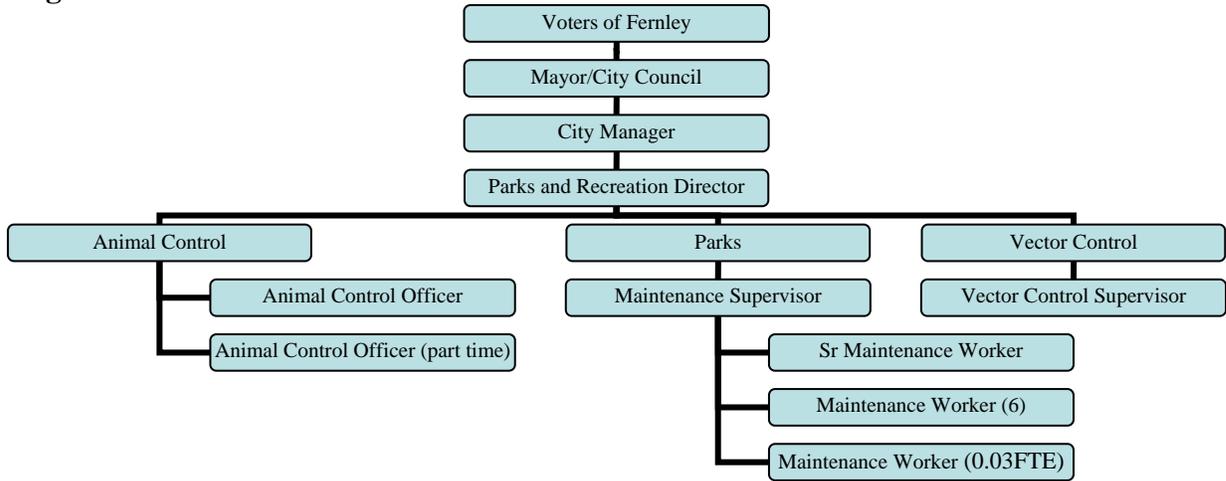
Analysis:

In FY09, the Community Development Department was split into two new departments, the Building Department and the Planning/Community Development Department.

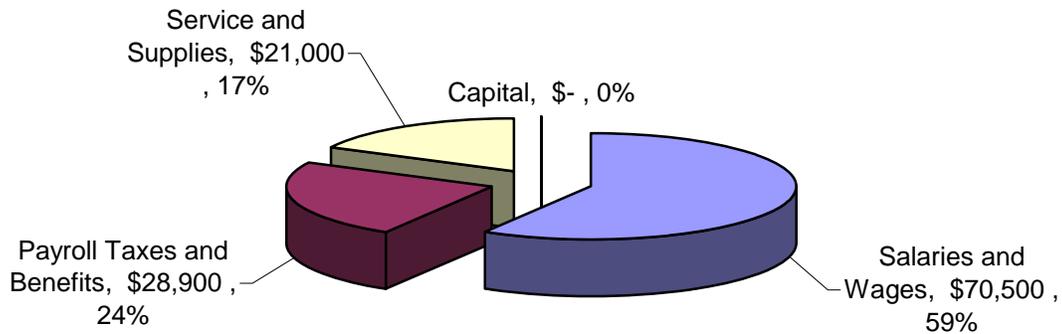
City of Fernley Annual Budget For Fiscal Year 2008-2009

Animal Control

Organizational Chart:



Animal Control FY2008/2009 Expenditures



Description:

The City of Fernley assumed responsibility for animal control services in the latter part of FY2001/2002. Lyon County provided services relating to animals in the Town of Fernley prior to incorporation. After the July 1, 2001 incorporation, Lyon County ceased providing the services and the City ultimately organized the services in the latter part of the first year of operation as an incorporated city. The City initially employed one part time person for animal control service who reported to the Community Development Director. In FY2002/2003, the part-time position was increased to full time. In FY2004/2005, the program was transferred from the Community Development Department to the Administrative Services Department, and an additional part-time Animal Control Officer position was added. In FY06-07, the function was transferred to the Parks and Recreation Department.

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Significant Expenditures and Staffing Changes:

The hours for an existing Animal Control Officer were increased from 0.50 FTE to 0.75 FTE. The Parks and Recreation Director is responsible for implementing programs, through use of staff in the department. The allocation of time spent by the director in this function was reduced. A small percentage of the costs in the Finance Department are allocated to animal control since the Finance Department is responsible for selling dog licenses.

Staffing Levels and Cost Allocation:

The Animal Control cost center includes personnel allocated as listed in Appendix C of this report. A total of 2.025 FTE is used in providing this function.

Goals and Objectives:

Goal: To respond to requests for service related to animals within the City limits according to local and state laws.

Objective #1: To respond to complaints regarding animals at large or animals posing a threat to the health and safety.

Objective #2: To coordinate with the Lyon County Sheriff's office to attain and transport animals in emergency situations.

Objective #3: To deposit dogs at the Lyon County Animal Shelter.

Objective #4: To return animals to owners, if possible, in 24 hours.

Goal: To patrol the City and react to observed situations, as needed, when not responding to a call or performing other required duties.

Goal: To provide quality customer service to the citizens of Fernley related to animal services.

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Line Item Budget – Animal Control:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-525-100	Regular Pay	48,801	41,968	68,800	57,000
100-525-130	Overtime Pay	1,223	1,498	5,000	2,000
100-525-140	Annual Leave Pay	3,371	1,908	4,300	4,300
100-525-150	Sick Leave Pay	1,751	1,200	3,900	4,000
100-525-160	Holiday Pay	2,419	2,069	3,000	3,200
	Subtotal Salaries and Wages	57,565	48,643	85,000	70,500
100-525-210	Medicare	820	696	1,300	1,000
100-525-220	Unemployment	417	1,520	900	700
100-525-230	Retirement (PERS)	9,512	8,698	17,400	14,000
100-525-240	Group Insurance	4,618	3,963	2,000	11,000
100-525-250	Workers Compensation Insurance	1,520	1,947	2,700	2,200
100-525-260	Other Benefits		260	2,000	
	Subtotal Employee Benefits	16,887	17,084	26,300	28,900
	Total Salaries and Benefits	74,452	65,727	111,300	99,400
100-525-322	Professional Services-Other	3,712	1,994	1,900	1,900
100-525-342	Tech Services-Other	2,191	543	2,000	500
100-525-346	Co. Shelter Agreement	3,000	3,000	3,500	4,500
100-525-430	Service-Repair & Maintenance	1,419	343	1,000	1,000
100-525-530	Communications	4,563	4,386	3,000	3,000
100-525-540	Advertising	29	502	1,500	1,000
100-525-550	Printing and Postage	39	114	500	500
100-525-580	Travel & Training	44	1,540	2,000	1,600
100-525-581	Dues and Memberships	0	0	500	0
100-525-585	Educational Assistance Program	3,262	0		0
100-525-600	General Supplies	1,443	3,075	2,500	2,500
100-525-605	Minor Equipment	0	1,197	2,500	0
100-525-610	Automotive Supplies		0	500	500
100-525-616	Safety Supplies			800	500
100-525-626	Gasoline	1,434	2,856	3,500	3,500
100-525-640	Books and Periodicals	0	0	250	0
100-525-642	Licenses and Permits		35		
100-252-650	Legal Settlement		20,000		
	Total Service and Supplies	21,136	39,585	25,950	21,000
	Total Operating Expenses	95,588	105,312	137,250	120,400
100-525-742	Vehicles	0	25,044		
	Total Capital	0	25,044	0	0
	Total Operating and Capital	95,588	130,356	137,250	120,400

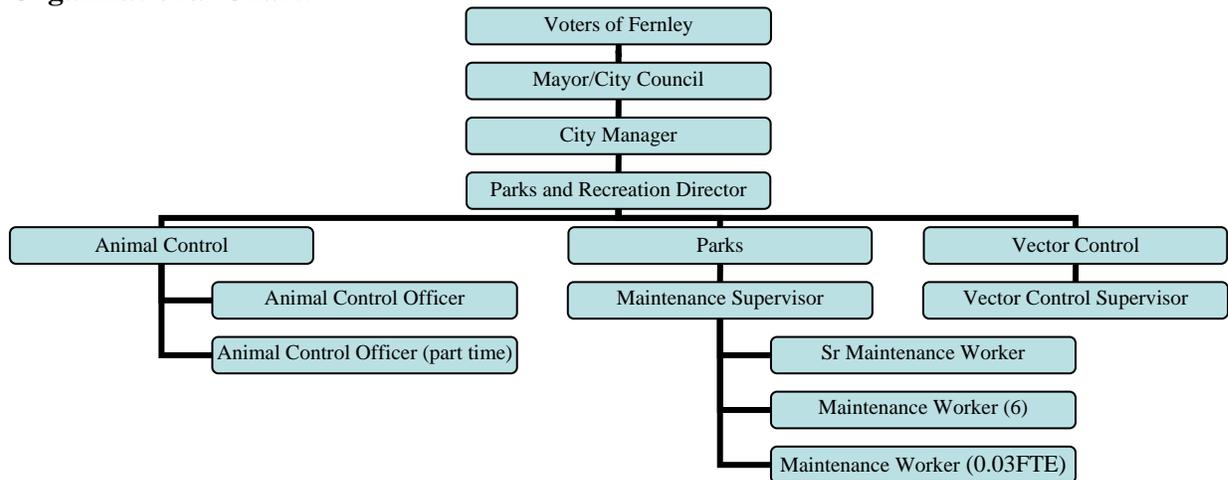
Analysis:

In FY09, additional hours were added for an existing part-time Animal Control Officer. The amount of time allocated for the Parks and Recreation Director was reduced. The Budget assumes regular step increases but does not include any increase to the salary table. The Service and Supply section of the budget for FY06/07 contains \$20,000 for a legal settlement that is non-recurring. With the exception of the legal settlement, Service and Supply line items decreased primarily due to lower expenditures for small equipment items that were purchased in previous years.

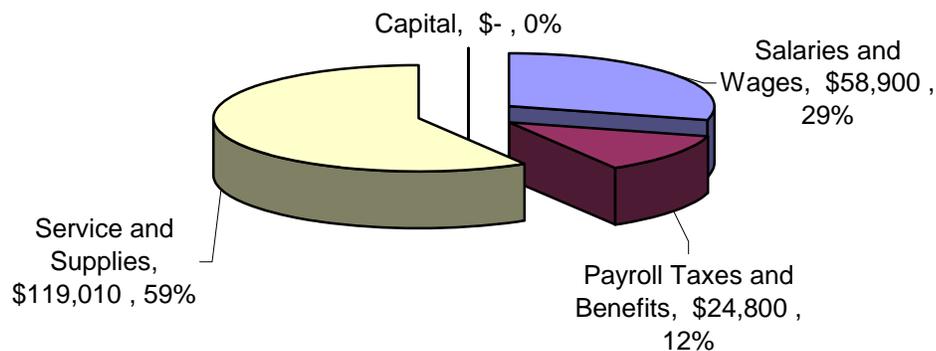
City of Fernley Annual Budget For Fiscal Year 2008-2009

Vector Control

Organizational Chart:



Vector Control FY2008/2009 Expenditures



Description:

The City of Fernley recently experienced cases of West Nile Virus in mosquitoes. The City has developed a Vector Control Program to deal with the Public Health issue.

Significant Expenditures and Staffing Changes:

No changes in staffing occurred.

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Staffing Levels and Cost Allocation:

The Vector Control cost center includes the personnel allocated as listed in Appendix C of this report. A total of 1.05 FTE are allocated to this function.

Goals and Objectives:

Goal: To minimize public health impacts due to vector borne diseases.

Objective: To further develop a baseline program to include more comprehensive surveillance and testing of mosquitoes to identify public health concerns.

Task#1: Budget for additional light traps to increase sampling of mosquito species.

Task#2: Survey known breeding sites for appropriate sampling locations and install additional light traps at those sites.

Task #3: Budget for college intern to provide a seasonal scientific resource employee to facilitate species specific identification, surveillance and testing.

Task #4: Continue development of GIS mapping program from breeding sites and chemical application records.

Goal: To integrate Vector Control and Parks staffing and equipment for maximum efficiency.

Objective #1: To facilitate work assignment flexibility and resource integration.

Task#1: Cross train Parks staff in use of abatement equipment and chemicals.

Task#2: Utilize college intern position for chemical application and scientific analysis.

Task #3: Utilize Vector Control equipment for appropriate Park applications such as broadcasting fertilizer pellets using larvacide cannons.

Objective #2: To increase public education and expand the use of low impact methods of larvaciding to reduce the need for adulticiding with aerial and/or fogging applications.

Task#1: Utilize seasonal employee and college intern for non-complex larvacide applications to drain intersects and retention basins via all terrain vehicle operations.

Task#2: Increase available mosquito fish population by working with the Desert Lakes Golf Course management team to breed fish in existing course water hazards.

Task #3: Increase stocking of mosquito fish in appropriate breeding sites.

Task #4: Develop effective public information program to mitigate cultural practices that create mosquito breeding habitat.

**City of Fernley Annual Budget
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Line Item Budget – Vector Control:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-528-100	Regular Pay	40,210	29,185	53,000	37,300
100-528-130	Overtime Pay	7,800	2,566	10,000	3,000
100-528-140	Annual Leave Pay	287	3,292	2,000	2,800
100-528-150	Sick Leave Pay	1,459	1,652	1,700	2,600
100-528-160	Holiday Pay	1,708	1,685	3,000	2,100
	Subtotal Salaries and Wages	51,464	38,380	69,700	47,800
100-528-200	FICA	709	0		0
100-528-210	Medicare	761	535	1,000	700
100-528-220	Unemployment	431	359	700	500
100-528-230	Retirement (PERS)	7,652	6,599	11,100	9,200
100-528-240	Group Insurance	6,721	6,826	13,700	11,600
100-528-250	Workers Compensation Insurance	1,509	1,784	2,000	1,500
	Subtotal Employee Benefits	17,783	16,103	28,500	23,500
	Total Salaries & Benefits	69,247	54,483	98,200	71,300
100-528-322	Professional Services-Other	4,796	16,194	16,810	16,810
100-528-342	Tech Services-Other	632	414	2,000	0
100-528-430	Service-Repair and Maintenance	50	1,149	2,000	2,000
100-528-530	Communications	2,061	3,131	1,250	1,250
100-528-540	Advertising		0	500	
100-528-580	Travel and Training	0	452	1,000	1,000
100-528-600	General Supplies	64,694	87,211	60,000	84,250
100-528-605	Minor Equipment	7,072	1,983	2,000	5,000
100-528-610	Automotive Supplies	7,583	-202	1,000	2,000
100-528-612	Building Maintenance Supplies	65	14	100	
100-528-616	Safety Supplies	1,029	910	1,000	1,000
100-528-626	Gasoline	3,921	4,854	6,000	5,700
	Total Service & Supplies	91,903	116,110	93,660	119,010
	Total Operating Expenditures	161,150	170,593	191,860	190,310
100-528-730	Improvements Other Than Bldgs.	10,698	0		0
100-528-741	Machinery	8,549	17,537		
100-528-742	Vehicles		18,565		
	Total Capital	19,247	36,102	0	0
	Total Operating and Capital	180,397	206,695	191,860	190,310

Analysis:

Salaries and wages decreased due to the elimination of the Vector Control Assistant part time position. The budget includes normal step increases for employees but does not include an adjustment to the salary table. Service and supplies increased due primarily to the cost of chemicals used in the vector control program.

**City of Fernley Annual Budget
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Debt Service

This cost center is used to account for the payment of debt incurred for construction of the expansion of the City Hall building. The debt was originally issued in December 2005 in the amount of \$5 million and bears interest at 4.49% payable over 20 years.

The FY2008/2009 budget for the debt service function follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
100-625-861	Principal		158,000	165,000	173,000
100-625-860	Interest	94,789	221,032	213,702	206,113
100-625-331	Service & Supplies (Bank Fee)				
	Total	94,789	379,032	378,702	379,113
	Total Operating Expenses	94,789	379,032	378,702	379,113

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Contingency

The City of Fernley may budget for a contingency not to exceed 3% of total estimated annual expenditures, excluding transfers out. The annual expenditures (before transfers and contingency) for the City of Fernley for FY2008/2009 are approximately \$4 million. Therefore, the contingency could be established at up to \$120,000. Pursuant to NRS 354.608, no expenditure may be made directly from a contingency account, except as a budget transfer to the appropriate account. If the City Council desires to use money from the contingency account, the City Council may authorize a budget transfer (for example from Contingency to Service and Supplies) and then pay for the item from the appropriate account (for example, Service and Supplies).

The FY2008/2009 budget for the contingency function follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Budget	FY08-09 Budget
100-900-900	Contingency	0			100,000

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Special Revenue Funds

Overview:

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City of Fernley maintains the following special revenue funds for the purposes described:

Administrative Assessment Fees Fund: To account for a portion of fees collected in the Fernley Municipal Court as required by NRS 176.059. These monies are used to improve the operations of the court, or to acquire and/or use appropriate advanced technology, including training, acquisition of capital items, management and operations studies or audits. Any money remaining in the fund after two fiscal years reverts to the City General Fund.

Graffiti Reward and Abatement Fund: To account for fees collected in the Fernley Municipal Court as required by NRS 268.4085. These monies are used to pay a reward to a person who, in response to the offer of a reward, provides information which results in the identification, apprehension, and conviction of a person who violated a city ordinance that prohibits graffiti or other defacement of property.

Court Facilities Assessment Fees Fund: To account for fees collected in the Fernley Municipal Court pursuant to NRS 176.0611 and authorized in City of Fernley Ordinance #2001-0011. These monies are used to (1) acquire land for court facilities, (2) construct or acquire court facilities, (3) renovate or remodel existing court facilities, (4) acquire furniture, fixtures and equipment needed due to construction, acquisition or renovation of court facilities, (5) acquire advanced technology for use in renovation of court facilities, or (6) to pay debt service on bond issues related to construction, acquisition, or renovation of court facilities. Any money remaining in the fund after five fiscal years reverts to the City General Fund.

Grants: To account for certain projects primarily financed through grants and to segregate funds earmarked as matching funds for grants. Grants relating to enterprise funds are not included in this fund.

Residential Construction Tax District #1: To account for a tax to be used for park development in the District #1 identified in the City of Fernley park plan.

Residential Construction Tax District #2: To account for a tax to be used for park development in the District #2 identified in the City of Fernley park plan.

Streets and Storm Drain: To account for gas taxes that must be used for street maintenance and capital expenditures as well as other revenues that may be used for projects associated with streets and storm drains.

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Private Sector Community Support: To account for private sector donations that are restricted for specific programs or facilities.

Green Valley Landscape Maintenance District: To account for fees charged to property owners within the Green Valley subdivision used for maintenance of a park located within the subdivision

Autumn Winds Landscape Maintenance District: To account for fees charged to property owners within the Autumn Winds Subdivision used for maintenance of a park located within the subdivision.

Silverland Landscape Maintenance District: To account for fees charged to property owners within the Silverland Subdivision used for maintenance of a park located within the subdivision.

Friendly Five Landscape Maintenance District: To account for fees charged to property owners within the Friendly Five Subdivision used for maintenance of a park located within the subdivision.

B C Ranch Landscape Maintenance District: To account for fees charged to property owners within the B C Ranch Subdivision used for maintenance of a park located within the subdivision.

Sario Ranch Landscape Maintenance District: To account for fees charged to property owners within the Sario Ranch Subdivision used for maintenance of a park located within the subdivision.

Jackson Ranch Landscape Maintenance District: To account for fees charged to property owners within the Jackson Ranch Subdivision used for maintenance of a park located within the subdivision.

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Administrative Assessment Fees

Description:

This fund was established to account for a portion of the fees collected in the Fernley Municipal Court as required by NRS 176.059. Prior to FY04, the court assessed between \$15 and \$105 for certain misdemeanors. The Nevada State Legislature increased the required assessments to between \$25 and \$115. Of this assessment, \$2 is allocated to Lyon County's juvenile court or juvenile probation program to provide service to juvenile offenders; \$7 is placed in this special revenue fund for the use of the Municipal Court, and the remainder of each assessment is paid to the State of Nevada for a special account in the State general fund. The monies in this Administrative Assessment Fees special revenue fund are used to improve the operation of the court or to acquire and/or use appropriate advanced technology, including training, acquisition of assets, management and operations studies, or audits. Any money remaining in the fund after two fiscal years reverts to the City General Fund. The Municipal Court Judge and the City Manager share responsibility and accountability for this fund.

The FY2008/2009 budget for this fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
	Fines & Forfeitures				
200-350-100	Admin Assess Fee Revenue	15,113	13,810	7,500	7,500
200-360-100	Interest Earnings	1,148	1,943	600	600
	Total Revenues	16,261	15,753	8,100	8,100
	Operating Expenditures:				
200-425-322	Professional Services-Other	200		5,000	
200-425-580	Travel & Training	3,427	773		5,000
200-425-581	Dues and Memberships		525		
200-425-600	General Supplies	293	0		5,000
200-425-605	Minor Equipment	1,613	752	2,000	5,000
	Total Operating Expenditures	5,533	2,050	7,000	15,000
	Net from Operations	10,728	13,703	1,100	-6,900
	Capital Expenditures:				
	Total Capital	0	0	0	0
	Revenues less Expenditures	10,728	13,703	1,100	-6,900
	Transfers in & Out		-45,000		
	Fund Balance July 1	26,897	37,625	6,328	7,428
	Fund Balance June 30	37,625	6,328	7,428	528

The transfer in FY06-07 was to supplement appropriations for the City Hall Expansion Project, which includes the Court room, Chambers, and administrative offices for the Fernley Municipal Court.

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Graffiti Reward and Abatement Fund

Description:

This fund was established to account for a portion of the fees collected in the Fernley Municipal Court as required by NRS 268.4085. The monies in this special revenue fund are used to pay a reward to a person who, in response to the offer of a reward, provides information which results in the identification, apprehension and conviction of a person who violated a city ordinance that prohibits graffiti or other defacement of property. If sufficient money is available in the Graffiti Award and Abatement Fund, a law enforcement agency for the city may offer a reward, not to exceed \$1,000.

The FY2008/2009 budget for this fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
205-350-100	Fine Revenue			1,000	1,000
205-360-100	Interest Earnings				0
	Total Revenues	0	0	1,000	1,000
205-425-322	Professional Service-Other			1,000	1,000
205-425-741	Machinery				0
	Total Expenditures	0	0	1,000	1,000
	Revenues less Expenditures	0	0	0	0
	Fund Balance July 1	0	0	0	0
	Fund Balance June 30	0	0	0	0

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Court Facility Fees

Description:

The fund was created to account for fees collected in the Fernley Municipal Court as allowed in NRS 176.0611 and authorized in City of Fernley Ordinance #2001-0011. The fee will be collected for twenty-five years, from 2001 through 2026. The court facility assessment fee is \$10 for each case in which a defendant is found guilty of certain misdemeanors. The fee is in addition to any fines imposed by the Municipal Court Judge. The fees collected in this fund are to be used to:

- Acquire land on which to construct additional facilities for the Fernley Municipal Court or a regional justice center that includes the Municipal Court
- Construct or acquire additional facilities for the Fernley Municipal Court
- Renovate or remodel existing facilities for the Fernley Municipal Court
- Acquire furniture, fixtures, and equipment necessitated by the construction or acquisition of additional facilities or the renovation of an existing facility.
- Acquire advanced technology for use in the additional or renovated facilities
- Pay debt service on any bonds issued for the acquisition of land or facilities or the construction or renovation of facilities for the Municipal Court or a regional center that includes the Municipal Court

Any money remaining in the fund after five fiscal years reverts to the City General Fund for the continued maintenance of court facilities.

The FY2008/2009 budget for this fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
210-350-100	Court Facility Fee Revenue	20,665	20,820	16,000	16,000
210-360-100	Interest Earnings	2,095	3,345	500	500
	Total Revenues	22,760	24,165	16,500	16,500
210-425-322	Professional Service-Other				
210-425-741	Machinery		0		0
	Total Expenditures	0	0	0	0
	Revenues less Expenditures	22,760	24,165	16,500	16,500
	Transfers In & Out		-89,766		
	Fund Balance July 1	47,258	70,018	4,417	20,917
	Fund Balance June 30	70,018	4,417	20,917	37,417

The transfer in FY06-07 was to supplement appropriations for the City Hall Expansion Project, which included the Court room, chambers, and administrative offices for the Fernley Municipal Court.

**City of Fernley Annual Budget
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Grants

Description:

The grants special revenue fund is used to account for the receipt and use of grant funds for certain projects related to general government (non-enterprise fund) projects. The fund is also used to segregate specific City funds for use as match for certain grants. The use of a special revenue fund to account for grants will allow for appropriate control of grant monies, identification of specific monies to use as matching funds, and allocation of expenditures, if appropriate, to quantify in-kind contributions for grants. Only grants that have been awarded or are pending award are included in the projected revenues. If pending grants are not awarded, the associated revenue and expenditure accounts will be removed, thereby “freeing” the allocated match money for other projects. If additional grants are awarded in the future, appropriate revenue and expenditure accounts will be added to account for each grant. The amount of match initially transferred to the Grants special revenue fund in FY2002/2003 was \$150,000. An additional \$250,000 was transferred in FY2003/2004 and \$100,000 was transferred in FY2004/2005.

The line item budget for the Grants special revenue fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
220-330-105	FEMA Public Assistance Revenue			715,793	
220-360-100	Interest Earnings	17,062	25,939	15,000	1,000
	Total Revenues	17,062	25,939	730,793	1,000
	Expenditures:				
220-480-322	Prof Serv-			70,000	95,000
	Total Operating Expenditures	0	0	70,000	95,000
220-480-646	FEMA Match Individual Assistance			31,000	
220-480-647	FEMA Public Assistance Expenses			954,390	
220-480-648	Flood Ineligible Expenses			200,000	
220-480-650	TEA-21 Match	1,652	1,141		63,099
	Total Capital Expenditures	1,652	1,141	1,185,390	63,099
	Total Expenditures	1,652	1,141	1,255,390	158,099
	Revenues less Expenditures	15,410	24,798	-524,597	-157,099
	Transfer in From Capital Fund				145,000
	Transfer to General Fund			-10,000	
	Fund Balance July 1	507,352	522,762	547,560	12,963
	Fund Balance June 30	522,762	547,560	12,963	864

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Residential Construction Tax District #1

Description:

The Residential Construction Tax (RCT) District #1 special revenue fund is used to account for the receipt and use of a special tax that is dedicated to specific purposes for construction of parks in accordance with the City Park plan. The fund may also be used to account for additional revenues for park projects if multiple funding sources, including RCT, are used for a specific project.

The line item budget for the Residential Construction Tax District #1 special revenue fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
230-310-300	RCT Tax	440,536	6,000	10,000	10,000
230-330-100	CDBG Grant Revenue				
230-330-110	Land & Water Conservation Grant				
230-360-100	Interest Earnings	5,032	4,641	250	250
	Other Revenue	0			
	Total Revenues	445,568	10,641	10,250	10,250
	Expenditures:				
230-575-322	Professional Services				
	Total Operating Expenditures	0	0	0	0
230-575-710	Land	240,000			
230-575-720	Buildings	0			
230-575-730	Improvements	51,710			
230-575-741	Machinery	7,525			
	Total Capital	299,235	0	0	0
	Revenues less Expenditures	146,333	10,641	10,250	10,250
230-900-910	Transfers To Other Fund	-200,000	-144,395		-10,000
	Fund Balance July 1	178,421	124,754	-9,000	1,250
	Fund Balance June 30	124,754	-9,000	1,250	1,500

The amounts previously collected in District #1 have been expended on projects. In addition, District #1 borrowed funds from District #2 to complete projects. No projects are slated for construction from District #1 until amounts are fully repaid to District #2 and sufficient money is accumulated to pay for a future project.

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Residential Construction Tax District #2

Description:

The Residential Construction Tax (RCT) District #2 special revenue fund is used to account for the receipt and use of a special tax that is dedicated to specific purposes for construction of parks in accordance with the City Park plan. The fund may also be used to account for additional revenues for park projects if multiple funding sources, including RCT, are used for a specific project.

The line item budget for the Residential Construction Tax District #2 special revenue fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
231-310-300	RCT Tax	757,286	52,780	20,000	20,000
231-330-100	Grants	0	60,000	3,800	77,775
231-360-100	Interest Earnings	17,891	24,846	24,000	20,000
	Other Revenue	25,000		38,600	
	Total Revenues	800,177	137,626	86,400	117,775
	Expenditures:				
231-575-322	Professional Services		1,159		10,000
	Total Expenditures	0	1,159	0	10,000
231-575-731	Land	398,020	120,350		
231-575-720	Buildings	60,875		4,800	
231-575-730	Improvements Other Than Buildings	314,477	36,919	135,000	571,560
231-575-741	Machinery	92,800		38,600	
	Total Capital	866,172	157,269	178,400	571,560
	Revenues less Expenditures	-65,995	-20,802	-92,000	-463,785
231-390-500	Transfers from RCT Dist #1	200,000	144,395		10,000
	Fund Balance July 1	318,203	452,208	575,801	483,801
	Fund Balance June 30	452,208	575,801	483,801	30,016

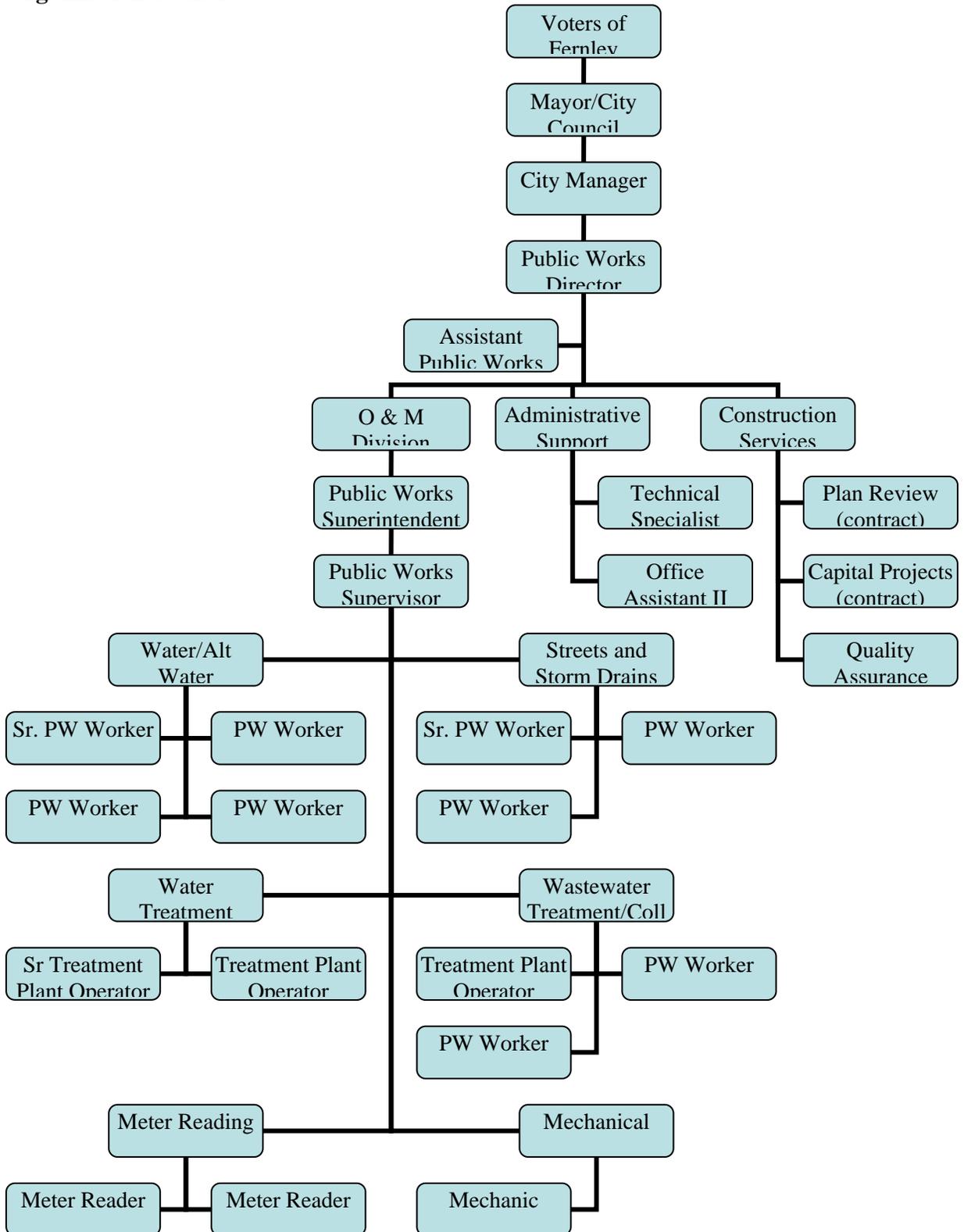
The projects slated for FY 09 are shown in the following table.

Parking Lot Autumn Winds	231-00030.1	\$ 54,142
Underground Power	231-00031.1	\$ 56,358
Restrooms Autumn Winds	231-00032.1	\$ 45,050
Green Valley ADA, Picnic area, Playground Equip, Bball Court	231-00033.1	\$ 145,100
In Town Park-ADA, Tennis Court Resurface, 2 Picnic Shelters	231-00034.1	\$ 235,910
Johnson Memorial Park-Restroom	231-00035.1	\$ 35,000
Phase 1 - Park Plan (\$10,000 Professional Services)	231-00036.1	\$ -
Subtotal RCT District #2		\$ 571,560

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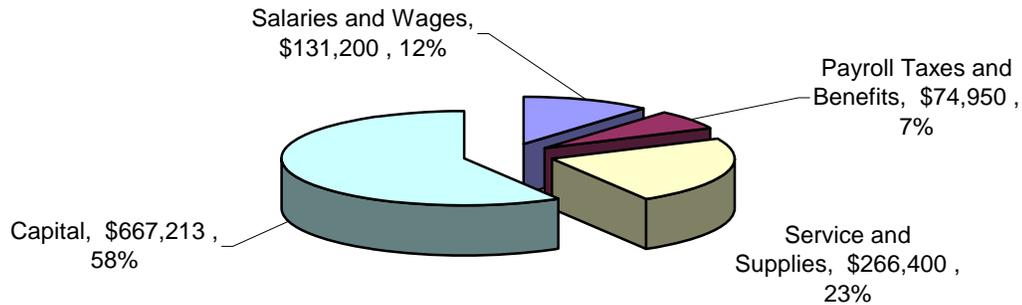
Streets and Storm Drains

Organizational Chart:



City of Fernley Annual Budget For Fiscal Year 2008-2009

Streets and Storm Drains FY2007/2008 Expenditures



Description:

The Public Works Department is committed to excellence in public service in all assigned responsibilities, including maintaining roadways and storm drains, coordinating with the Community Development Department, reviewing plans, and performing other public works activities. The Public Works Department is responsible for all public roadways, storm drains, and signage within the incorporated areas of the City. The Public Works Department is also responsible for reviewing plans for development within the incorporated city. The Public Works Department is expected to respond in a timely and efficient manner to all public roadway and drainage problems. The highest priority project for the department is to implement the streets improvement and maintenance plan. Several major capital projects are planned for FY2008/2009.

The major programs for the department during FY2008/2009 will be:

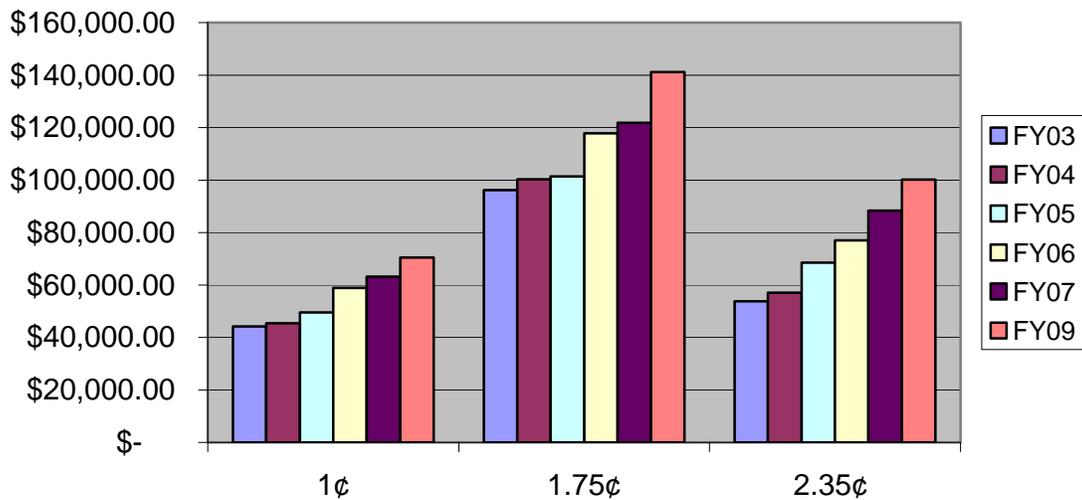
1. sign replacement and repair
2. pothole patching
3. weed mitigation
4. street sweeping (contracts)
5. crack sealing (contracts using RTC and RCT funds)
6. street striping (contracts using RTC and RCT funds)
7. Reconstruction Projects

Revenue Estimates:

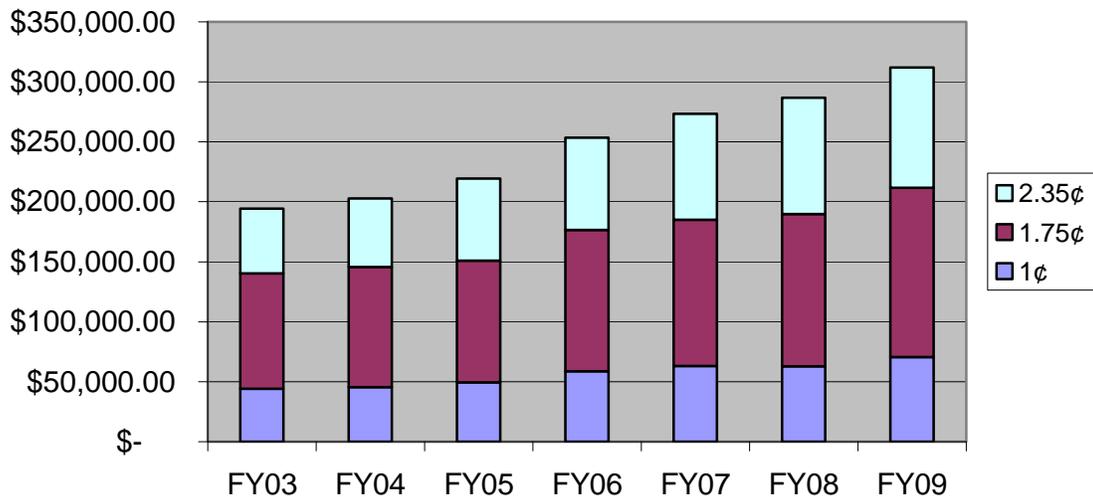
The City receives a direct distribution of certain gas taxes from the State of Nevada. The revenue received from these taxes is shown in the following table and chart:

Tax	FY03	FY04	FY05	FY06	FY07	FY08	FY09
1¢	\$44,232	\$45,380	\$49,550	\$58,805	\$63,177	\$62,895	\$70,508
Inc(Dec)		2.6%	9.2%	18.7%	7.4%	(0.4)%	12.1%
1.75¢	\$96,199	\$100,273	\$101,396	\$117,818	\$121,864	\$126,933	\$141,186
Inc(Dec)		4.2%	1.1%	16.2%	3.4%	4.16%	11.2%
2.35¢	53,790	57,023	68,574	\$76,985	\$88,307	\$97,105	\$100,137
Inc(Dec)		6.0%	20.3%	12.3%	14.71%	10.0%	3.1%

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The 1¢ tax is allocated based on the City’s population relative to the total population of the County. The 1.75¢ tax is allocated based on the City’s assessed value relative to the total assessed value of the county. The 2.35¢ tax is allocated based on relative area, population, road miles, and vehicle travel miles. The total amounts received for these three types of fuel tax over the past fiscal years are shown in the following chart:



The City also previously received intergovernmental revenues from Lyon County for use on City streets. Prior to FY03/04, the revenue source was equivalent to 7.77¢ per \$100 of assessed value. In FY07, Lyon County decided to cease this shared revenue. The City is analyzing its options to restore fiscal equity. The City’s three year history of this revenue source follows:

	FY03 Revenue	FY04 Revenue	FY05 Revenue	FY06 Revenue
Intergovernmental	\$194,964	\$217,100	\$212,800	\$81,825
% Change		11.35%	(2.0%)	(61.6%)

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The City also receives a portion of the County 9¢ option tax that is administered by the Lyon County Regional Transportation Commission. This fund is available for streets projects. The City does not receive a direct distribution of this money but draws against amount held on its behalf as projects are completed, similar to a construction draw system. The history of this fund is as follows:

	City RTC portion	Draw	Balance
FY02	\$521,877	\$0	\$521,877
FY03	\$501,811	\$152,633	\$871,055
FY04	\$520,230	\$711,214	\$680,071
FY05	\$527,439	\$650,000	\$557,510
FY06	\$612,740	\$1,050,000	\$120,250
FY07	\$632,945	\$630,295	\$122,900
FY08	\$658,883	\$781,783	0
FY09 (Estimated)	\$733,158	\$733,158	0

In addition to these revenue sources, the City transferred money to the Streets and Storm Drains Fund to provide for maintenance and reconstruction of city streets and storm drain systems.

The County implemented a residential construction tax on each building permit issued in the City. These funds are collected by the City of Fernley with each building permit and remitted to Lyon County. The funds collected in Fernley can be drawn against projects. Revenue is recognized when the funds are drawn for a project. The history of this revenue source is as follows:

	Collections	Draw	Balance
FY05	\$ 44,850	0	\$ 44,850
FY06	\$414,280	0	\$459,130
FY07	\$240,785	\$699,915	0
FY08 (Estimated)	\$300,000	\$300,000	0
FY09 (Estimated)	\$ 75,000	\$ 75,000	0

Legal Requirements:

Storm drain systems and streets must be designed to meet not only the City of Fernley standards but also Orange Book standards for Public Works Construction.

Significant Expenditures and Staffing Changes:

No position were added in the Public Works Department specifically for this function.

Staffing Levels and Cost Allocation:

The Streets and Storm Drains fund includes allocation of personnel in the Public Works Department as indicated in Appendix C. A total of 2.90 FTE are allocated to this cost center

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Capital Improvement Projects:

The Capital Improvement Plan, Appendix D, lists the streets projects approved for FY09 as well as projections for the following four years. Projects for FY09 are listed below:

Streets Fund		
Crack Seal Program	240-00001.1	\$ 100,000
Slurry, Seal Coat and Patch Program	240-00002.1	\$ 200,000
Comstock Drainage Improvements	240-00003.1	\$ 10,000
Rancho Sierra (Lily Lane, Ambee Way, Raven Way)	240-00004.1	\$ 357,231
West Street/Diane Way Reconstruction (Construction, Design Comp)	240-00005.1	
Winnie's Lane Improvements	240-00006.1	
Lyon Drive Phase I Reconstruction	240-00007.1	
Lyon Drive Phase II Reconstruction	240-11118.1	
Willow Way, Curry, Cedar Reconstruction	240-00009.1	
Willow Way Rehabilitation	240-00010.1	
Hardie Lane Phase I Reconstruction	240-00011.1	
Hardie Lane Phase II Reconstruction	240-00012.1	
Shadow Lane Reconstruction	240-00013.1	
Subtotal Streets Fund		\$ 667,231

Goals and Objectives:

Goal #1: To provide adequate access to all areas of Fernley via City-maintained right of way whenever fiscally practical.

- Objective #1: Maintain, update, and use data within the City Paver Program street inventory.
 - Task #1: Input collected survey information into Paver database for purpose of prediction modeling.
 - Task #2: Maintain and update the City's street inventory upon acceptance of new streets, changes in street names, naming of new streets and identification of right-of-way ownership via research of historical documents.
 - Task #3: Use data from the Paver Program to determine streets in need of maintenance repair.
 - Task #4: Determine the best maintenance and repair alternative for the project with the objective of optimizing spending.
 - Task #5: Prepare construction drawings, bid documents, advertise for bidding, and award projects.

- Objective #2: Manage and inspect street projects and programs that have been contracted out.
 - Task #1: Manage and assure that the weed mitigation and street sweeping programs are being performed as authorized by the City contracts.
 - Task #2: Manage and inspect the maintenance repair crack sealing and slurry seal projects awarded by the City to ensure that construction is meeting the required contractual specifications.
 - Task #3: Manage and inspect the reconstruction projects awarded by the City to ensure that construction is meeting the required contractual specifications.

- Objective #3: Maintain, repair, and install traffic control devices within the City of Fernley.
 - Task #1: Perform maintenance repairs on the City traffic lights and signs.

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- Task #2: Replace street signs that are damaged, missing, or required to be changed by Manual of Uniform Traffic Control Devices (MUTCD) standards.
- Task #3: Re-stripe existing or install new striping to meet MUTCD requirements thereby enhancing public safety.

Goal #2: Manage programs and provide operation and maintenance repairs on all City streets based on the funds available. Collect GIS data and train personnel to prepare the existing storm drain model, collect and review previous Hydrology Studies, and prepare EA to utilize TCID ditches.

- Objective #1: Collect survey data and previous hydrology studies for the development of storm drain model.
- Task #1: Train City personnel in the use of the survey equipment for the collection of GIS data.
- Task #2: Collect survey data to aide in the development of the City storm drain model.
- Task #3: Collect and review previous hydrology studies for use in the calibration of the storm drain model.
- Task #4: Build the storm drain model based on the above collected information.
- Objective #2: Prepare Environmental Assessment to utilize the Truckee Carson Irrigation District (TCID) ditches for the transport of storm water as required by the National Environmental Policy Act or 1969 (NEPA).
- Task #1: Identify potential locations based on the information from the above objectives.
- Task #2: Clarify Bureau of Reclamation (BOR) requirements.
- Task #3: Research potential funding sources for the project.
- Task #4: Estimate the long-term costs as a result of the project.

The revenues for the Streets and Storm Drains fund are listed in the following table:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
240-320-220	Public Works Fees	6,491	8,488	6,000	6,000
240-320-221	Inspection Fees	33,580	21,251	20,000	5,000
240-320-300	Other Fees (Copies, etc.)		19		
240-330-300	County Road Fund Property Tax	293,745	0		0
240-330-320	Motor Vehicle Fuel Tax (Gas Tax)	227,691	259,603	287,381	311,831
240-330-325	Regional Transportation (RTC)	467,542	1,765,602	658,883	733,158
240-330-326	Road Tax	0	0	300,000	75,000
	Donations (Cash & Mat/Labor)	190,000			
240-360-100	Interest Earnings	29,665	2,235	10,000	10,000
	Total Revenues	1,248,714	2,057,198	1,282,264	1,140,989

The revenue from the County Road Fund Property Tax cannot be replaced by increases in the City's tax rate due to property tax limitation legislation. Additional sources of revenue for this fund will be required to keep up on the services provided. The City is researching impact fees and other possible charges, the possible formation of additional taxing districts, and other methods of providing a steady source of revenue for this core City function.

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Streets and Storm Drains Fund Expenditures and Fund Balance:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Expenditures:				
240-475-100	Regular Pay	73,403	113,333	87,300	95,900
240-475-120	Standby Pay	1,506	2,242	2,300	6,000
240-475-130	Overtime	6,122	6,678	7,000	10,000
240-475-140	Annual Leave Pay	4,919	3,477	4,700	7,200
240-475-150	Sick Leave Pay	3,482	3,111	3,500	6,700
240-475-160	Holiday Pay	3,129	3,724	4,500	5,400
	Subtotal Salaries and Wages	92,561	132,565	109,300	131,200
240-475-200	FICA				200
240-475-210	Medicare	1,290	1,843	1,600	1,700
240-475-220	Unemployment	561	1,063	1,000	1,200
240-475-230	Retirement (PERS)	18,372	21,725	20,200	23,600
240-475-240	Group Insurance	13,274	17,598	21,000	43,500
240-475-250	Workers' Compensation Ins.	4,634	6,972	4,500	4,000
240-475-260	Other Benefits	663	624	750	750
	Subtotal Employee Benefits	38,794	49,825	49,050	74,950
	Total Salaries and Benefits	131,355	182,390	158,350	206,150
240-475-320	Professional Services-Engineering	41,639	74,149	70,000	44,300
240-475-322	Professional Services-Other	500	2,872	3,000	3,000
240-475-324	Professional Services-Environmental	1,140	718	1,000	1,500
240-475-325	Professional Services-PW Inspections	22,613	27,880	25,000	5,000
240-475-342	Tech Services-Other	96	85	1,000	0
240-475-412	Utility Service-Refuse	0	758	2,000	1,900
240-475-420	Contract-Street Sweeping	20,240	22,004	20,000	20,000
240-475-422	Contract-Traffic Light Maintenance	1,674	2,610	5,000	5,000
240-475-426	Contract-Striping	0	37,081	0	0
240-475-430	Service-Repair & Maintenance	7,566	2,078	3,000	2,200
240-475-442	Rental-Equipment/Vehicles	0	0		500
240-475-530	Communications	6,416	3,317	3,500	3,500
240-475-540	Advertising	727	4,033	2,500	2,500
240-475-550	Printing and Postage	802	2,575	2,000	2,000
240-475-580	Travel & Training	1,824	2,044	3,500	3,500
240-475-581	Dues and Memberships	135	10	500	500
240-475-585	Educational Assistance Program	0	1,135	0	1,000
240-475-600	General Supplies	13,465	20,493	20,000	20,000
240-475-605	Minor Equipment	525	4,871	5,000	0
240-475-610	Automotive Supplies	1,566	1,533	2,000	2,000
240-475-615	Supplies-Signs and Striping	8,380	13,528	15,000	20,000
240-475-616	Safety Supplies	444	296	3,000	3,000
240-475-622	Electricity	104,513	98,681	115,000	108,000
240-475-623	Propane		0	1,000	1,000
240-475-626	Gasoline	10,951	9,360	15,000	15,000
240-475-640	Books & Periodicals	0	661	1,000	500
240-475-642	Licenses and Permits	0	232	1,000	500
	Total Service and Supplies	245,216	333,004	320,000	266,400
	Total Operating Expenses	376,571	515,394	478,350	472,550
240-475-730	Improvements Other Than Bldgs.	1,916,818	1,816,380	1,085,779	667,213
240-475-741	Machinery		11,482	70,500	0
	Total Capital	1,916,818	1,827,862	1,156,279	667,213
	Total Operating and Capital	2,293,389	2,343,256	1,634,629	1,139,763
	Revenues less Expenditures	-1,044,675	-286,058	-352,365	1,226
240-390-500	Transfers From General Fund	0	550,000	0	
	Fund Balance July 1	1,224,841	180,166	444,108	91,743
	Fund Balance June 30	180,166	444,108	91,743	92,969

City of Fernley Annual Budget For Fiscal Year 2008-2009

Analysis:

Revenues decreased in FY09, primarily due to less money from the Road Construction Tax that is collected with Building Permits. The slowdown in the residential housing was the major factor in the reduced revenue. Revenues estimates for gas taxes increased based on data provided by the Nevada Department of Taxation.

Salaries and Wages increased due for allocation of Public Works staff to the Streets and Storm Drains function. The budget includes costs for normal step increases but does not contain an increase to the salary table.

Service and supplies decreased due to cutbacks in operations needed for decreased revenues and the inability for a transfer from the General Fund. Gravel Road Maintenance was removed from the budget. The Contract – Street Sweeping line item was reduced by \$10,000. The Annual PCI Update and Program Recommendation Process were suspended to cut an additional \$41,000.

Capital projects slated for construction in FY09 are smaller than prior years due to limited funds available.

**City of Fernley Annual Budget
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Private Sector Community Support

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
235-310-300	Private Sector Donations	21,098			
235-360-725	Donations		2,395	6,200	
235-360-726	Donations		1,500	1,310	
235-360-100	Interest Earnings	163	42		
	Total Revenues	21,261	3,937	7,510	0
	Expenditures:				
235-575-322	Professional Services	10,479	30,662		0
235-575-650	Community Support		2,000	26,500	20,000
	Total Expenditures	10,479	32,662	26,500	20,000
	Total Capital	0	0	0	0
	Revenues less Expenditures	10,782	-28,725	-18,990	-20,000
235-390-500	Transfers From Other Funds		17,317	20,000	20,000
	Fund Balance July 1	0	10,782	-626	384
	Fund Balance June 30	10,782	-626	384	384

The fund was originally established for broad purposes. This will be used for the concert in the parks series of events as well as other events.

**City of Fernley Annual Budget
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Green Valley Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

The landscape maintenance district consists of those parcels included in the Green Valley Subdivision Units #4 (64 parcels) and #5 (69 parcels) as identified in the Lyon County Assessor's records. Future phases estimated to contain an additional 216 parcels will also be included in the Green Valley Landscape Maintenance District. At full build out, it is estimated that 249 parcels will be included in the district.

Revenue Estimates:

The budget assumes that 80 homeowners will be charged \$10 per month for total revenue of \$9,600. The Parks and Recreation Department staff will maintain the facilities and the full cost will be charged to this special revenue fund. The fee will be collected with the water/sewer bill for each parcel.

Account #	Description	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:			
251-340-100	Landscape Maint Dist Fees			9,600
	Interest Earnings			100
	Total Revenues	0	0	9,700
	Expenditures:			
251-581-100	Regular Pay			2,200
251-581-140	Annual Leave Pay			200
251-581-150	Sick Leave Pay			200
251-581-160	Holiday Pay			200
	Subtotal Salaries and Wages	0	0	2,800
251-581-210	Medicare			100
251-581-220	Unemployment			100
251-581-230	Retirement (PERS)			600
251-581-240	Group Insurance			800
251-581-250	Workers' Compensation Ins.			100
	Subtotal Employee Benefits	0	0	1,700
	Total Salaries and Benefits	0	0	4,500
251-581-410	Utility Service-Water and Sewer			4,800
251-581-600	General Supplies			500
251-581-622	Electricity			1,500
	Total Service and Supplies	0	0	6,800
	Total Operating Expenses	0	0	11,300
	Revenues less Expenditures	0		-1,600
251-390-500	Transfers From General Fund			2,000
	Fund Balance July 1	0	0	0
	Fund Balance June 30	0	0	400

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Autumn Winds Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

The landscape maintenance district consists of those parcels included in the Truckee River Ranch Subdivision Phase 1 (146 parcels) and Phase 2 (50 parcels) as identified in the Lyon County Assessor's records. Future phases, estimated to contain an additional 319 parcels, will also be included in the Autumn Winds Landscape Maintenance District. At full build out, it is estimated that 515 parcels will be included in the district.

Parcels in the district will not be assessed until a meter is set. Due to the slow down in residential development, it is not expected that the project will be built out for several years.

The Autumn Winds Park consists of 7 acres located near the intersection of Farm District Road and Clearwater Parkway. Currently, 4.9 acres of the park has been developed with a playground, sports court, picnic area, pathways and a large turf area. The remaining 2.1 acres of open space includes trees, fences, and undeveloped land. There are 18 street lights within the park area. There are currently no rest room facilities at the park.

Revenue Estimates:

The budget assumes that 142 homeowners will be charged \$10 per month for total revenue of \$17,040. The Parks and Recreation Department staff will maintain the facilities and the full cost will be charged to this special revenue fund. The fee will be collected with the water/sewer bill for each parcel.

There will not be sufficient collections from homeowners to maintain the park until full build out of the park occurs. Therefore, money is transferred from the General Fund to pay for the deficiency in funding in the short term. The costs will be analyzed annually and the fees adjusted accordingly.

Expenditure Estimates:

The City Parks and Recreation Department maintains the assets within the landscape maintenance district. The estimated labor allocated to maintaining the park is 0.16 FTE per year. The materials budget is primarily related to turf maintenance activities (mowing, fertilizing, watering, etc). The street light maintenance is provided through a contract with Sierra Pacific Power at \$15 per month per streetlight (18 street lights X \$15 per month X 12 months). Four water meters serve the property for estimated annual cost of \$13,400.

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Account #	Description	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:			
252-340-100	Landscape Maint Dist Fees			17,040
	Interest Earnings			100
	Total Revenues	0	0	17,140
	Expenditures:			
252-582-100	Regular Pay			4,500
252-582-140	Annual Leave Pay			400
252-582-150	Sick Leave Pay			400
252-582-160	Holiday Pay			300
	Subtotal Salaries and Wages	0	0	5,600
252-582-210	Medicare			100
252-582-220	Unemployment			100
252-582-230	Retirement (PERS)			1,100
252-582-240	Group Insurance			1,800
252-582-250	Workers' Compensation Ins.			200
	Subtotal Employee Benefits	0	0	3,300
	Total Salaries and Benefits	0	0	8,900
252-582-410	Utility Water & Sewer			12,300
252-582-600	General Supplies			11,000
252-582-622	Electricity			3,240
	Total Service and Supplies	0	0	26,540
	Total Operating Expenses	0	0	35,440
	Revenues less Expenditures	0	0	-18,300
252-390-500	Transfers From General Fund			20,000
	Fund Balance July 1	0	0	0
	Fund Balance June 30	0	0	1,700

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Silverland Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

The landscape maintenance district consists of those parcels included in the Silverland Subdivision Phase 1 (-__ parcels) as identified in the Lyon County Assessor's records. Future phases estimated to contain an additional 319 parcels will also be included in the Silverland Landscape Maintenance District. At full build out, it is estimated that 318 parcels will be included in the district.

Revenue Estimates:

The budget assumes that 15 homeowners will be charged \$10 per month for total revenue of \$1,800. The Parks and Recreation Department staff will maintain the facilities and the full cost will be charged to this special revenue fund. The fee will be collected with the water/sewer bill for each parcel.

There will not be sufficient collections from homeowners to maintain the park until full build out of the park occurs. Therefore, money is transferred from the General Fund to pay for the deficiency in funding in the short term. The costs will be analyzed annually and the fees adjusted accordingly.

Expenditure Estimates:

The City Parks and Recreation Department maintains the assets within the landscape maintenance district. The estimated labor allocated to maintaining the park is 0.03 FTE per year. The materials budget is primarily related to turf maintenance activities (mowing, fertilizing, watering, etc). The street light maintenance is provided through a contract with Sierra Pacific Power at \$15 per month per streetlight. Two water meters serve the property for estimated annual cost of \$2,400.

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Account #	Description	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:			
253-340-100	Landscape Maint Dist Fees			1,800
	Total Revenues	0	0	1,800
	Expenditures:			
253-583-100	Regular Pay			1,200
253-583-140	Annual Leave Pay			100
253-583-150	Sick Leave Pay			100
253-583-160	Holiday Pay			100
	Subtotal Salaries and Wages	0	0	1,500
253-583-210	Medicare			100
253-583-220	Unemployment			100
253-583-230	Retirement (PERS)			300
253-583-240	Group Insurance			400
253-583-250	Workers' Compensation Ins.			100
	Subtotal Employee Benefits	0	0	1,000
	Total Salaries and Benefits	0	0	2,500
253-583-410	Interfund Service-Water/Sewer			2,400
253-583-600	General Supplies			300
253-583-622	Electricity			900
	Total Service and Supplies	0	0	3,600
	Total Operating Expenses	0	0	6,100
	Revenues less Expenditures	0	0	-4,300
253-390-500	Transfers From General Fund			4,500
	Fund Balance July 1	0	0	0
	Fund Balance June 30	0	0	200

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Friendly Five Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

Revenue Estimates:

The homes in this subdivision have not been built and occupied. The park in this subdivision has not been built. No activity will occur in this special revenue fund until the park is completed.

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B C Ranch Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

Revenue Estimates:

The homes in this subdivision have not been built and occupied. The park in this subdivision has not been built. No activity will occur in this special revenue fund until the park is completed.

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Sario Ranch Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

Revenue Estimates:

The homes in this subdivision have not been built and occupied. The park in this subdivision has not been built. No activity will occur in this special revenue fund until the park is completed.

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Jackson Ranch Landscape Maintenance District

Description:

The approval process for this subdivision contained a provision to create a landscape maintenance district pursuant to NRS 278.4787, NRS278A, 278.360 and 278.460. The documents that created the landscape district require a special revenue fund to account for the fees collected from property owners and the costs incurred for maintenance of certain common areas within the subdivision. The fees collected can be used for landscape, lighting, security wall, fence, trail, park and open space maintenance.

Revenue Estimates:

The homes in this subdivision have not been built and occupied. The park in this subdivision has not been built. No activity will occur in this special revenue fund until the park is completed.

Capital Project Funds

Overview:

Capital project funds are used to account for financial resources used for the acquisition or construction of capital projects. The City of Fernley uses these funds to set aside money for a specific purpose. The City of Fernley currently maintains one capital project fund.

Capital Fund: To accrue funds under a “pay as you go” program to provide funding for future projects involving replacement of equipment and buildings or new facilities and equipment.

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Capital Fund

Description:

The purpose of the Capital Fund is to segregate money earmarked for capital replacement and improvements so that adequate funds will be available to meet future needs for capital items. These types of funds are sometimes referred to as “depreciation” funds because the purpose is to set aside funds annually for the ultimate replacement of capital items. The fund is also used to plan for new equipment and facilities that may be needed. The City’s annual process to update the Capital Improvement Plan is an important element in the amount and nature of funds set aside in this fund as well as priority for expenditures in the funds.

The line item budget for the Capital Fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
	Revenues:				
300-360-100	Interest Earnings	195,809	258,076	75,000	60,000
	Bond Proceeds	5,000,000			
	Miscellaneous Revenues				
	Total Revenues	5,195,809	258,076	75,000	60,000
300-425-720	Buildings	450,644	5,953,248	1,080,000	
300-425-741	Machinery (Records Management)	64,815		100,000	
300-425-741	Machinery (Disaster Recovery/Software Upgrades/ comput		74,563	150,000	200,000
300-425-741	Machinery			20,000	
300-425-730	Improvements (Basement Records)			40,000	
300-425-742	Vehicles			81,000	
	Total Capital	515,459	6,027,811	1,471,000	200,000
	Revenues less Expenditures	4,680,350	-5,769,735	-1,396,000	-140,000
300-900-910	Transfer To Grants Fund				-145,000
300-390-500	Transfer from Other Funds	850,000	134,766		
	Fund Balance July 1	2,502,129	8,032,479	2,397,510	1,001,510

Specific projects included in the capital expenditures line items are:

Expansion of City Hall: The City completed this project in FY08. The project was funded through issuance of debt in the amount of \$5 million and approximately \$2 million in cash from the capital fund.

The flood event that occurred on January 5, 2008 essentially used the entire fund balance of the grant fund. Money will be transferred from the capital fund to the grant fund in FY09 to cover matching funds and lobbying costs.

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Enterprise Funds

Enterprise funds are used to account for the revenues earned, expenses incurred, and net income for businesses operated by the City of Fernley. The businesses are financed from fees paid by users of the services.

The City of Fernley maintains the following enterprise funds:

Fernley Water Enterprise Fund: The City of Fernley provides water services to certain customers within the City. This fund is used to account for the operations of the water utility.

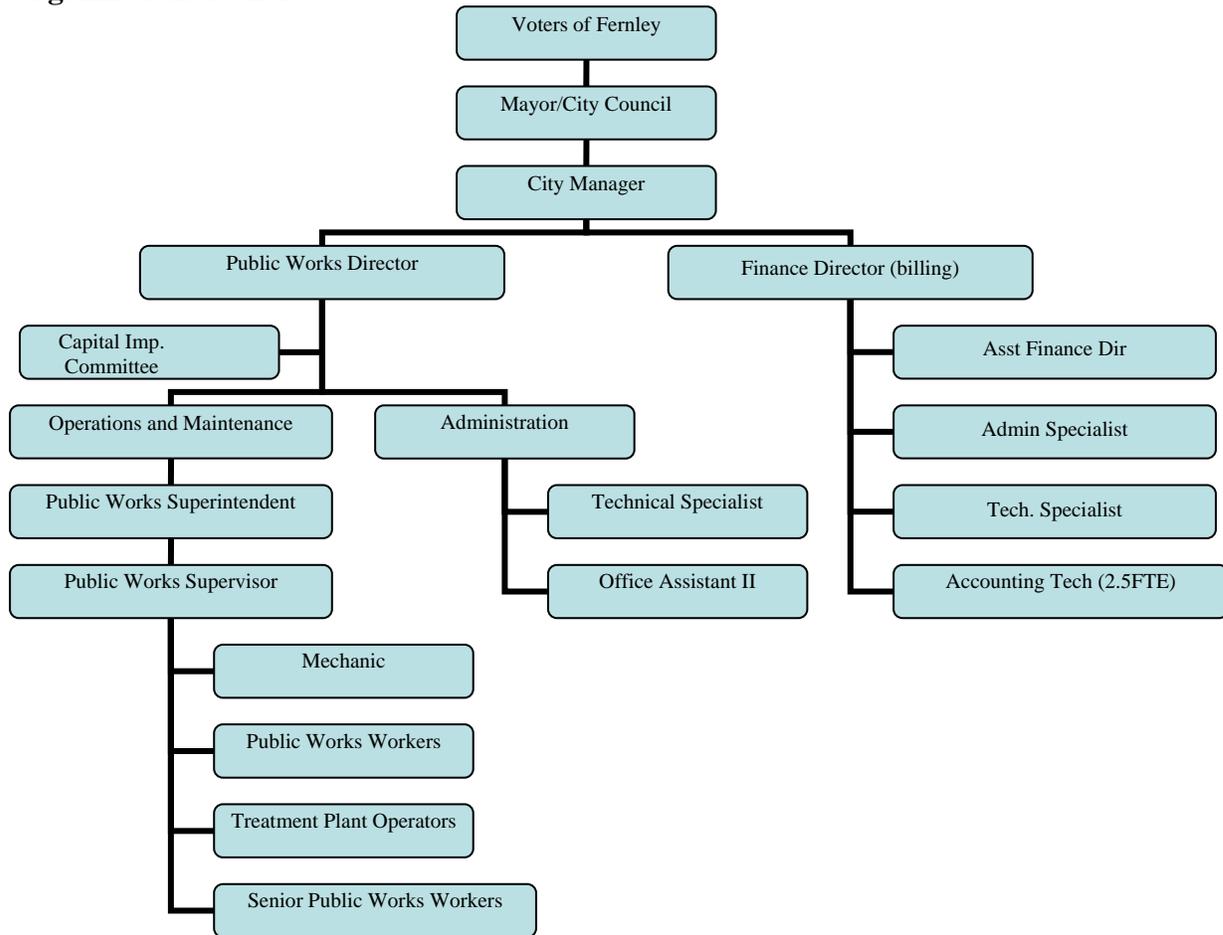
Fernley Sewer Enterprise Fund: The City of Fernley provides sewer services to certain customers within the City. This fund is used to account for the operations of the sewer utility.

Fernley Alternative Water Enterprise Fund: The City of Fernley intends to provide alternative water to certain customers within the City for landscaping, irrigation, construction and other uses to conserve potable water for drinking and inside the home use.

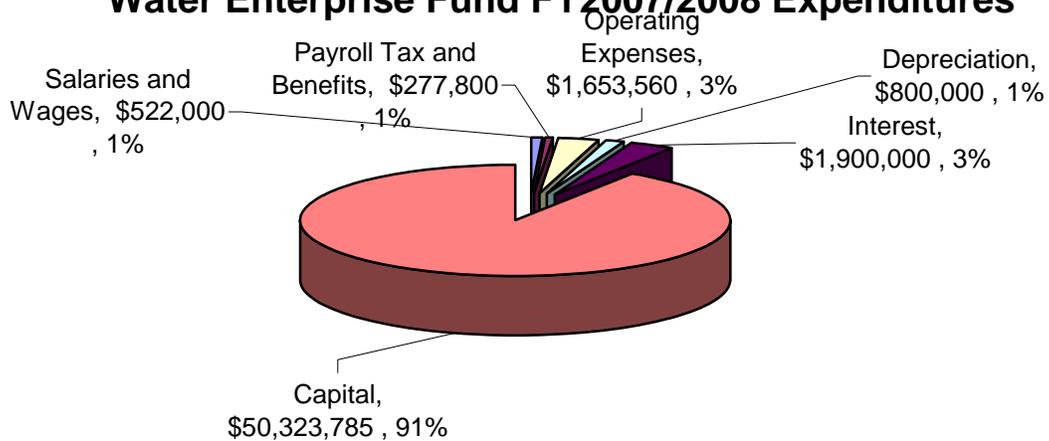
City of Fernley Annual Budget For Fiscal Year 2008-2009

Water Utility Fund

Organizational Chart:



Water Enterprise Fund FY2007/2008 Expenditures



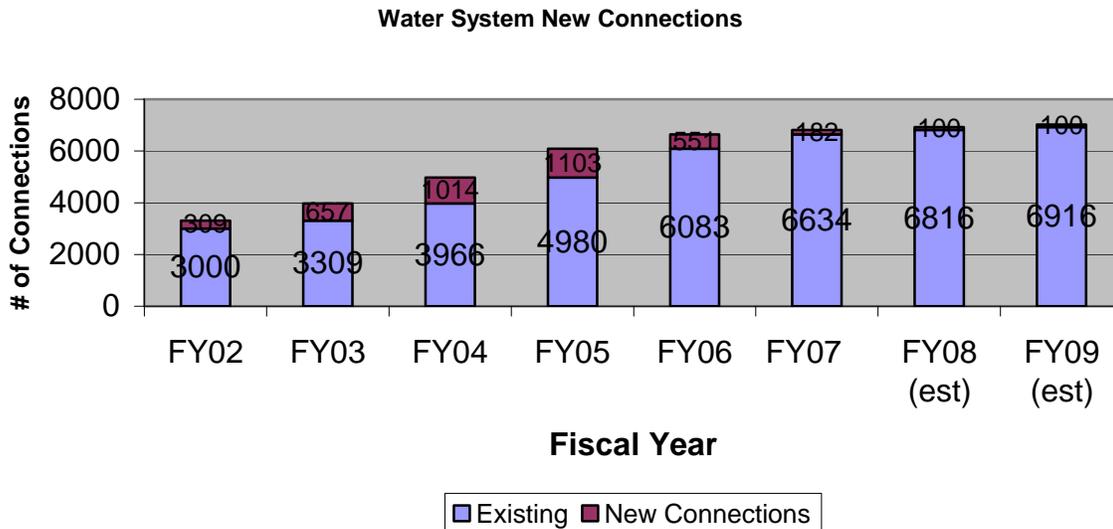
City of Fernley Annual Budget For Fiscal Year 2008-2009

Description:

The water utility fund exists to provide safe drinking water to customers within the utility service area. The largest issue facing the water utility is implementation of the new regulations regarding arsenic levels allowed in water. The City currently does not provide for treatment of water, other than disinfection with chlorine, because of the good quality of water from the groundwater aquifer. Unfortunately, the standards for water quality are much more stringent because new regulations were implemented in March 2006. Fortunately, the City entered into a Bi-Lateral Agreement with the State of Nevada to reach compliance by 2009. The City is constructing of a new groundwater treatment plant to treat water to the new standards. In addition, this water treatment plant will also treat surface water so the City can use its surface water rights for potable water use. This will result in a fundamental change in operations because of the necessity to construct and pay for the operation and maintenance of the new facilities.

Growth

The number of customers served has increased significantly in recent years. Approximately 3,000 customers were on the city water system when the City incorporated on July 1, 2001. The number of customers on the system has more than doubled during this time with an estimated 6,916 customers on the system by June 30, 2009. The following chart shows the number of new connections to the water system since July 1, 2001, including estimates for FY09.



The City has been able to accommodate the growth in the system through requiring developers to build appropriate infrastructure for the specific development, through requirements for dedication of water rights, and through imposition of connection and other fees. The City has incurred capital expenditures to drill new wells and improve existing wells to provide an adequate supply of water for the development and has charged the development for the pro rata share.

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Rate Increases

The City conducted a rate analysis and increased user rates and development rates to fund current cash operating costs as well as to provide funding for future capital replacements. Connection fees increased from \$1,500 per unit to \$5,165 per unit. Additional increases for connection fees are not enacted. User rates increased an average of 50% effective July 1, 2007 and additional rate increases are enacted effective July 1, 2008 (approximately 35%), July 1, 2009 (approximately 35%) and July 1, 2010 (approximately 3%). The City intends to update the rate analysis during FY09 to determine if the rate increases are still appropriate with the slowdown of growth.

Capital Improvement Projects

The five year capital improvement plan, including capital expenditures authorized in FY09, is detailed in Appendix D. The FY09 projects are listed below:

Water Utility Enterprise Fund		
3/4 Ton Pickup	N/A	\$ 27,000
Utility Bed for Pickup	N/A	\$ 7,000
Clamp on Flow Meter	N/A	\$ 7,000
Vehicle/Machinery Replacements		
Groundwater/Surface Water Treatment Plant	510-00001.1	\$ 35,787,000
Water Conveyance Infrastructure (multiple projects)	510-00002+	\$ 22,541,000
Blend Tank Yard Piping Separation - Design	510-00011.1	\$ 10,080
Flowmeter Retrofit	510-00014.2	\$ 30,000
Water Tanks Interior Coating (NE, Sage, Ricci)	510-00012.2	\$ 150,000
Transmission Main Rehabilitation	510-00018.2	\$ 250,000
Well 15 Pump Station and Transmission Main	510-00015.1	
Well 10 Pump Station and Transmission Main	510-00016.1	
Surface Water Treatment Plant Expansion	510-00017.1	
Subtotal Water Utility Fund		\$ 58,809,080

The largest projects planned over the next year will be the Groundwater/Surface Water Treatment plant and the associated Water Conveyance systems. The project will span multiple fiscal years and required rate increases and bonding to provide cash for construction.

Significant Expenditures and Staffing Changes:

Three positions (2.5 FTE) were added in the Public Works Department in FY09. The operation of the Water Treatment Plant will require at least two operators. The City has not completed discussions with the State of Nevada that will ultimately identify the required full complement of operators. A Senior Water Treatment Plant Operator position (1FTE) will be staffed at the beginning of the fiscal year in an effort to ensure maximum understanding of the Water Treatment Plant's operation. A Water Treatment Operator position is anticipated to be filled at mid-year (0.5 FTE) to support the Senior Water Treatment Plant Operator and begin the required Contractor-City training program for delivery of the Water Treatment Plant. A Public Works Worker position will be staffed at the beginning of the fiscal year to provide support for the additional +/- \$23M

City of Fernley Annual Budget For Fiscal Year 2008-2009

large-format Water Conveyance Infrastructure being installed around the City in support of the Water Treatment Plant.

Staffing Levels and Cost Allocation:

The Water Utility enterprise fund includes personnel allocated at various percentages, including allocation from various other departments (overhead). The full listing of personnel is included in Appendices A through C of this report.

A total of 14.698 FTE are allocated to the fund to perform the services, including an allocation for overhead.

Goals and Objectives:

Goal: To provide safe adequate water supply and distribution to the City of Fernley water customers in the most efficient and cost effective manner as fiscally practical.

Objective #1: Construct new water storage tank for adequate storage and transfer of water to needed areas for improved system delivery capabilities and maintain system pressure equalization.

Task #1: Coordinate the design with the engineering team to incorporate future needs and existing conditions.

Task #2: To review the existing conditions and prior engineering reports to determine the size and location of the tank.

Task #3: To design the modifications and put the project out to bid.

Task #4: To coordinate construction activities to ensure the construction is in compliance with design.

Task #5: To test the facility and place it into service.

Objective #2: Install water booster pumping station to efficiently deliver water to new storage site(s).

Task #1: Coordinate the design with the engineering team to implement the pumping station design.

Task #2: To determine the characteristics of the design.

Task #3: To design the pumping equipment and put the project out to bid.

Task #4: To coordinate construction activities to ensure the construction is in compliance with design.

Task #5: To test the facility and place it into service.

Objective #3: Install water distribution and transmission mains for adequate transfer of water to needed areas for improved system delivery capabilities and storage sites.

Task #1: Coordinate the design with the engineering team to incorporate future needs and existing conditions.

Task #2: To review the existing conditions and prior engineering reports to determine the size and alignment of the pipelines.

Task #3: To design the pipeline alignments and put the project out to bid.

Task #4: To coordinate construction activities to ensure the construction is in compliance with design.

Task #5: To test the facility and place it into service.

Objective #4: Equip new production wells with pumping equipment.

Task #1: Coordinate the design with the engineering team to implement the pumping station design.

Task #2: To review the testing reports and determine the characteristics of the design.

Task #3: To design the pumping equipment and put the project out to bid.

Task #4: To coordinate construction activities to ensure the construction is in compliance with design.

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Task #5: To test the facility and place it into service.

Objective #5: Incorporate modeling and GIS mapping for water utility system planning and upgrading of the City's water system.

Task #1: Coordinate the design parameters with the engineering team.

Task #2: To review the existing conditions and prior engineering reports to determine the extent of the modeling and GIS mapping.

Task #3: To develop useable reports and mapping for future planning.

Objective #6: Construct new facilities to expand the water distribution system to serve new public facilities.

Task #1: Work with other City departments to accommodate construction of new public facilities.

Objective #7: Utilize City of Fernley surface water rights as part of expanding water production by examining surface water treatment options via surface water treatment pilot plant.

Task #1: Coordinate the design with the engineering team to incorporate future needs and existing conditions.

Task #2: Construct and review results of surface water treatment pilot plant.

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The cash flow statement for the water utility follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
CASH FLOW STATEMENT					
	Cash Received from Customers	2,325,752	2,330,586	3,670,000	4,954,500
	Service & Supplies	-1,407,417	-1,305,438	-1,784,891	-2,500,100
	Wages & Benefits	-370,977	-389,122	-790,100	-945,700
	Non-Operating Revenues	46,941	48,562	253,750	25,000
	Cash from Operations	594,299	684,588	1,348,759	1,533,700
	Proceeds from Grants	0		438,681	600,000
	Proceeds from Bond Issue		44,918,068	32,100,000	
	Proceeds short term trade accounts		1,414,106		
	Intergovernmental Transfer	-800,000			
	Interest Paid on Debt	-26,432	-19,638	-18,000	-10,000
	Interest Income	315,950	910,903	20,000	20,000
	Deferred Charge	-6,087	-321,986	-400,000	
	Principal Payments on Long Term Debt	-145,000	-167,394	-160,000	-899,800
	Capital Contributions	1,014,573	362,051	100,000	100,000
	Developer Oversize Agreement	149,452			
	In Lieu Of Water Rights Fees	329,970	307,160	100,000	100,000
	Acquisition of Assets & Projects	-1,475,577	-5,602,388	-19,519,825	-58,809,080
	Increase (Decrease) in Cash	-48,852	42,485,470	14,009,615	-57,365,180
	Cash & Equivalents July 1	9,107,889	9,059,037	51,544,507	65,554,122
	Cash & Equivalents June 30	9,059,037	51,544,507	65,554,122	8,188,942

City of Fernley Annual Budget For Fiscal Year 2008-2009

The summarized income statement for the water utility follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
SUMMARY INCOME STATEMENT					
Operating Revenues:					
510-370-100	Water Use Fees	1,991,035	2,192,430	3,670,000	4,954,500
	Operating Revenues	1,991,035	2,192,430	3,670,000	4,954,500
Operating Expenses:					
	Salaries, Wages & Benefits	513,064	550,160	790,100	945,700
	Service & Supplies	1,144,496	1,146,095	1,784,891	2,500,100
	Depreciation	739,799	836,132	860,000	860,000
	Total Operating Expenses	2,397,359	2,532,387	3,434,991	4,305,800
	Operating Income or Loss	-406,324	-339,957	235,009	648,700
Non-Operating Revenues & Expenses					
510-380-100	Interest Income	345,511	1,047,914	20,000	20,000
510-800-860	Interest Expense	-25,224	-526,166	-18,000	-10,000
510-380-200	Rental Income	8,250	9,000	3,750	
510-380-900	Miscellaneous Income	38,691	37,094	250,000	25,000
510-370-300	Material & Labor Charges	173,453	92,489	50,000	50,000
510-370-310	PW Inspection Fees	37,428	21,274	30,000	5,000
510-370-601	SB62 Grant Revenue			38,681	
510-370-602	TROA Grant Revenue			400,000	600,000
510-380-500	In Lieu of Water Rights Fees	329,970	307,160	100,000	100,000
510-380-501	Water Rights Settlement			39,292	
	Total Non-Operating Income & Expenses	908,079	988,765	913,723	790,000
Capital Contributions In:					
510-395-900	Developer Contribution-Donner Trails	62,920	34,606	30,000	50,000
510-395-910	Customer Contributions-Hookups	881,823	362,051	100,000	100,000
510-395-920	Capital Grant BOR	132,750			
510-395-930	Desert Lakes Reimbursements	86,209	13,956		0
510-395-934	Whippletree Assessments	324			
510-395-940	Developer Donated Infrastructure	2,633,534	1,520,734	5,000,000	5,000,000
510-395-950	Developer Donated Water Rights	10,501,525	14,372,138	10,000,000	10,000,000
	Interfund Transfer	-800,000			
	Total Capital Contributions In	13,499,085	16,303,485	15,130,000	15,150,000
	Net Income or Loss	14,000,840	16,952,293	16,278,732	16,588,700

The detail of expenditures in the water utility enterprise fund follows:

City of Fernley Annual Budget For Fiscal Year 2008-2009

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
DETAIL OPERATING EXPENSES:					
510-810-100	Regular Pay	301,979	316,480	407,900	496,800
510-810-120	Standby Pay	5,338	8,205	8,000	8,000
510-810-130	Overtime	22,692	24,041	25,000	26,300
510-810-140	Annual Leave Pay	16,944	17,071	30,500	37,300
510-810-150	Sick Leave Pay	14,611	14,738	28,100	34,500
510-810-160	Holiday Pay	11,142	11,641	22,500	27,500
	Total Salaries and Wages	372,706	392,176	522,000	630,400
510-810-200	FICA	55	76	200	100
510-810-210	Medicare	4,627	5,430	7,100	8,900
510-810-220	Unemployment	2,369	3,206	4,900	6,200
510-810-230	Retirement-PERS	58,838	63,698	99,600	121,900
510-810-240	Group Insurance	59,113	64,620	139,700	159,100
510-810-250	Workers Compensation	13,650	19,589	15,800	19,100
510-810-260	Other Benefits	1,706	1,365	800	0
	Total Employee Benefits	140,358	157,984	268,100	315,300
	Total Salaries and Benefits	513,064	550,160	790,100	945,700
510-810-300	Professional Services-City Attorney	15,501	15,501	6,000	0
510-810-310	Professional Services-Legal	840	0	5,000	20,000
510-810-320	Professional Services-Engineering	90,029	58,077	50,000	58,000
510-810-322	Professional Services-Other	6,323	25,210	5,000	29,000
510-810-324	Professional Services-Environmental	0	75	1,500	3,000
510-810-325	Professional Services-PW Inspections	33,210	27,688	30,000	5,000
510-810-328	Professional Services-Auditing/Acct Asst	12,666	14,862	15,000	15,000
510-810-340	Tech Services-Lab Analysis	15,046	22,056	45,000	50,000
510-810-342	Tech Services-Other	4,147	9,875	16,000	20,000
510-810-412	Utility Service Refuse	1,774	2,423	2,000	4,000
510-810-430	Service Repair and Maintenance	94,675	26,706	35,000	35,000
510-810-431	Road Maintenance (contract service)	5,331	675	3,000	3,000
510-810-441	Rental	56,038	11,725	8,000	25,000
510-810-444	Interfund Cost Allocation Bldg Space			20,000	20,000
510-810-520	Insurance	25,724	33,307	34,000	45,000
510-810-530	Communications	4,001	4,396	6,000	6,000
510-810-540	Advertising	1,296	3,391	3,500	3,500
510-810-550	Printing and Postage	20,831	23,136	30,000	30,000
510-810-580	Travel and Training	2,947	3,613	10,000	7,500
510-810-581	Dues and Memberships	656	1,001	1,500	1,500
510-810-585	Educational Assistance Program	0	966	0	1,000
510-810-601	Office Supplies	7,571	8,847	9,000	9,000
510-810-605	Minor Equipment	2,600	8,838	45,460	91,000
510-810-610	Automotive Supplies	13,336	16,394	36,000	36,000
510-810-612	Buildings & Ground Supplies	15,070			
510-810-614	Plant/Shop/Maint Supplies	57,688	92,236	85,000	369,000
510-810-615	Customer Hookup Supplies (see revenue)	206,837	75,368	50,000	75,000
510-810-616	Safety Supplies	1,804	885	3,000	3,000
510-810-618	Supplies-Well Head Protection Program	0	0	0	5,000
510-810-621	Natural Gas	4,586	3,796	3,150	4,000
510-810-622	Electricity	320,646	460,289	600,000	739,000
510-810-623	Propane	0	0	100	100
510-810-626	Gasoline	51,566	18,350	25,000	25,000
510-810-640	Books and Periodicals	1,517	1,592	3,000	2,500
510-810-642	Permits and Licenses	4,000	12,184	10,000	10,000
510-810-696	TROA Grant Expense			400,000	600,000
510-810-697	SB62 Water Rights Tech Support		26,265	38,681	
510-810-698	Water Rights Protection	66,240	136,368	150,000	150,000
	Total Service & Supplies	1,144,496	1,146,095	1,784,891	2,500,100
510-810-800	Depreciation	739,799	836,132	860,000	860,000
510-800-860	Interest Expense	25,224	526,166	18,000	10,000
	Total Expenses	2,422,583	3,058,553	3,452,991	4,315,800

Analysis:

City of Fernley Annual Budget For Fiscal Year 2008-2009

Use fees are projected to increase approximately 35% due to an enacted rate increase effective July 1, 2008. The customer base is assumed to remain flat in the revenue estimate because there has been an increase in the number of commercial customers and some vacancies in residential customers.

Salaries and Wages increased due to additional positions for operations of the new treatment plant and associated piping facilities. The budget assumes no increase to the salary table but does include projected step increases for existing personnel.

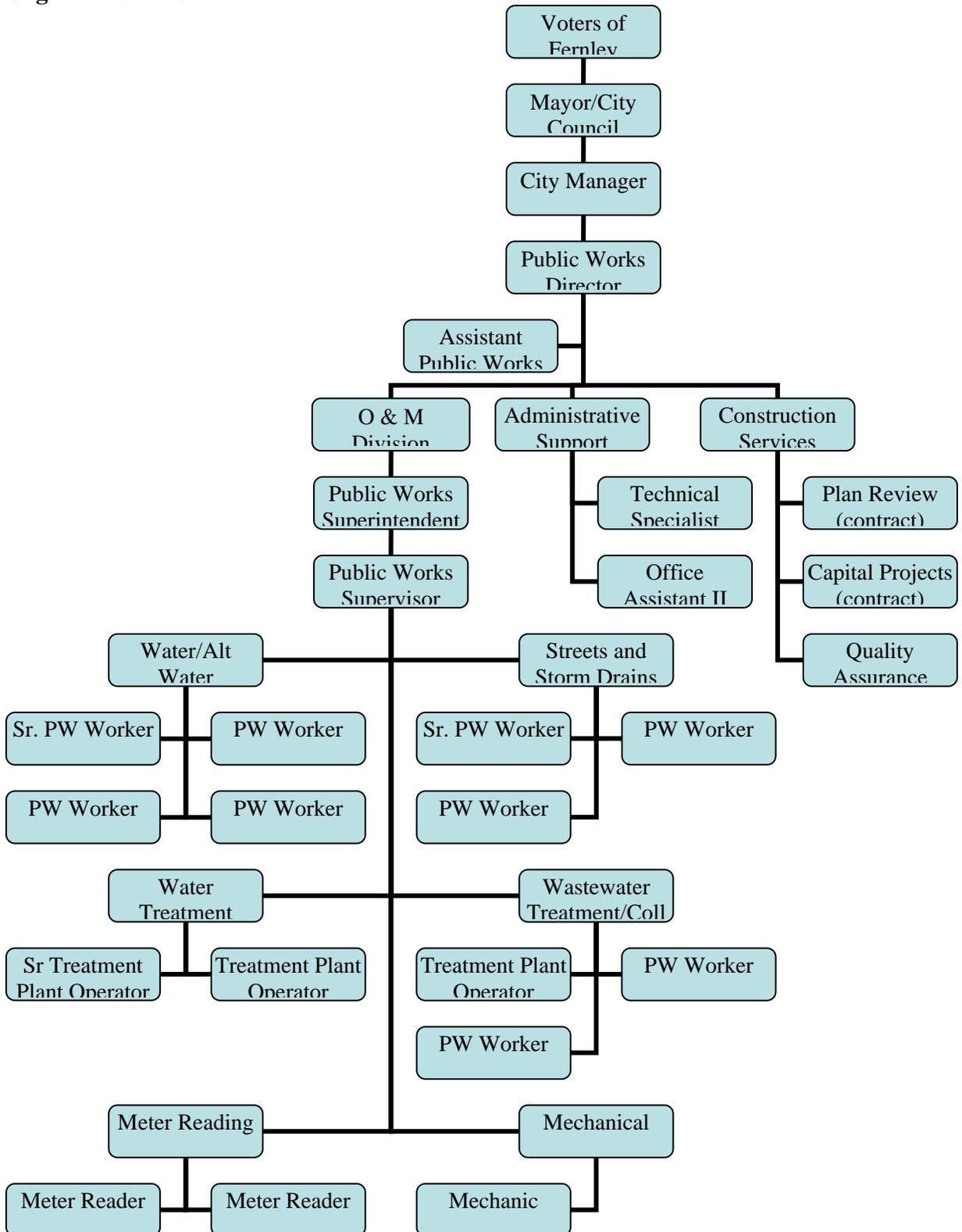
Service and supplies increased primarily due to added operational costs associated with the new treatment plant and other constructed assets. Most of the interest incurred for bonds issued in FY07 and FY08 is capitalized as a part of the cost of the constructed assets. Upon completion of the construction period, interest expense will be expensed.

The largest capital project is construction of a water treatment facility and associated conveyance systems. Additional projects for system replacements are also slated for FY09. For a full list of the five year capital improvement plan, see Appendix D. Operation and maintenance costs for these capital projects were factored into recently enacted rate increases.

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

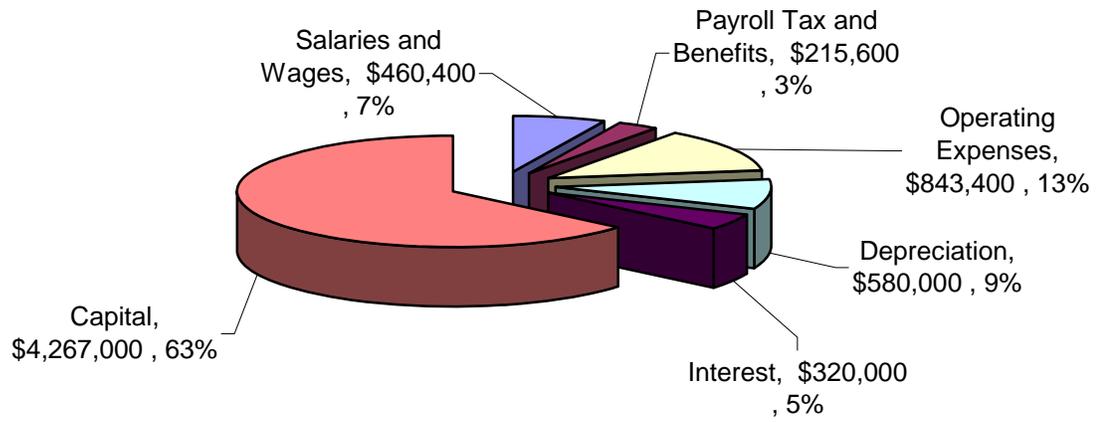
Sewer Utility Fund

Organizational Chart:



City of Fernley Annual Budget For Fiscal Year 2008-2009

Sewer Enterprise Fund FY2008/2009 Expenditures



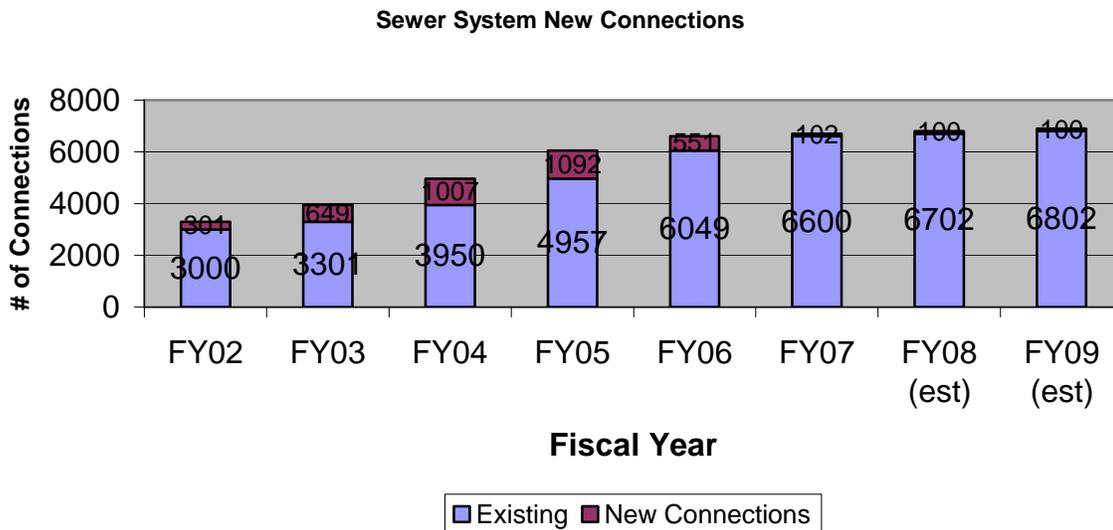
City of Fernley Annual Budget For Fiscal Year 2008-2009

Description:

The sewer utility exists to provide for safe effective disposal of sewage in compliance with regulatory standards. Activities accounted for in the sewer utility enterprise fund include maintenance of the sewer collection system and the wastewater treatment facility. The sewer collection system consists of lift stations and sewer mains. The wastewater treatment facility consists of aerated ponds with discharge of treated effluent to either rapid infiltration basins or wetlands for wildlife refuge.

Growth

The number of customers served has increased significantly in recent years. Approximately 3,000 customers were on the city sewer system when the City incorporated on July 1, 2001. The number of customers on the system has more than doubled for an expected customer count of 6,802 by June 30, 2009. The following chart shows the number of new connections to the sewer system since July 1, 2001, including estimates for FY08 and FY09.



The City has been able to accommodate the growth in the system through requiring developers to build appropriate infrastructure for the specific development and through imposition of connection and other fees. The City has incurred capital expenditures to improve lift stations. The City will be expanding the sewer treatment facilities.

Rate Increases

The City conducted a rate analysis and increased user rates needed to fund current cash operating costs as well as to provide funding for future capital replacements. The enterprise fund has collected connection fees to fund expansions needed to accommodate development, however, these rates also increased because of the new plant and equipment needed to new customers and other plant expansions. The enacted rate increase effective July 1, 2008 of approximately 2.5% is included in the revenue estimates for the fund. The City intends to update its rate analysis during the fiscal year.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Capital Expenditures:

The capital expenditures in the FY09 budget are listed below:

Sewer Utility Enterprise Fund:		
Skip Loader with Attachments		\$ 67,000
Sewer Main Rehabilitation	520-00001.1	\$ 200,000
Vehicle/Equipment Replacements		
Manhole Replacement/Relining Project	520-00002.1	\$ 200,000
Lift Station Pressure Transducers	520-00003.1	\$ 30,000
EWWTWP Pond I Relining	520-00004.1	\$ 400,000
West Lift Station Upgrade	520-00005.1	\$ 620,000
95A Interceptor - Manhole 19 - Front - Manhole 345	520-00009.1	
Highway 50 Lift Station	520-00006.1	\$ 2,600,000
SCADA Upgrade	520-00007.1	\$ 150,000
Donner Trails Lift Station Oversize Agreement	520-00008.1	\$ 237,308
Interceptor Construction Manholes 345-296	520-00010.1	
Interceptor Construction Manholes 19-25	520-00011.1	
Interceptor Extension Phase I MH 38 Southward	520-00012.1	
Interceptor Construction Manholes 222-107	520-00013.1	
Interceptor Extension Phase II MH 38 Southward	520-00014.1	
East Lift Station Upgrade II	520-00015.1	
EWWTWP Expansion beyond 3 MGD Phase I	520-00016.1	
EWWTWP Expansion up to 11 MGD	520-00017.1	
East Lift Station Upgrade III	520-00018.1	
		\$ -
Subtotal Sewer Utility Enterprise Fund		\$ 4,504,308

The largest projects are the Fernley Interceptor Upgrade Project and the Highway 50 Lift station Project. The operations and maintenance costs for the constructed assets have been factored into rates.

Significant Expenditures and Staffing Changes:

The staff increases in the Public Works Department in FY09 all relate to the Water enterprise fund.

Staffing Levels and Cost Allocation:

The Sewer Utility enterprise fund includes personnel allocated at the noted percentages in appendix C. A total of 9.398 FTE are included in the costs for sewer operations, including billing and administrative overhead.

Goals and Objectives:

Goal: To provide uninterrupted adequate sewer collection system, treatment and disposal services to the City of Fernley sewer customers in the most efficient and cost effective manner as fiscally practical.

Objective #1: Provide engineering and GIS services to provide planning and assessment of the existing collection system.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Task #1: Complete surveying, mapping, flow analysis and correlation, to allow model generation and analysis of the sewer collection infrastructure.

Task #2: Review the existing conditions of a portion of the City's collection system through video inspections.

Task #3: Compile collected information into a database that can be set-up in the GIS system and shared with the Sewer Model.

Task #4: Develop Master Plan Report for planning and budgeting of system upgrades.

Objective #2: Complete upgrades of existing facilities to improve efficiencies and reduce Operations and Maintenance (O&M) costs.

Task #1: Develop plans and specifications and bid documents for planned upgrades to existing facilities as well as identifying costs associated with changing current City policy regarding ownership of sanitary sewer laterals.

Task #2: Advertise and solicit bids from contractors to complete planned work.

Task #3: Obtain authorization from City Council to proceed with construction.

Task #4: Coordinate construction activities to ensure the construction is in compliance with design specifications.

Task #5: Start-up and verify operation of upgrades to facilities.

Objective #3: Construct new facilities to expand the sewer collection system to serve public facilities.

Task #1: Work with other City departments to accommodate construction of new public facilities.

Objective #4: Make repairs to existing sewer lift station(s) as part of an ongoing program to continually maintain and improve the existing facilities.

Task #1: Assess facilities with greatest need for repairs.

Task #2: Select necessary repairs to appropriate facilities.

Task #3: Coordinate the repairs with City staff or outside contractors.

Task #4: Start-up and monitor operations.

City of Fernley Annual Budget For Fiscal Year 2008-2009

The cash flow statement for the sewer utility enterprise fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
CASH FLOW STATEMENT					
	Cash Received from Customers	1,683,535	1,741,523	1,830,000	1,845,000
	Service & Supplies	-347,242	-1,304,270	-686,350	-843,400
	Wages & Benefits	-146,220	-376,508	-687,300	-676,000
	Miscellaneous Income	12,500		0	0
	Cash from Operations	1,202,573	60,745	456,350	325,600
	Proceeds from Bond Issue		5,551,671	2,500,000	
	Proceeds from Short Term Trade Accounts		970,931		
	Deferred Charge		-40,427		
	Developer Agreements	24,660	4,410		
	Interest Expense	-39,156	-34,398	-46,100	-320,000
	Interest Income	304,633	428,923	300,000	300,000
	Principal Payments on Long Term Debt	-117,745	-122,502	-127,451	-222,800
	Capital Contributions	1,120,919	497,034	196,000	226,500
	Acquisition of Assets & Projects	-1,857,982	-5,940,945	-593,825	-4,267,000
	Increase (Decrease) in Cash	637,902	1,375,442	2,684,974	-3,957,700
	Cash & Equivalents July 1	8,365,207	9,003,109	10,378,551	13,063,525
	Cash & Equivalents June 30	9,003,109	10,378,551	13,063,525	9,105,825

The summary income statement for the sewer utility enterprise fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
SUMMARY INCOME STATEMENT					
	Operating Revenues:				
520-370-100	Sewer Use Fees	1,648,640	1,731,332	1,800,000	1,845,000
520-370-300	Material and Labor Charges	33	2,318		
520-370-310	PW Inspection Fees	37,428	21,170	30,000	
	Miscellaneous				
	Operating Revenues	1,686,101	1,754,820	1,830,000	1,845,000
	Operating Expenses:				
	Salaries, Wages & Benefits	483,433	535,429	687,300	676,000
	Service & Supplies	506,921	641,525	686,350	843,400
	Depreciation	503,744	540,916	580,000	580,000
	Total Operating Expenses	1,494,098	1,717,870	1,953,650	2,099,400
	Operating Income or Loss	192,003	36,950	-123,650	-254,400
	Non-Operating Revenues & Expenses				
520-380-100	Interest Income	337,837	414,689	300,000	300,000
520-800-860	Interest Expense	-36,800	-94,713	-46,100	-320,000
520-380-900	Miscellaneous Income		193		
520-380-400	Disposition of Assets	12,500			
	Total Non-Operating Income & Expenses	313,537	320,169	253,900	-20,000
	Capital Contributions In:				
520-395-900	Developer Contribution-Donner Trails	7,201	3,845	1,000	1,000
520-395-910	Customer Contributions-Hookups	1,120,919	497,034	175,000	175,000
520-395-930	Desert Lakes Reimbursement	17,459	565	0	0
520-370-300	Material and Labor Charges				30,000
520-370-310	PW Inspection Fees				500
520-395-933	East Lift Station Assessment	12,767	96,373	5,000	5,000
520-395-934	Sewer Interceptor Assessment	36,328	210,152	15,000	15,000
520-395-940	Developer Donated Infrastructure	2,469,666	1,239,499	5,000,000	5,000,000
	Total Capital Contributions In	3,664,340	2,047,468	5,196,000	5,226,500
	Net Income or Loss	4,169,880	2,404,587	5,326,250	4,952,100

City of Fernley Annual Budget For Fiscal Year 2008-2009

The detail expenditures for the sewer enterprise fund follow:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
DETAIL OPERATING EXPENSES:					
520-810-100	Regular Pay	279,771	307,785	352,300	352,700
520-810-120	Standby Pay	5,641	6,934	10,800	10,800
520-810-130	Overtime	21,581	21,416	25,000	26,300
520-810-140	Annual Leave Pay	17,282	17,296	26,300	26,500
520-810-150	Sick Leave Pay	13,683	14,228	24,300	24,500
520-810-160	Holiday Pay	10,815	11,939	19,400	19,600
	Total Salaries and Wages	348,773	379,598	458,100	460,400
520-810-200	FICA	55	75	200	100
520-810-210	Medicare	4,427	5,221	6,200	6,400
520-810-220	Unemployment	2,271	3,176	4,300	4,500
520-810-230	Retirement-PERS	56,403	60,996	85,900	86,500
520-810-240	Group Insurance	57,133	65,982	117,200	104,100
520-810-250	Workers Compensation	12,899	19,172	13,900	14,000
520-810-260	Other Benefits	1,472	1,209	1,500	0
	Total Employee Benefits	134,660	155,831	229,200	215,600
	Total Salaries and Benefits	483,433	535,429	687,300	676,000
520-810-300	Professional Services-City Attorney	15,501	18,319	6,000	0
520-810-310	Professional Services-Legal	0	0	5,000	10,000
520-810-320	Professional Services-Engineering	54,688	86,923	50,000	94,200
520-810-322	Professional Services-Other	8,680	24,598	4,000	29,000
520-810-324	Professional Service-Environmental	0	0	1,500	3,000
520-810-325	Professional Services-PW Inspections	32,686	27,681	30,000	5,000
520-810-328	Professional Services-Auditing/Acct Asst	12,667	14,862	15,000	15,000
520-810-340	Tech Services-Lab Analysis	9,605	10,115	17,500	15,000
520-810-342	Tech Services-Other	3,111	8,415	17,500	15,000
520-810-412	Utility Service Refuse	1,384	4,488	7,500	10,000
520-810-426	Contract-Sewer Cleaning & Inspection	9,803	1,100	20,000	30,000
520-810-430	Service Repair and Maintenance	9,005	15,270	23,500	35,000
520-810-431	Service Road Maintenance			3,000	3,000
520-810-441	Rental	11,786	11,144	5,000	15,000
5108100444	Interfund Cost Allocation Bldg Space			20,000	20,000
520-810-520	Insurance	25,356	33,307	34,000	70,000
520-810-530	Communications	4,354	4,220	6,000	6,000
520-810-540	Advertising	956	3,178	5,000	3,000
520-810-550	Printing and Postage	22,362	21,467	25,000	30,000
520-810-580	Travel and Training	1,032	4,120	5,000	7,500
520-810-581	Dues and Memberships	173	190	500	1,500
520-810-585	Educational Assistance Program	0	966	0	1,000
520-810-601	Office Supplies	7,400	7,230	7,500	10,000
520-810-605	Minor Equipment	959	7,327	24,000	24,000
520-810-610	Automotive Supplies	9,646	9,509	11,000	17,000
520-810-612	Buildings and Grounds Supplies	14,766	5,875		
520-810-614	Plant/Shop/Maint Supplies	58,810	47,836	60,000	70,000
520-810-616	Safety Supplies	1,816	2,543	3,000	3,000
520-810-621	Natural Gas	5,046	4,844	3,150	4,000
520-810-622	Electricity	152,756	242,122	230,000	250,000
520-810-623	Propane	51	0	200	200
520-810-626	Gasoline	26,841	18,377	30,000	30,000
520-810-640	Books and Periodicals	719	1,223	1,500	2,000
520-810-642	Permits and Licenses	4,962	4,276	15,000	15,000
	Total Service & Supplies	506,921	641,525	686,350	843,400
520-810-800	Depreciation	503,746	540,916	580,000	580,000
520-800-860	Interest	36,800	94,713	46,100	320,000
	Total Expenses	1,530,900	1,812,583	1,999,750	2,419,400

City of Fernley Annual Budget For Fiscal Year 2008-2009

Analysis:

Use fees are projected to increase in FY09 due to an enacted rate increase effective July 1, 2008 of approximately 2.5%. The customer base is expected to be the same as the prior year due to the slowdown of new housing. Connection fees are not expected to increase from the prior fiscal year also due to the slowdown in residential housing. Most of the connection fees in FY08 were related to commercial development and the FY09 estimates are also based largely on commercial development.

Salaries and Wages decreased slightly due to a change in allocation of personnel costs to the other functions. The salaries and wages section assumes no increase in the wage scale but does include projected step increases for existing personnel. See the Capital Expenditure Summary in Appendix D for a full list of capital expenditures.

Services and supplies increased primarily due to higher expected engineering costs, higher insurance costs (more assets to insure) and the cost to update the rate study.

Interest expense is expected to increase due to the new debt incurred for the Highway 50 lift station project. Some of this interest will be capitalized into the cost of the asset.

The largest capital item is construction of a lift station for approximately \$2.6 million. This project is funded through proceeds from a bond in FY07-08 and existing cash balances. See the Capital Expenditure Summary in Appendix D for a full list of capital expenditures

**City of Fernley Annual Budget
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Alternative Water Utility Fund

Organizational Chart:

See water and sewer fund descriptions for an organizational chart.

Description:

The Alternative Water Utility exists to account for the construction of infrastructure and subsequent operations and maintenance costs for an alternative water system to provide non-potable water for landscaping, irrigation, construction and other uses. The use of untreated water will result in conservation of treated water and lower costs to customers (versus using potable water for landscaping, irrigation, construction or other uses).

Rates

The City will conduct a rate analysis and will establish user rates necessary to fund current cash operating costs as well as to provide funding for future capital replacements. The City currently collects \$1,300 for each new home in defined areas for use in planning and constructing the alternative water delivery system. In addition, developers are required to put in “purple pipe” mains and laterals to each home for delivery of alternative water when the City completes delivery infrastructure. The City also plans to set appropriate rates for water used in construction and to eliminate the use of water meters attached to fire hydrants on the potable water system for construction use.

Capital Expenditures:

The following capital expenditures are included in the FY09 budget:

Alternative Water Utility Enterprise Fund		
Alternative Water Transmission Mains	530-00001.1	\$ 145,000
Alternative Water Piping-Cottonwood Lane	530-00002.1	\$ 29,040
Alternative Water Piping-Green Valley	530-00003.1	\$ 29,040
Bulk Water Truck Fill Stations (3 site)	530-00004.1	\$ 38,000
Truckee Canal Localized Intake Structure	530-00005.1	\$ 78,440
Subtotal Alternative Water Fund		\$ 319,520

Significant Expenditures and Staffing Changes:

The City anticipates that there will be at least two sources of construction water sales associated with this fund (Bulk Water Truck Filling Station and Well 8). The City intends to connect 400 homes to the Alternative Water System by the end of FY08/09.

Goals and Objectives:

Goal: To provide a safe adequate alternative water supply and distribution to the City of Fernley water customers in the most efficient and cost effective manner as fiscally practical.

City of Fernley Annual Budget For Fiscal Year 2008-2009

Objective #1: Utilize City of Fernley surface water rights as part of expanding water production by constructing alternative water distribution center.

Task #1: Coordinate the design with the engineering team to incorporate future needs and existing conditions.

Task #2: To review the existing conditions and prior engineering reports to determine the size and alignment of infrastructure.

Task #3: To design the infrastructure and put the project out to bid.

Task #4: To coordinate construction activities to ensure the construction is in compliance with design specifications.

Task #5: To test the facility and place it into service.

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The cash flow statement for the Alternative Water Utility Enterprise Fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
CASH FLOW STATEMENT					
	Cash Received from Customers	0	0	0	0
	Service & Supplies	0	-120	-40,600	-288,600
	Wages & Benefits	0	0	-164,600	-191,700
	Miscellaneous Income	0	0	0	0
	Cash from Operations	0	-120	-205,200	-480,300
	Intergovernmental Transfers	800,000			
	Interest Income	13,703	50,689	55,000	20,000
	Capital Contributions	117,000	105,301	26,000	26,000
	Acquisition of Assets & Projects		-102,217	-202,350	-319,520
	Increase (Decrease) in Cash	930,703	53,653	-326,550	-753,820
	Cash & Equivalents July 1	131,993	1,062,696	1,116,349	789,799
	Cash & Equivalents June 30	1,062,696	1,116,349	789,799	35,979

The summary income statement for the Alternative Water Utility Enterprise Fund follows:

Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
SUMMARY INCOME STATEMENT					
	Operating Revenues:				
	Operating Revenues	0	0	0	0
	Operating Expenses:				
	Salaries, Wages & Benefits	0	0	164,600	191,700
	Service & Supplies	120	0	40,600	288,600
	Depreciation	580	9,340	15,000	200,000
	Total Operating Expenses	700	9,340	220,200	680,300
	Operating Income or Loss	-700	-9,340	-220,200	-680,300
	Non-Operating Revenues & Expenses				
530-380-100	Interest Income	19,433	48,683	55,000	20,000
	Total Non-Operating Income & Expenses	19,433	48,683	55,000	20,000
	Capital Contributions In:				
530-395-910	Customer Contributions-Hookups	117,000	105,301	26,000	26,000
530-395-940	Developer Donated Infrastructure	319,036	252,442		
	Intergovernmental Transfer	800,000			
	Total Capital Contributions In	1,236,036	357,743	26,000	26,000
	Net Income or Loss	1,254,769	397,086	-139,200	-634,300

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Account #	Description	FY05-06 Actual	FY06-07 Actual	FY07-08 Expected	FY08-09 Budget
DETAIL OPERATING EXPENSES:					
530-810-100	Regular Pay			85,600	87,800
530-810-120	Standby Pay			5,300	8,000
530-810-130	Overtime			15,000	24,000
530-810-140	Annual Leave Pay			4,400	6,600
530-810-150	Sick Leave Pay			2,600	6,100
530-810-160	Holiday Pay			4,700	5,000
	Total Salaries and Wages	0	0	117,600	137,500
530-810-200	FICA			200	100
530-810-210	Medicare			1,600	1,900
530-810-220	Unemployment			1,200	1,400
530-810-230	Retirement-PERS			20,800	21,600
530-810-240	Group Insurance			19,000	24,900
530-810-250	Workers Compensation			4,100	4,300
530-810-260	Other Benefits			100	0
	Total Employee Benefits	0	0	47,000	54,200
	Total Salaries and Benefits	0	0	164,600	191,700
530-810-310	Professional Services-Legal				5,000
530-810-320	Professional Services-Engineering	120		30,000	22,300
530-810-322	Professional Services-Other			900	30,000
530-810-324	Professional Services-Environmental				1,000
530-810-325	Professional Services-PW Inspections			700	5,000
530-810-328	Professional Services-Auditing/Acct Asst				2,000
530-810-340	Tech Services-Lab Analysis				3,500
530-810-342	Tech Services-Other			1,000	2,400
530-810-412	Utility Service-Refuse				700
530-810-430	Service Repair and Maintenance				12,000
530-810-431	Service-Road Maintenance				1,000
530-810-441	Rental				8,400
530-810-520	Insurance				10,000
530-810-530	Communications			500	2,000
530-810-540	Advertising				3,500
530-810-550	Printing and Postage				8,400
530-810-580	Travel and Training			500	2,500
530-810-581	Dues and Memberships			500	1,500
530-810-585	Educational Assistance Program				1,000
530-810-601	Office Supplies			500	3,000
530-810-605	Minor Equipment			500	14,500
530-810-610	Automotive Supplies				12,000
530-810-614	Plant/Shop/Maint Supplies			5,000	36,000
530-810-615	Meter Installation Supplies				25,000
530-810-616	Safety Supplies				3,000
530-810-618	Supplies-Well Head Protection Program				10,000
530-810-621	Natural Gas				1,400
530-810-622	Electricity				50,000
530-810-626	Gasoline				5,000
530-810-640	Books and Periodicals			500	1,500
530-810-642	Permits and Licenses				5,000
	Total Service & Supplies	120	0	40,600	288,600
520-810-800	Depreciation	580	9,340	15,000	200,000
	Total Expenses	700	9,340	220,200	680,300

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Appendices

The following appendices are included in this budget:

Appendix A-Salary Schedule

Appendix B-Authorized Personnel (Including Full Time Equivalents)

Appendix C-Allocation Percentages for Personnel Costs

Appendix D-Glossary of Key Terms

Appendix E-Acronyms

**City of Fernley Annual Budget
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Appendix A – Salary Schedules

The salary table (assuming employer only PERS) for the City of Fernley effective July 1, 2007 is shown in the following table. The table includes 4.00% step increments, 2.50% range increments.

Range	Hourly Rates of Pay									Annual Rates	
	A	B	C	D	E	F	G	H	I	A	I
98	9.86	10.25	10.66	11.09	11.53	11.99	12.47	12.97	13.49	20,509	28,059
99	10.10	10.50	10.92	11.36	11.81	12.28	12.77	13.28	13.81	21,008	28,725
100	10.36	10.77	11.20	11.65	12.12	12.60	13.10	13.62	14.16	21,549	29,453
101	10.63	11.06	11.50	11.96	12.44	12.94	13.46	14.00	14.56	22,110	30,285
102	10.89	11.33	11.78	12.25	12.74	13.25	13.78	14.33	14.90	22,651	30,992
103	11.17	11.62	12.08	12.56	13.06	13.58	14.12	14.68	15.27	23,234	31,762
104	11.44	11.90	12.38	12.88	13.40	13.94	14.50	15.08	15.68	23,795	32,614
105	11.73	12.20	12.69	13.20	13.73	14.28	14.85	15.44	16.06	24,398	33,405
106	12.02	12.50	13.00	13.52	14.06	14.62	15.20	15.81	16.44	25,002	34,195
107	12.32	12.81	13.32	13.85	14.40	14.98	15.58	16.20	16.85	25,626	35,048
108	12.64	13.15	13.68	14.23	14.80	15.39	16.01	16.65	17.32	26,291	36,026
109	12.96	13.48	14.02	14.58	15.16	15.77	16.40	17.06	17.74	26,957	36,899
110	13.27	13.80	14.35	14.92	15.52	16.14	16.79	17.46	18.16	27,602	37,773
111	13.60	14.14	14.71	15.30	15.91	16.55	17.21	17.90	18.62	28,288	38,730
112	13.94	14.50	15.08	15.68	16.31	16.96	17.64	18.35	19.08	28,995	39,686
113	14.29	14.86	15.45	16.07	16.71	17.38	18.08	18.80	19.55	29,723	40,664
114	14.65	15.24	15.85	16.48	17.14	17.83	18.54	19.28	20.05	30,472	41,704
115	15.01	15.61	16.23	16.88	17.56	18.26	18.99	19.75	20.54	31,221	42,723
116	15.40	16.02	16.66	17.33	18.02	18.74	19.49	20.27	21.08	32,032	43,846
117	15.78	16.41	17.07	17.75	18.46	19.20	19.97	20.77	21.60	32,822	44,928
118	16.17	16.82	17.49	18.19	18.92	19.68	20.47	21.29	22.14	33,634	46,051
119	16.57	17.23	17.92	18.64	19.39	20.17	20.98	21.82	22.69	34,466	47,195
120	16.98	17.66	18.37	19.10	19.86	20.65	21.48	22.34	23.23	35,318	48,318
121	17.41	18.11	18.83	19.58	20.36	21.17	22.02	22.90	23.82	36,213	49,546
122	17.84	18.55	19.29	20.06	20.86	21.69	22.56	23.46	24.40	37,107	50,752
123	18.29	19.02	19.78	20.57	21.39	22.25	23.14	24.07	25.03	38,043	52,062
124	18.75	19.50	20.28	21.09	21.93	22.81	23.72	24.67	25.66	39,000	53,373
125	19.21	19.98	20.78	21.61	22.47	23.37	24.30	25.27	26.28	39,957	54,662
126	19.69	20.48	21.30	22.15	23.04	23.96	24.92	25.92	26.96	40,955	56,077
127	20.18	20.99	21.83	22.70	23.61	24.55	25.53	26.55	27.61	41,974	57,429
128	20.68	21.51	22.37	23.26	24.19	25.16	26.17	27.22	28.31	43,014	58,885
129	21.20	22.05	22.93	23.85	24.80	25.79	26.82	27.89	29.01	44,096	60,341
130	21.73	22.60	23.50	24.44	25.42	26.44	27.50	28.60	29.74	45,198	61,859
131	22.27	23.16	24.09	25.05	26.05	27.09	28.17	29.30	30.47	46,322	63,378
132	22.83	23.74	24.69	25.68	26.71	27.78	28.89	30.05	31.25	47,486	65,000
133	23.40	24.34	25.31	26.32	27.37	28.46	29.60	30.78	32.01	48,672	66,581
134	23.99	24.95	25.95	26.99	28.07	29.19	30.36	31.57	32.83	49,899	68,286
135	24.59	25.57	26.59	27.65	28.76	29.91	31.11	32.35	33.64	51,147	69,971
136	25.20	26.21	27.26	28.35	29.48	30.66	31.89	33.17	34.50	52,416	71,760
137	25.83	26.86	27.93	29.05	30.21	31.42	32.68	33.99	35.35	53,726	73,528
138	26.48	27.54	28.64	29.79	30.98	32.22	33.51	34.85	36.24	55,078	75,379
139	27.14	28.23	29.36	30.53	31.75	33.02	34.34	35.71	37.14	56,451	77,251
140	27.82	28.93	30.09	31.29	32.54	33.84	35.19	36.60	38.06	57,866	79,165
141	28.52	29.66	30.85	32.08	33.36	34.69	36.08	37.52	39.02	59,322	81,162
142	29.23	30.40	31.62	32.88	34.20	35.57	36.99	38.47	40.01	60,798	83,221
143	29.96	31.16	32.41	33.71	35.06	36.46	37.92	39.44	41.02	62,317	85,322
144	30.71	31.94	33.22	34.55	35.93	37.37	38.86	40.41	42.03	63,877	87,422
145	31.48	32.74	34.05	35.41	36.83	38.30	39.83	41.42	43.08	65,478	89,606
146	32.27	33.56	34.90	36.30	37.75	39.26	40.83	42.46	44.16	67,122	91,853
147	33.08	34.40	35.78	37.21	38.70	40.25	41.86	43.53	45.27	68,806	94,162
148	33.91	35.27	36.68	38.15	39.68	41.27	42.92	44.64	46.43	70,533	96,574

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The following table shows the classifications and ranges approved by the City:

Range	Classification
Hourly (Part-time and seasonal)	Maintenance Helper
102	Vector Control Assistant
103	Office Assistant I
110	Office Assistant II
111	Maintenance Worker
112	Permit Technician
113	Accounting Technician I Court Clerk I Public Works Worker I Senior Maintenance Worker
114	Animal Control Officer
115	Accounting Technician II Court Clerk II Technical Specialist I
116	Treatment Plant Operator I
117	Building Inspector I Deputy City Clerk Public Works Worker II Technical Specialist II Water Meter Reader
119	Maintenance Supervisor Senior Public Works Worker
120	Treatment Plant Operator II
121	Administrative Specialist Building Inspector II Legal Secretary Mechanic Plans Examiner GIS Technician
122	Treatment Plant Operator III
123	Building Inspector III Senior Plans Examiner Senior Treatment Plant Operator Vector Control Supervisor
125	Public Works Supervisor
128	Assistant Planner Information Technology Specialist
130	Associate Planner
132	Assistant Engineer
134	Accountant (Deputy City Treasurer) Associate Engineer Administrative Services Manager Public Works Superintendent Assistant Public Works Director Senior Planner
136	City Clerk
140	Parks and Recreation Director
141	Building Official
148	Finance Director/City Treasurer Community Development Director Public Works Director
Contract	City Manager City Attorney

**City of Fernley Annual Budget
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Appendix B – Authorized Personnel

The following table shows the authorized positions for Fiscal Year 2007-2008 in terms of Full Time Equivalents (FTE).

Department/Position	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
ELECTED OFFICIALS:								
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Council Members (5 Members)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<i>Subtotal Elected Officials</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>	<i>6.00</i>
MUNICIPAL COURT:								
Municipal Court Judge	0.20	0.20	0.40	0.40	0.40	0.40	0.40	0.40
<i>Subtotal Judicial</i>	<i>0.20</i>	<i>0.20</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>
OFFICE OF THE CITY MANAGER:								
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant to the City Manager								1.00
Senior Office Assistant					1.00			
Administrative Specialist						1.00	1.00	1.00
Office Assistant II (1/2 Animal Control)							0.50	1.00
<i>Subtotal Office of the City Manager</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>	<i>1.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.50</i>	<i>4.00</i>
OFFICE OF THE CITY ATTORNEY:								
City Attorney							1.00	1.00
Legal Secretary							1.00	1.00
<i>Subtotal Office of the City Manager</i>							<i>2.00</i>	<i>2.00</i>
OFFICE OF THE CITY CLERK:								
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk				1.00	1.00	1.00	1.00	1.00
Court Clerk (moved from Adm Srv Dpt)							1.00	1.00
Court Clerk (moved from Adm Srv Dpt)							1.00	1.00
Office Assistant II (regular full time)							1.00	1.00
Office Assistant II (regular part-time)	0.75	0.75	0.75	0.50	1.10	1.10	0.75	0.75
Office Assistant II (part-time)	0.10	0.50	0.98	0.49	0			
<i>Subtotal Office of the City Clerk</i>	<i>1.85</i>	<i>2.25</i>	<i>2.73</i>	<i>2.99</i>	<i>3.10</i>	<i>3.10</i>	<i>5.75</i>	<i>5.75</i>
FINANCE DEPARTMENT (CITY TREAS)								
Finance Director (City Treasurer)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Asst Adm Serv Dir (Deputy City Treas.)					1.00	1.00		
Accountant (Deputy City Treasurer)							1.00	1.00
Business Office Manager	1.00	1.00	1.00	1.00	1.00			
Administrative Specialist						1.00	1.00	1.00
Senior Office Assistant	1.00	1.00	1.00	3.00	3.00			
Information Technology Specialist							1.00	1.00
GIS								1.00
Technical Specialist						2.00	1.00	1.00
Office Assistant II (Court Clerk)		1.00	1.00	1.00	1.00			
Court Clerk						1.00		
Office Assistant I (regular part-time)		0.50	0.50					
Office Assistant I (II)	2.00	2.00	2.00	2.00	2.00		0.50	
Accounting Technician						3.00	2.00	2.50
Animal Control Officer				1.00	1.00	1.00		
Animal Control Officer (regular part-time)					0.50	0.50		
Office Assistant II (part-time)					0.50	0.50		
<i>Subtotal Finance Department</i>	<i>5.00</i>	<i>6.50</i>	<i>6.50</i>	<i>9.00</i>	<i>11.00</i>	<i>11.00</i>	<i>7.50</i>	<i>8.50</i>

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Department/Position	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
PLANNING DEPARTMENT								
Community Development Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner					1.00	1.00	1.00	1.00
Assistant/Associate Planner				1.00	1.00	1.00	1.00	1.00
Technical Specialist/Office Supervisor						1.00	1.00	
Office Assistant	1.00	1.00	1.00	2.00	2.00			
Permit Technician								2.00
Office Assistant II						1.00	1.00	
Assistant/Associate Engineer				1.00	2.00	2.00		
Development Assistant		1.00	1.00	1.00	1.00			
Driver/Clerk	0.50			1.00	1.00			
<i>Subtotal Planning Department</i>	<i>2.50</i>	<i>3.00</i>	<i>3.00</i>	<i>7.00</i>	<i>9.00</i>	<i>7.00</i>	<i>5.00</i>	<i>5.00</i>
BUILDING DEPARTMENT:								
Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Plans Examiner					1.00	1.00	1.00	1.00
Plans Examiner							1.00	1.00
Building Inspector	1.00	2.00	2.00	4.00	5.00	5.00	3.00	2.00
Permit Technician						2.00	3.00	2.00
<i>Subtotal Building Department</i>	<i>2.00</i>	<i>3.00</i>	<i>3.00</i>	<i>5.00</i>	<i>7.00</i>	<i>9.00</i>	<i>9.00</i>	<i>7.00</i>
Parks and Recreation Department:								
Parks and Recreation Director				1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Maintenance Worker							1.00	1.00
Maintenance Worker	2.00	2.00	2.00	3.00	4.00	5.00	6.00	6.00
Maintenance Helper (6 seasonal)		1.47	1.47	1.47	1.47	2.95	2.94	
Maintenance Helper (part time)	0.05	0.03	0.03	0.03	.03	.03	.03	.03
Vector Control Supervisor				1.00	1.00		1.00	1.00
Vector Control Assistant								
Animal Control Officer							1.00	1.00
Animal Control Officer (regular part time)							0.50	0.75
Office Assistant II (1/2 City Manager's Off)							0.50	
Operations and Projects Coordinator						1.00		
Vector Control Workers (3 seasonal)					.90	.90		
<i>Subtotal Parks and Recreation Department</i>	<i>3.50</i>	<i>4.50</i>	<i>4.50</i>	<i>7.50</i>	<i>9.40</i>	<i>11.88</i>	<i>14.97</i>	<i>11.78</i>
PUBLIC WORKS DEPARTMENT:								
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Public Works Director						1.00	1.00	1.00
Public Works Field Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Field Supervisor		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technical Specialist							1.00	1.00
Office Assistant II	1.00			1.00	1.00	1.00	1.00	1.00
Public Works Admin Coordinator		1.00	1.00					
Office Assistant (part time)			0.49					
Mechanic	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sr. WWTP Operator	1.00	1.00	1.00					
Senior Treatment Plant Operator								1.00
Treatment Plant Operator				1.00	1.00	1.00	2.00	2.50
Senior Public Works Worker							2.00	2.00
Public Works Worker I (II)	1.00	1.00	1.00	7.00	7.00	6.00	5.00	6.00
Water Meter Reader						2.00	2.00	2.00
Utility Worker I (II)	6.00	5.00	5.00					
<i>Subtotal Public Works Department</i>	<i>12.00</i>	<i>12.00</i>	<i>12.49</i>	<i>13.00</i>	<i>13.00</i>	<i>15.00</i>	<i>18.00</i>	<i>20.5</i>
TOTAL	34.05	38.45	39.62	51.89	60.90	65.38	71.12	70.93

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Appendix C – FTE by Department and Cost Center

	Total FTE	G E N E R A L F U N D											Special Revenue Funds				Enterprise Funds				
		Mayor & Council	City Manager	City Attorney	Finance	City Clerk	General /Facilities	Information Technology	Municipal Court	Parks	Building Department	Planning Community Development	Animal Control	Vector Control	Green Valley Landscape	Silverland Landscape	Autumn Winds Landscape	Streets & Storm Drains	Water	Sewer	Alternative Water
		100-412	100-413	100-414	100-415	100-416	100-417	100-418	100-425	100-575	100-605	100-610	100-525	100-528	251-581	253-583	252-582	240-475	510-810	520-810	530-810
Mayor/Council	6.000	5.350																	0.250	0.250	0.150
Office of the City Manager	4.000		2.680																0.500	0.500	0.320
Office of the City Attorney	2.000			0.800					0.400										0.300	0.300	0.200
Finance Department	8.500				1.405			1.000					0.125						2.710	2.710	0.550
City Clerk	5.750					3.100			2.200										0.188	0.188	0.075
Building Department	7.000										7.000										
Planning Department	5.000											5.000									
Court	0.400								0.400												
Parks and Recreation	11.780						2.150			6.420			1.900	1.050	0.070	0.030	0.160				
Public Works	20.500																2.900		10.750	5.750	1.100
Total	70.930	5.350	2.680	0.800	1.405	3.100	2.150	1.000	3.000	6.420	7.000	5.000	2.025	1.050	0.070	0.030	0.160	2.900	14.698	9.698	2.395

Total Number of Positions:

Descriptions	Positions	FTE
Elected Officials	6	6.00
Contract (Part time)	1	0.40
Full Time Employees	63	62.50
Regular Part Time Employees	3	2.00
Part Time/Seasonal Employees	1	0.03
Total	74	70.93

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For Fiscal Year 2008-2009**

Appendix D – Five-Year Capital Improvement Plan

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012
General Fund					
Office of the City Attorney					
Machinery	N/A	\$ 9,000	\$ 2,000	\$ 2,000	\$ 2,000
Subtotal Office of the City Attorney		\$ 9,000	\$ 2,000	\$ 2,000	\$ 2,000
Finance:					
Equipment Replacements			\$ 500	\$ 500	\$ 500
Subtotal Finance		\$ -	\$ 500	\$ 500	\$ 500
Municipal Court:					
Equipment Replacements			\$ 500	\$ 500	\$ 500
Subtotal Municipal Court		\$ -	\$ 500	\$ 500	\$ 500
Parks					
Park Maintenance Machinery			\$ 2,000	\$ 2,000	\$ 2,000
Park Improvements					
Vehicles					
Subtotal Parks		\$ -	\$ 2,000	\$ 2,000	\$ 2,000
Vector Control:					
Equipment Replacements			\$ 2,000	\$ 2,000	\$ 2,000
Vehicles					
Subtotal Vector Control		\$ -	\$ 2,000	\$ 2,000	\$ 2,000
Animal Services:					
Vehicle and associated equipment			\$ 1,000	\$ 1,000	\$ 1,000
Subtotal Animal Services		\$ -	\$ 1,000	\$ 1,000	\$ 1,000
Total General Fund		\$ 9,000	\$ 8,000	\$ 8,000	\$ 8,000

**City of Fernley Annual Budget
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Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012	FY2013
Special Revenues Funds:						
Residential Construction Tax District #1						
Projects				\$ 200,000	\$ 200,000	
Subtotal RCT District #1		\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -
Residential Construction Tax District #2						
Projects					\$ 200,000	
Parking Lot Autumn Winds	231-00030.1	\$ 54,142				
Underground Power	231-00031.1	\$ 56,358				
Restrooms Autumn Winds	231-00032.1	\$ 45,050				
Green Valley ADA, Picnic area, Playground Equip, Bball Court	231-00033.1	\$ 145,100				
In Town Park-ADA, Tennis Court Resurface, 2 Picnic Shelters	231-00034.1	\$ 235,910				
Johnson Memorial Park-Restroom	231-00035.1	\$ 35,000				
Phase 1 - Park Plan (\$10,000 Professional Services)	231-00036.1	\$ -				
Subtotal RCT District #2		\$ 571,560	\$ -	\$ -	\$ 200,000	\$ -
Streets Fund						
Crack Seal Program	240-00001.1	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Slurry, Seal Coat and Patch Program	240-00002.1	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Comstock Drainage Improvements	240-00003.1	\$ 10,000				
Rancho Sierra (Lily Lane, Ambee Way, Raven Way)	240-00004.1	\$ 357,231				
West Street/Diane Way Reconstruction (Construction, Design Comp)	240-00005.1					
Winnie's Lane Improvements	240-00006.1		\$ 503,917			
Lyon Drive Phase I Reconstruction	240-00007.1			\$ 789,277		
Lyon Drive Phase II Reconstruction	240-11118.1				\$ 830,992	
Willow Way, Curry, Cedar Reconstruction	240-00009.1			\$ 112,043	\$ 700,267	
Willow Way Rehabilitation	240-00010.1				\$ 40,000	\$ 254,416
Hardie Lane Phase I Reconstruction	240-00011.1					\$ 1,048,143
Hardie Lane Phase II Reconstruction	240-00012.1					\$ 144,009
Shadow Lane Reconstruction	240-00013.1		\$ 70,854	\$ 340,097		
Subtotal Streets Fund		\$ 667,231	\$ 874,771	\$ 1,541,417	\$ 1,871,259	\$ 1,746,568
Total Special Revenue Funds		\$ 1,238,791	\$ 874,771	\$ 1,741,417	\$ 2,271,259	\$ 1,746,568

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Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012	FY2013
Capital Project Funds:						
Capital Fund:						
Records Management Hardware/Software						
Hardware/Software upgrades and implementation of Technology Master Plan						
Equipment Replacements/Technology Improvements	300-00001.1	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Basement Improvements-Records Management						
Subtotal Capital Fund		\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Capital Project Funds		\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012	FY2013
Enterprise Funds:						
Water Utility Enterprise Fund						
3/4 Ton Pickup	N/A	\$ 27,000				
Utility Bed for Pickup	N/A	\$ 7,000				
Clamp on Flow Meter	N/A	\$ 7,000				
Vehicle/Machinery Replacements			\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Groundwater/Surface Water Treatment Plant	510-00001.1	\$ 35,787,000	\$ 2,000,000			
Water Conveyance Infrastructure (multiple projects)	510-00002+	\$ 22,541,000				
Blend Tank Yard Piping Separation - Design	510-00011.1	\$ 10,080				
Flowmeter Retrofit	510-00014.2	\$ 30,000				
Water Tanks Interior Coating (NE, Sage, Ricci)	510-00012.2	\$ 150,000	\$ 150,000	\$ 150,000		
Transmission Main Rehabilitation	510-00018.2	\$ 250,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Well 15 Pump Station and Transmission Main	510-00015.1		\$ 1,601,000			
Well 10 Pump Station and Transmission Main	510-00016.1			\$ 1,425,000		
Surface Water Treatment Plant Expansion	510-00017.1			\$ 20,000,000		
Subtotal Water Utility Fund		\$ 58,809,080	\$ 4,151,000	\$ 21,975,000	\$ 400,000	\$ 400,000
Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012	FY2013
Alternative Water Utility Enterprise Fund						
Alternative Water Transmission Mains	530-00001.1	\$ 145,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Alternative Water Piping-Cottonwood Lane	530-00002.1	\$ 29,040				
Alternative Water Piping-Green Valley	530-00003.1	\$ 29,040				
Bulk Water Truck Fill Stations (3 site)	530-00004.1	\$ 38,000				
Truckee Canal Localized Intake Structure	530-00005.1	\$ 78,440				
Subtotal Alternative Water Fund		\$ 319,520	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

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Fund/Description:	Project#	FY2009	FY2010	FY2011	FY2012	FY2013
Sewer Utility Enterprise Fund:						
Skip Loader with Attachments		\$ 67,000				
Sewer Main Rehabilitation	520-00001.1	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Vehicle/Equipment Replacements			\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Manhole Replacement/Relining Project	520-00002.1	\$ 200,000				
Lift Station Pressure Transducers	520-00003.1	\$ 30,000				
EWWTWP Pond I Relining	520-00004.1	\$ 400,000				
West Lift Station Upgrade	520-00005.1	\$ 620,000				
95A Interceptor - Manhole 19 - Front - Manhole 345	520-00009.1		\$ 5,300,000			
Highway 50 Lift Station	520-00006.1	\$ 2,600,000				
SCADA Upgrade	520-00007.1	\$ 150,000				
Donner Trails Lift Station Oversize Agreement	520-00008.1	\$ 237,308				
Interceptor Construction Manholes 345-296	520-00010.1			\$ 3,800,000		
Interceptor Construction Manholes 19-25	520-00011.1			\$ 740,000		
Interceptor Extension Phase I MH 38 Southward	520-00012.1			\$ 860,000		
Interceptor Construction Manholes 222-107	520-00013.1				\$ 340,000	
Interceptor Extension Phase II MH 38 Southward	520-00014.1				\$ 1,500,000	
East Lift Station Upgrade II	520-00015.1				\$ 2,200,000	
EWWTWP Expansion beyond 3 MGD Phase I	520-00016.1				\$ 3,700,000	
EWWTWP Expansion up to 11 MGD	520-00017.1					\$ 26,000,000
East Lift Station Upgrade III	520-00018.1					\$ 580,000
		\$ -				
Subtotal Sewer Utility Enterprise Fund		\$ 4,504,308	\$ 5,750,000	\$ 5,850,000	\$ 8,190,000	\$ 27,030,000
Total Enterprise Funds		\$ 63,632,908	\$ 10,401,000	\$ 28,325,000	\$ 9,090,000	\$ 27,930,000
Total Capital Expenditures		\$ 65,080,699	\$ 11,383,771	\$ 30,174,417	\$ 11,469,259	\$ 29,784,568

**City of Fernley Annual Budget
For Fiscal Year 2008-2009**

Appendix E – Glossary of Key Terms

Accountability – The state of being obliged to explain one’s actions, to justify what one does. Accountability requires governments to answer to the citizenry – to justify the raising of public resources and the purpose for which they are used.

Accounting System – The methods and records established to identify, assemble, analyze, classify, record and report a government’s transactions and to maintain accountability for the related assets and liabilities.

Accounts Payable – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services furnished to a government (but not including amounts due to other funds or other governments).

Accounts Receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Accrual Basis – The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Accrued Benefits – The amount of a pension plan participant’s benefit (whether or not vested) as of a specified date, determined in accordance with the terms of the pension plan and based on compensation (if applicable) and service to that date.

Accrued Salaries and Wages Payable – A liability account reflecting salaries and wages earned by employees but not due until a later date.

Accumulated Depreciation – A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of fixed assets.

Ad Valorem Tax – A tax based on value (e.g., a property tax).

Adopted Budget – The resulting budget that has been approved by the City Council.

Advance from Other Funds – A liability account used to record noncurrent portion of long-term debt owed by one fund to another fund within the same reporting entity. **See Due to Other Funds and Interfund Receivable/Payable.**

Agency Fund – A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

Allocation – The distribution of available monies, personnel, and equipment among various city departments or offices.

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Allowance for Uncollectibles – A contra-asset valuation account used to indicate the portion of a receivable not expected to be collected.

Amortization – (1) the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt to maturity.

Amount to be Provided – An “other debit” account in the GLTDAG representing the amount to be provided from taxes, special assessments or other general revenues to retire outstanding general long-term liabilities.

Annual Budget – A budget applicable to a single fiscal year.

Annual Financial Report – A financial report applicable to a single fiscal year.

Appropriated Budget – The expenditure authority created by the appropriation bills or ordinances, which are signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Appropriation Account – A budgetary account set up to record spending authorizations for specific purposes. The account is credited with the original appropriation and any supplemental appropriation and is charged with expenditures and encumbrances.

Asset – a probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Audit – A systematic collection of sufficient, competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries and confirmations with third parties.

See Internal Auditing, Financial Audit, Single Audit, Performance Audit, Pre-Audit and Post-Audit.

Audit Committee – A group of individuals, selected by the governing body, having specific responsibility for addressing all issues related to the external financial audit. Ideally, the audit committees form a direct communication link between the auditor and the governing body; therefore, the majority of the committee’s members normally would be expected not to have management responsibilities within the entity under audit.

Audit Finding – In the context of a financial audit, a weakness in internal controls or an instance of noncompliance with applicable laws and regulations that is presented in the

City of Fernley Annual Budget For Fiscal Year 2008-2009

audit report in conformity with GAGAS. A typical audit finding is composed of a statement of the conditions (i.e. weakness or instance on noncompliance) and the criterion or criteria used to define it, and explanation of the cause of the condition, a discussion of its results and recommendations for improvement. Findings ordinarily are presented together with a response from management that states management's concurrence or non-concurrence with each finding and its plan for corrective action.

Audit Management – The process used to procure auditing services (See **Audit Procurement**), to monitor the performance of the auditor and to ensure the satisfactory resolution of issues raised in the audit.

Audit Procurement – The process used to obtain auditing services from independent public accountants.

Audit Program – A detailed outline of the work to be done and the procedures to be followed in any given audit.

Auditor's Report – In the context of a financial audit, a statement by the auditor describing the scope of the audit and auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

Audit Resolution – The process whereby corrective action is planned, implemented and monitored to remedy weakness discovered and reported in conjunction.

Audit Scope – In the context of a financial audit, the focus of audit testing as well as the reference point used by auditors when evaluating the results of audit tests or otherwise exercising their professional judgment. The minimum acceptable audit scope for government would result in an opinion on the combined (i.e., general purpose) financial statements, with each fund type and account group considered separately when applying materiality evaluations.

Balance Sheet – The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

Basic Financial Statements – Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance sheet, an "all-inclusive" operating statement, a budget comparison statement (for all governmental funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds, and nonexpendable trust funds).

Basis of Accounting – A term used to refer to *when* revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the

City of Fernley Annual Budget For Fiscal Year 2008-2009

measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Bond – A written promise to pay a specified sum of money (principal) of face value at a specified future date (maturity date) along with periodic interest paid at a specified percentage (interest rate) of the principal. Bonds are typically used for long-term debt.

Bond Anticipation Notes – Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date.

Bond Discount – The difference between the present value and the face amount of bonds when the former is less than the latter. In common usage, the term also often includes issuance costs withheld from the bond proceeds by the underwriter.

Bond Indenture – A formal agreement, also called a deed of trust, between an issuer of bonds and the bondholder.

Bond Ordinance or Resolution – An ordinance or resolution authorizing a bond issue.

Bond Premium – The difference between the present value and the face amount of bonds when the former is greater than the latter.

Book Value – Value as shown by the books of account. In the case of assets subject to reduction by valuation allowances, book value refers to cost or stated value less the appropriate allowance. Sometimes a distinction is made between gross book value and net book value, the former designating value before deduction of related allowances and the latter the value after their deduction. In the absence of any modifiers, however, book value is understood to be synonymous with net book value.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budgetary Accounts – Accounts used to enter the formally adopted annual operating budget into the general ledger as part of the management control technique of formal budgetary integration.

Budget Calendar – The schedule of key dates or milestones that a government follows in preparation and adoption of the budget.

Budgetary Control – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Budget Document – The instrument used by the City Manager and/or Budget Director to present a Comprehensive Financial Program to the Mayor and City Council and general public. This document serves as a Financial Plan, a policy statement for current and future services, and a management tool for reporting the City's goals and objectives, and a medium for communicating the Council's plan, the City's organization structure and

City of Fernley Annual Budget For Fiscal Year 2008-2009

service priorities to the public. The budget document usually consists of three parts. The first part contains a message from the City Manager, together with a summary of proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the past years' actual revenues, expenditures and other data used in making estimates. The third part is composed of drafts of the appropriation, revenue and borrowing measures necessary to put the budget into effect.

Budget Message – A general discussion of the proposed budget as presented in writing by the City Manager to the Mayor and Council. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

Capital Assets – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single period.

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Capital Budget – A plan of proposed capital expenditures and the means of financing them.

Capital Expenditures – Expenditures resulting in the acquisition of or addition to the government's general fixed assets.

Capital Improvement Program (CIP) – A five year plan of capital expenditures and the proposed means of financing the expenditures. A plan for capital expenditures to be incurred each year over a fixed period of years setting forth each capital project, the duration of the project and the amount to be expended each year in financing those projects.

Capital Projects Fund – A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Carrying Amount – the amount at which assets and liabilities are reported in the financial statements. Carrying amount also is known as book value.

Cash Basis – A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certified Public Accountant (CPA) – An accountant who has met all the statutory and licensing requirements of a given state for use of that designation. All U.S. states require accountants, at a minimum, to complete successfully a uniform national examination before being allowed to designate themselves as CPAs.

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Combined Statements – Overview – See General Purpose Financial Statements.

Combining Statements – By Fund Type – The second of the financial reporting pyramid’s three reporting levels containing GAAP financial statements. Such statements are presented for each fund type (e.g., special revenue funds) for which the government maintains more than one fund. They include GAAP financial statements for each fund of a particular fund type in separate adjacent columns and a total column, which duplicates the column for that fund type in the combined statements-overview.

Compensated Absences – Absences, such as vacation, illness, and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance and long-term disability pay.

Compliance Auditing – Auditing for compliance with applicable laws and regulations. Tests of compliance with laws and regulations are substantive tests; therefore, the term “compliance auditing” should not be confused with the similar term “compliance testing” which usually refers to testing for compliance with internal control procedures.

Comprehensive Annual Financial Report (CAFR) – The official annual report of a government. It includes (a) the five combined financial statements in the combined statements – overview and their related notes (the “liftable” GPFS) and (b) combining statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section. Every government reporting entity should prepare a CAFR.

Continuing Appropriation – An appropriation that, once established, is automatically renewed without further legislative action, period after period, until altered or revoked.

Control Procedures – The policies and procedures in addition to the control environment and accounting system that management has established to provide reasonable assurance that specific entity objectives will be achieved.

Cost Accounting – The method of accounting that provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Covered Payroll – All compensation that is paid to active employees covered by the PERS and on which contributions are based. Covered payroll also may be referred to a covered compensation.

Credit Risk – The risk that a counter party to an investment transaction will not fulfill its obligations. Credit risk can be associated with the issuer of a security, with a financial institution holding deposits or with parties holding securities or collateral. Credit risk

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exposure can be affected by concentration of deposits or investments in any one investment type or with any one counter party.

Debt Ratios – Comparative statistics illustrating the relation between the issue's outstanding debt and such factors as its tax base, income, or population. These ratios often are used as part of the process of determining the credit rating of an issue, especially with general obligation bonds.

Debt Service – Actual cost of interest and principal on bond maturities as well as interest costs of bond anticipation notes.

Deferred Compensation Plans – Plans that offer employees the opportunity to defer receipt of a portion of their salary and the related liability for federal income taxes. Several sections of the Internal Revenue Code authorize certain state and local governments to provide deferred compensation plans for their employees.

Deferred Maintenance – The act of not performing (deferring) maintenance at the time it should have been, or was scheduled to be, performed. Maintenance in this context means more than routine preventative maintenance and repairs. It also includes replacement of parts, periodic road resurfacing and other activities needed to maintain the fixed asset at its originally contemplated serviceability for its original estimated life.

Deficit - (1) The excess of an entity's liabilities over its assets; (2) the excess of expenditures over revenues during a single accounting period.

Delinquent Taxes – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

Department – An organizational or budgetary unit established by City Code to carry out specified public services.

Depreciation – (1) Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of fixed assets, less any salvage value, is prorated over the estimated service life of such an assets, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Direct Expenses – Expenses specifically traceable to specific goods, services, units, programs, activities, or functions. Direct expenses differ from indirect expenses in that the latter cannot be specifically traced and so must be allocated on some systematic and reasonable basis.

Division – An organizational unit composed of one or more responsibility centers and/or activities that perform like tasks within a city department.

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Due From Other Funds – An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. The account includes only short-term obligations on open account, not interfund loans. This account is used to record the position of each fund in the central treasury.

Due To Other Funds – A liability account reflecting amounts owed by a particular fund to another funds for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans. This account is used to record the position of each fund in the central treasury.

Encumbrance – (1) Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed. (2) An obligation in the form of a purchase order, contract, or salary commitment that is chargeable to an appropriation, or for which part of an appropriation is reserved.

Endowment – Funds or property that are donated with either a temporary or permanent restriction as to the use of principal.

Enterprise Fund – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees thus removing the expenses from the tax rate.

Entitlement – The amount of payment to which a state or local government is entitled pursuant to an allocation formula contained in applicable statutes.

Estimate Life – The expected economic useful life of an asset from the date placed in service to the projected retirement date.

Expendable Trust Fund – A trust fund whose resources, including both principal and earnings may be expended. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Expenses – Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or center operations.

Federal Financial Assistance – For purposes of applying the provisions of the Single Audit Act of 1984 and OMB CircularA-128, *Audits of State and Local Governments*,

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assistance provided by a federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations. Federal financial assistance does *not* include direct federal cash assistance to individuals.

Fiduciary Type Fund – The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Financial Reporting Pyramid – The plan of organization for the financial section of the CAFR/CUFR, as set forth in the 1987 Codification of Governmental Accounting and Financial Reporting Standards. The pyramid presents GAAP financial statements on three distinct and progressively more detailed reporting levels: (1) combined statements – overview (the “liftable” GPFS/CUFS), (2) combining statements – by fund type and (3) individuals fund statements.

Financing Plan – The estimate of revenues and their sources that will pay for the service programs outlined in the annual budget.

Fiscal Year – A twelve-month period for which an organization plans the use of its funds. In the City of Fernley , the fiscal year is July 1 to June 30.

Fixed Assets – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land. In the private sector, these assets are referred to most often as property, plant, and equipment.

Fixed Budget – A budget setting forth dollar amounts that are not subject to change based on the volume of goods or services to be provided.

Fixed Costs – Costs of providing goods or services that do not vary proportionately to the volume of goods or services provided (e.g., insurance and contributions to retirement systems).

Flexible Budget – A budget whose dollar amounts vary according to the volume of goods or services to be provided.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund Balance-Reserved for Inventories – An account used to segregate a portion of fund balance to indicate that inventories of supplies do not represent expendable available financial resources even though they are a component of net current assets.

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Fund Type – Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

General Fund – The fund used to account for all financial resources, except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

Goal – A desired outcome or end product, as well as a statement of purpose of an organization. Goals are usually broad in scope and rarely change from year to year.

Governmental Accounting – The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

Governmental Accounting Standards Board (GASB) – The authoritative accounting and financial reporting standard-setting body for government entities.

Governmental Fund Types – Funds used to account for the acquisition, use and balance of expendable financial resources and the related current liabilities except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregations of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund type from which they are to be paid. The difference between the assets and liabilities of governmental fund types is referred to as fund balance. The measurement focus of these fund types is on the determination of financial position and changes in financial positions (sources, uses and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures and changes in fund balance is the primary governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers and other changes in fund balance. Under GAAP, there are four governmental fund types: general, special revenue, debt service, and capital projects.

Grant – A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specific purposes.

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Impact Fees – Fees charged to developers to cover, in whole or in part, the anticipated cost of improvement that will be necessary as a result of the development.

Incurred-But-Not-Reported (IBNR) Claims/Losses – Claims for insured events that have occurred but have not yet been reported to the government entity, insurer or reinsurer as of the date of the financial statements. IBNR claims also may include expected future developments on claims already reported.

Indirect Expense – See **Overhead**.

Infrastructure Assets – Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

Interfund Receivable/Payable – Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

Interfund Transactions – Transactions between funds of the same governmental reporting entity. They include (1) Quasi-external transactions, (2) reimbursements, (3) residual equity transfers, and (4) operating transfers.

Interfund Transfers – All interfund transactions except loans, quasi-external transactions, and reimbursements. Transfers can be classified as belonging to one of two major categories: Residual Equity Transfers or Operating Transfers.

Internal Auditing – An independent appraisal of the diverse operations and controls within a governmental entity to determine whether acceptable policies and procedures are followed, established standards are met, resources are used efficiently and economically, and the organization's objectives are being achieved. The term covers all forms of appraisal of activities undertaken by auditors working for and within the organization.

Internal Control Structure – Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

Internal Service Fund – A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Legal Level of Budgetary Control – The level at which spending in excess of budgeted amounts would be a violation of law.

Level of Budgetary Control – One of three possible levels of budgetary control and authority to which organizations, programs, activities, and functions may be subject. These levels of budgetary control are (a.) appropriated budget, (b.) legally authorized nonappropriated budget review and approval process, which is outside the appropriated

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budget process, or (c.) nonbudgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized nonappropriated budget review and approval process, but still are relevant for sound financial management and oversight.

Levy – (1) (Verb) to impose taxes, special assessments or service charges for the support of government activities. (2) (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

Liability – Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Liquidity – The ability to convert assets to cash quickly, without significant losses.

Lump-Sum Appropriation – An appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for specific activities or for particular objects of expenditures (e.g., a lump-sum appropriation for the police department would not specify the amounts to be spent for uniform patrol, traffic control, etc., or for salaries and wages, materials and supplies, and travel).

Maintenance – The act of keeping capital assets in a state of good repair. It includes preventative maintenance; normal periodic repairs; replacement of parts, structural components and so forth and other activities needed to maintain the assets so that it continues to provide normal services and achieves its optimum life.

Market Risk – The risk that the market value of an investment, collateral protecting a deposit or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent to which collateral exceeds the amount invested and how often the amount of collateral is adjusted for changing market values.

Measurement Focus – The accounting convention that determines (1) which assets and which liabilities are included on a government's balance sheet and where they are reported there, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

Mid-Year Review – A projection of current year expenditures that is completed after six months of activity in the fiscal year.

Modified Accrual Basis – (1) The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, that is when they are both “measurable” and “available to finance expenditures of the current

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period”. “Available” means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. (2) Basis of accounting for all governmental funds and expendable trust and agency funds under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except interest on general long-term obligations which is recorded when due.

Net Income – Proprietary fund excess of operating revenues, nonoperating revenues and operating transfers in over operating expenses, nonoperating expenses and operating transfers out.

Nonappropriated Budget – A financial plan for an organization, program, activity or function approved in a manner authorized by constitution, charter, statute or ordinance but not subject to appropriation and, therefore, outside the boundaries of the definition of appropriated budget.

Nonoperating Expenses – Proprietary fund expenses not directly related to the fund’s primary activities (e.g. interest).

Nonoperating Revenues – Proprietary fund revenues incidental to, or by-products of, the fund’s primary activities.

Notes to the Financial Statements – The SSAP and other disclosures required for a fair presentation of the financial statements of a government in conformity with GAAP and not included on the face of the financial statements themselves. The notes to the financial statements are an integral part of the GPFS/CUFS.

Objectives – Specific Statements describing what is to be achieved toward accomplishment of a stated goal including by how much and within what time frame.

Operating Budget – Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even when not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

Operating Expenses – Proprietary fund expenses related directly to the fund’s primary activities.

Operating Revenues – Proprietary fund revenues directly related to the fund’s primary activities. They consist primarily of user charges for goods and services.

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Operating Transfer – All interfund transfers other than residual equity transfers (e.g. legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

Ordinance – A law set forth by a governmental authority; a municipal regulation.

Other Financing Sources – Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in. Such amounts are classified separately from revenues on the governmental operating statement.

Other Financing Uses – Governmental operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

Overhead – Those elements of cost necessary in the production of a good or service which are not directly traceable to the product or service. Usually these costs relate to an object of expenditure that does not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, accounting, and supervision.

Performance Auditing – A systematic process of objectively obtaining and evaluating evidence regarding the performance of an organization, program, function, or activity. Evaluation is made in terms of its economy and efficiency of operations, effectiveness in achieving desired regulations, for the purpose of ascertaining the degree of correspondence between performance and established criteria and communicating the results to interested users. The performance audit function provides an independent, third-party review of management's performance and the degree to which the performance of the audited entity meets prestated expectations.

Performance Measures – The units used to express the extent to which an activity or service meets the objective. More specifically, the performance measure or indicator documents the lever or quality of a service output.

Perpetual Inventory – A system whereby the inventory of units of property at any date may be obtained directly from the records, without resorting to an actual physical count, for each item or group of items to be inventoried. This system provides an ongoing record of goods ordered, received and withdrawn and the balance on hand, in units and frequently also in value.

Policy – A definite course of action adopted after a review of information and directed at the realization of goals.

Post-Audit – An examination of financial transactions that have been completed or are in various stages of completion at the end of an accounting period.

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Pre-Audit – An examination of financial transactions that have been completed or are in various stages of completion at the end of an accounting period.

Premium – The excess of the price of a security over its face value, excluding any amount of accrued interest bought or sold.

Priority – A value that ranks goals and objectives in order of importance relative to one another.

Procedure – A method used in carrying out a policy or plan of action.

Program – Collections of work-related activities initiated to accomplish a desired end.

Property, Plant & Equipment – Durable goods usually valued over \$1,000 and having a useful life of more than one year.

Proprietary Fund Types – Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the GASB has issued pronouncement applications to those entities and activities, they should be guided by these pronouncements.

Public Entity Risk Pool – A cooperative group of government entities joining together to finance an exposure, liability or risk. Risk may include property and liability, workers' compensation or employee health care. A pool may be a stand-alone entity or included as part of a larger governmental entity that acts as the pool's sponsor.

Purchase Order – A document authorizing the delivery of a specified merchandise or the rendering of certain services and the making of a charge for them.

Qualified Opinion - An opinion stating that "except for" the effect of the matter to which the qualification relates, the financial statements present fairly the financial positions, results of operations and (when applicable) changes in financial position in conformity with GAAP. Such an opinion is expressed when a lack of sufficient, competent evidential matter or restrictions on the scope of the auditor's examination have led the auditor to conclude that an unqualified opinion cannot be expressed, or when the auditor believes, on the basis of his examination, that (1) the financial statements contain a departure from GAAP, the effect of which is material, (2) there has been a material change between periods in accounting principles or in the method of their application or (3) there are significant uncertainties affecting the financial statements, and the auditor has decided not to express an adverse opinion or to disclaim an opinion.

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Quasi-External Transactions – Interfund transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the government unit (e.g., payments in lieu of taxes from an enterprise fund to the general fund, internal service funds billings to departments, routine employer contributions to a pension trust fund and routine service charges for inspection, engineering, utilities or similar services provided by a department financed from one fund to a department financed from another fund). These transactions should be accounted for as revenues, expenditures or expenses in the funds involved.

Ratings – In the context of bonds, normally an evaluation of creditworthiness performed by an independent rating service.

Recoverable Expenditure – An expenditure that is made for or on behalf of another government, fund or department or for a private individual, firm or corporation that will subsequently be recovered in cash or its equivalent.

Reimbursements – (1) Repayments of amounts remitted on behalf of another party (2) Interfund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it but that properly apply to another fund (e.g., an expenditure properly chargeable to a special revenue fund is initially made from the general fund, and is subsequently reimbursed). These transactions are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reduction of expenditures or expenses in the fund reimbursed.

Reinsurance – A transaction in which a reinsurer, for a consideration (premium), assumes all or part of a risk undertaken originally by another insurer. However, the legal rights of the insured are not affected by the reinsurance transaction, and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits.

Revenue Bonds – Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Revenues – (1) Increases in the net current assets of a government fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers are classified as “other financing sources” rather than revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers. Also, operating transfers in are classified separately from revenues.

Risk Management – All the ways and means used to avoid accidental loss or to reduce the consequence if it does occur.

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Salary-Related Benefits – Benefits and payments that are directly related to salary payments such as taxes, pension payments and employee insurance premiums.

Self-Insurance – A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

Shared Revenues – Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Single Audit – An audit performed in accordance with the Single Audit Act of 1984 and the Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. The Single Audit Act allows or requires a government (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require that use of special revenue funds when legally mandated.

Submitted Budget – The proposed budget that has been approved by the City Manager and forwarded to the City Council for their approval.

Summary of Significant Accounting Policies (SSAP) – A disclosure of accounting policies, required by GAAP, that should identify and describe the accounting principals followed by the reporting entity and the methods of applying those principles that materially affect the determination of financial position, changes in financial position or results of operations. In general, the disclosure should encompass important judgments as to the appropriateness of principles relating to the recognition of revenue and allocation of asset costs to current and future periods; in particular, it should encompass those accounting principles and methods that involve any of the following: (1) a selection from existing acceptable alternatives, (2) principles and methods peculiar to government and (3) unusual or innovative applications of accounting principles, including those peculiar to government.

Supplemental Appropriation – Appropriation made by the City Council to cover expenditures that exceed the original appropriations.

Tax Abatement – A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

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Tax Liens – Claims governments have upon properties until the taxes levied against them have been paid. This term is sometimes limited to those delinquent taxes the government has taken legal action to collect through the filing of liens.

Trust and Agency Fund – One of seven fund types in governmental accounting. See **Trust Funds** and **Agency Funds**.

Unamortized Discounts on Bonds Sold – A contra-liability account used to reflect that portion of the face value of bonds exceeding the amount received from their sale (excluding amounts paid for accrued interest) which remains to be amortized over the remaining life of such bonds.

Unamortized Premiums on Investments – An asset account used to reflect that portion of the excess of the amount paid for investments (excluding amounts paid for accrued interest) over their face value which remains to be amortized over the remaining life of such investments.

Unencumbered Appropriation – That portion of an appropriation not yet expended or encumbered.

Unqualified Opinion – An auditor's opinion stating that the financial statements present fairly the financial position, results of operations and (when applicable) changes in financial position in conformity with GAAP (which include adequate disclosure). This conclusion may be expressed only when the auditor has formed such an opinion on the basis of an examination made in accordance with GAAS or GAGAS.

Vested Benefit – A benefit for which the employer has an obligation to make payment even if an employee terminates; thus, the benefit is not contingent on an employee's future service.

Vouchers Payable – Liabilities for goods and services evidenced by vouchers that have been pre-audited and approved for payment but that have not been paid.

Wasting Assets – Mines, timberlands, quarries, oil fields and similar assets that diminish in value by the removal of their contents.

Work Order – A written order authorizing and directing the performance of a certain task and issued to the person who is to direct the work. Among the items of information included on the order are the nature and location of the job, specifications of the work to be performed and a job number, which is referred to in reporting the amount of labor, materials and equipment used.

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Appendix F – Acronyms

ADA	Americans with Disabilities Act
BCCRT	Basic City County Relief Tax
BLM	Bureau of Land Management
BOR	Bureau of Reclamation
CDBG	Community Development Block Grant
CIP	Capital Improvement Program (Plan)
COLA	Cost of Living Adjustment
CTX	Consolidated Tax
EA	Environmental Assessment
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
FYXX/ZZ or FYZZ	Fiscal year beginning July 1, 20XX and Ending June 30, 20ZZ
GAAP	General Accepted Accounting Principles
GAAS	General Accepted Auditing Standards
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GST	Government Services Tax
ICC	International Code Council
ISO	Insurance Services Office
ITP	In Town Park
L&WCF	Land and Water Conservation Fund
LOS	Level of Service
MUTCD	Manual of Uniform Traffic Control Devices
MVFT	Motor Vehicle Fuel Tax
NDOT	Nevada Department of Transportation
NEPA	National Environmental Policy Act of 1969
NRS	Nevada Revised Statutes
OTP	Out of Town Park
RCT	Residential Construction Tax
RPTT	Real Property Transfer Tax
RTC	Regional Transportation Commission
SCCRT	Supplemental City County Relief Tax
TCID	Truckee Carson Irrigation District
TEA-21	Transportation Equity Act for the 21 st Century

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Planning Commission

Bill Amerman
Bill Clegg
Garret Burleson
Bruce Maxwell
Bert McCoy
Jim Petersen
Robert Smith

Capital Improvements Advisory Committee

Bill Clegg
Bert McCoy
Tica Looper
Ray Lacy
Ray Lowery
Bob Smith
Michael Vegas

Audit Committee

Bill Clegg
Elayne Logue
Jeff McGowan

Arts and Culture Committee

Regina K. Brush
Stephanie Chin
Mary Beth Henson
Ann Maybury
Arlie McCoy
David McLain
Claudia J. Respess

Board of Appeals

Trevor Card
James Hoover
Donald L. Howard
Ray Lowery
Steven G. Moon
Brook Renslow