

**MINUTES  
CITY OF FALLON  
55 West Williams Ave  
Fallon, Nevada  
June 29, 2023**

The Honorable City Council met in a special meeting on the above date in the Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

**Present:**

Mayor Ken Tedford  
Councilwoman Kelly Frost  
Councilwoman Karla Kent  
Councilman Paul Harmon  
Chief of Staff Bob Erickson  
City Attorney Mike Mackedon  
Deputy City Attorney Trent deBraga  
Deputy City Attorney Sean Rowe  
Public Works Director Brian Byrd  
Deputy Public Works Ryan Swirczek  
Deputy Public Works Adrian Noriega  
City Clerk Treasurer Sean Richardson  
Deputy City Clerk Michael O'Neill  
Captain John Riley  
Engineer Derek Zimney  
Director of Tourism Jane Moon

The meeting was called to order by Mayor Ken Tedford at 9:00 a.m.

Mayor Ken Tedford led the Pledge of Allegiance.

Mayor Tedford requested that everyone remain standing. I would like to take a moment of silence for Pat Grady. Pat just passed away and was the wife of Tom Grady, who was the Mayor of Yerington, mother-in-law of Gary Cordes our past City Clerk Treasurer, and the mother-in-law of Councilman Paul Harmon. (Moment of Silence)

Mayor Ken Tedford inquired if the agenda had been posted in compliance with NRS requirements.

City Clerk Treasurer Sean Richardson advised that the agenda was posted in compliance with the NRS requirements.

**Public Comments**

Mayor Ken Tedford inquired if there were any public comments. He noted that comments are to be general in nature, not relative to any agenda items. No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda

as an item upon which action will be taken.

Geoff Knell of 261 Serpa Place greeted the Council.

- Made comments about the scriptures from the book of Acts Chapter 5.
- Made comments about the Governor and Bills regarding parental rights and Medicaid.
- Made comments about bills being ungodly.
- Made comments regarding reducing the population.
- Made comments regarding food and water supply.
- Made comments regarding the LGBTQ community and depopulation.
- Made comments regarding the scripture from Matthew 24.
- Made additional comments about the Government and standing up against evil (while hitting hand on podium).
- Made comments about biblical principles.
- Made comments about escaping the things that come in our paths before standing before God.
- Stated, “Brush off my feet. You better watch out; we are facing God’s wrath.”

Mayor Tedford inquired if there were any further comments.

No further comments were noted.

**Report on transfers of appropriations between functions or programs with the General Fund, Convention Center Fund and ARPA Resource Fund during fiscal year 2023 as required by NRS 354.598005.**

City Clerk Treasurer Sean Richardson stated that NRS 354.598005 allows for budget appropriations to be transferred between functions and funds if such transfers do not increase the total appropriation for the fiscal year and are not in conflict with other statutory provisions. The transfers would be affected once the Council has advised at a public Council meeting, and the action is recorded in the official minutes. The attached schedule for the budget appropriation transfers made within the General Fund, Convention Center Fund, and ARPA Resource Fund. There was no increase in total appropriations due to the action.

Mayor Tedford inquired if there were any questions from the Council or public comments.

No comments/discussions were noted.

**Consideration and possible approval and adoption of Resolution No. 23-07: A resolution augmenting the Fiscal Year 2023 budget of the General Fund in the amount of Six Million One Hundred Fifty-Five Thousand Dollars (\$6,115,000.00), the Convention & Tourism Authority Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), the Mayor’s Youth Fund in the amount of Ten Thousand Dollars (\$10,000.00) and other matters properly related thereto.**

City Clerk Treasurer Sean Richardson stated that NRS 354.598005 authorizes the City to augment a budget when anticipated resources are available during a budget period that exceeds those estimated. The City must comply with NRS 354.598005 and NAC 354.490, inclusive, in order to properly augment the budget. Pursuant to NRS 354.598005(1)(a), in order to augment the appropriations of a fund to which ad valorem taxes are allocated as a source of revenue, the City Council must adopt a resolution reciting the appropriations to be augmented and the nature

of the unanticipated resources intended to be used for the augmentation. The Council must publish notice of its intention to act on the resolution and must not take action until at least three days after the publication of the notice. The General Fund contains ad valorem taxes as a source of revenue which requires the publication notice. The other governmental funds included in the resolution, the Convention & Tourism Authority Fund and Mayor's Youth Fund, are not allocated ad valorem taxes, and therefore do not require publication. The attached proposed resolution satisfies the requirement of both the Nevada Revised Statutes and the Nevada Administrative Code. Notice of the Council's intention to act on the proposed resolution was published in the Fallon Post on June 23, 2023, and the Proof and Statement of Publication was provided to you today. As listed in Resolution 23-07, today, we are requesting augmentation in the General Fund, Convention & Tourism Fund, and the Mayor's Youth Fund. The details of the revision of the budget are contained in the resolution, and the forms prescribed by the Department of Taxation. If approved, the proposed resolution will augment the budget of the General Fund, Convention & Tourism Authority Fund, and the Mayor's Youth Fund in order to properly account for the resources and expenditures of those funds.

Mayor Tedford inquired if there were any questions or comments from the Council or public.

No comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution No. 23-07: A resolution augmenting the Fiscal Year 2023 budget of the General Fund in the amount of Six Million One Hundred Fifty-Five Thousand Dollars, the Convention & Tourism Authority Fund in the amount of Two Hundred Fifty Thousand Dollars, the Mayor's Youth Fund in the amount of Ten Thousand Dollars and other matters properly related thereto; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 23-08: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Water Enterprise Fund in the amount of Two Hundred Thousand Dollars (\$200,000.00), and other matters properly related thereto.**

City Clerk Treasurer Sean Richardson stated that the Water Enterprise Fund has a limited cash resource for capital assets and infrastructure improvements. Due to the limited cash resources, the Council just recently adjusted the water rates, which became effective in April 2023. Due to the Smart Meter Upgrade project and the limited time the rate change has been in effect, additional liquidity is required in the fund. In order to properly authorize a temporary interfund loan the City must comply with NRS 354.6118 and NAC 354.290. The proposed resolution will satisfy those requirements. If approved, the proposed temporary interfund loan will be repaid in full within one year after the date on which the loan is made and will bear no interest.

Mayor Tedford inquired if there were any questions from the Council.

Councilwoman Kent stated that she had an inquiry regarding the smart meters. Do we have enough meters to service the City, or has the project just started?

City Clerk Treasurer Sean Richardson stated that we are continually purchasing inventory for the meters because there is a limited supply and long wait times for purchasing the meters. We do have a stock of meters, but not enough to cover the entire system. We are continually ordering them and if there is a chance for us to get them, due to limited supply, we purchase them when we can.

Councilwoman Kent inquired on the percentage of the project that is believed to be

complete.

City Clerk Treasurer Sean Richardson stated that he doesn't know the exact percentage of the top of his head.

Deputy Public Works Ryan Swirczek stated that we probably have about 4-5% completed.

City Clerk Treasurer Sean Richardson stated that the number of meters in inventory is much greater than the percentage number. We have already pre-purchased many of those meters.

Councilwoman Frost inquired on the utility rate increase. Do you predict that this increase will get us caught up in the Water Resource Fund?

City Clerk Treasurer Sean Richardson stated that he thinks for normal operations, yes. There are always unpredictable repairs and emergency capital needs, that is where sometimes we get in trouble a little bit with the cash-flow. We are going to go back and look at some of our allocations of what we do in the Water Fund, and all our utilities, to see if it is equitable of our distribution. I believe this will help the Water Resource Fund and its cash-flow.

Councilwoman Frost thanked City Clerk Treasurer Sean Richardson.

Mayor Tedford inquired if there were any further comments or questions from the Council or public.

No further comments were noted.

Councilman Harmon motioned to approve and adopt Resolution No. 23-08: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Water Enterprise Fund in the amount of Two Hundred Thousand Dollars (\$200,000.00), and other matters properly related thereto; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 23-09: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sewer Enterprise Fund in the amount of Three Hundred Thousand Dollars (\$300,000.00), and other matters properly related thereto.**

City Clerk Treasurer Sean Richardson stated that the Sewer Enterprise Fund has limited cash resources for capital assets and infrastructure improvements. Due to limited resources, a utility rate increase in the Sewer Enterprise Fund was approved by the Council to be effective in April 2023. Due to the emergency repair and replacement of that sewer line, at Tolas Place in the alley, and the limited time this rate change has been in effect, additional liquidity is needed currently. In order to properly authorize a temporary interfund loan, the Council must comply with NRS 354.6118 and NAC 354.290. The proposed Resolution, and the findings and determinations contained therein, satisfy those requirements. If approved, the proposed temporary interfund loan will be repaid in full within one year after the date on which the loan is made and will bear no interest.

Mayor Tedford inquired if there were any questions or comments from the Council or public.

No comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution No. 23-09: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sewer Enterprise Fund in the amount of Three Hundred Thousand Dollars (\$300,000.00), and other matters properly related thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 23-10: A resolution augmenting the fiscal year 2022-2023 budget of the Electric Enterprise Fund in the amount of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00), the Water Enterprise Fund in the amount of Two Hundred Forty Thousand Dollars (\$240,000.00), the Sewer Enterprise Fund in the amount of Four Hundred Thirty-Five Thousand Dollars (\$435,000.00), the Sanitation Enterprise Fund in the amount of Four Hundred Fifteen Thousand Dollars (\$415,000.00), the Data Processing Internal Service Fund in the amount of Two Hundred Forty Thousand Dollars (\$240,000.00), and other matters properly related thereto.**

City Clerk Treasurer Sean Richardson stated that this agenda item involves the augmentation of enterprise funds and internal service funds. Annually, City staff estimates the actual expenditures of all the enterprise and internal service funds and compares it to the budget. NRS 354.598005 authorizes the City to augment a budget when anticipated resources actually available during a budget period exceed those estimated. The City must comply with NRS 354.598005 and NAC 354.400 through 354.490, inclusive, in order to properly augment the budget. Pursuant to NRS 354.598005(1)(b), in order to augment the appropriations of an enterprise fund or internal service fund, the City Council must adopt a resolution providing therefore at a regular meeting of the Council. The attached proposed resolution satisfies the requirements of both the Nevada Revised Statutes and the Nevada Administrative Code. If approved, the proposed resolution will augment the budget of the Electric Enterprise Fund, the Water Enterprise Fund, the Sewer Enterprise Fund, the Sanitation Enterprise Fund, the Data Processing Internal Service Fund, and the Public Works Internal Service Fund in order to properly account for the resources and expenditures of those funds.

Mayor Tedford stated that as Councilwoman Kent has pointed out, the internal document has the data processing internal service fund at \$45,000.00. We are going to have to amend page 31 at the bottom of that attached document.

City Clerk Treasurer Sean Richardson stated that it is listed in the subject at \$50,000.00. Let me check my form. I believe it should be \$50,000.00. Can we amend the resolution to that number?

Mayor Tedford stated that we will have to amend page 2 of the resolution to reflect \$50,000.00, when the motion is made.

Councilman Harmon stated that page 4 of the resolution will also have to be amended to \$50,000.00.

Mayor Tedford stated that the second paragraph on page 4, 3<sup>rd</sup> line will also need to be amended.

City Clerk Treasurer Sean Richardson stated that he will update the resolution and present the resolution with the corrections.

Mayor Tedford stated that this resolution will just be amended. Any questions from the Council or public?

No comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution No. 23-10: A resolution augmenting the fiscal year 2022-2023 budget of the Electric Enterprise Fund in the amount of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00), the Water Enterprise Fund in the amount of Two Hundred Forty Thousand Dollars (\$240,000.00), the Sewer Enterprise Fund in the amount of Four Hundred Thirty-Five Thousand Dollars (\$435,000.00), the Sanitation Enterprise Fund in the amount of Four Hundred Fifteen Thousand Dollars

(\$415,000.00), the Data Processing Internal Service Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), and other matters properly related thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Councilwoman Frost inquired if the Council could look back at Agenda Item 5. I believe we have a clerical error on this agenda item as well.

Mayor Tedford stated that we will go back to Item #5.

Councilwoman Frost stated that it says Six Million One Hundred and Fifty-Five Thousand, instead of Six Million One Hundred Fifteen Thousand, in the wording under possible Council action. I believe the correct amount is the Six Million One Hundred Fifteen Thousand.

Mayor Tedford clarified that the resolution states Six Million One Hundred Fifty-Five Thousand. So, is this the correct amount or is it the Six Million One Hundred Fifteen Thousand?

Councilwoman Frost stated that she believed the Six Million One Hundred Fifteen Thousand was the correct amount. I believe the motion was read as Six Million One Hundred Fifty-Five Thousand, instead of the Six Million One Hundred Fifteen Thousand amount.

Mayor Tedford stated that we will take this out of order and go back to Agenda Item 5. Karla, will you agree to amend your motion to the amount of Six Million One Hundred Fifteen Thousand?

Councilwoman Kent agreed to amend the motion.

Mayor Tedford stated that he would frame the motion. I would entertain a motion to amend the motion on Resolution 23-07 to the amount of Six Million One Hundred Fifteen Thousand, as opposed to Six Million One Hundred Fifty-Five Thousand.

Councilwoman Kent agreed to the motion; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 23-11: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds’ Accounts Receivables.**

City Clerk Treasurer stated that the City staff is constantly working on collecting on the enterprise fund accounts, receivables and billings. Like all businesses, we do have collection issues with some customers. The accounts presented for adjustment to the allowance for doubtful accounts, have been outstanding prior to July 1<sup>st</sup>, 2021, are no longer City of Fallon customers and have been forwarded to a collection agency for additional collection efforts. The total proposed adjustment of One Hundred Sixty Thousand Seven Hundred Twenty-Three Dollars and Four Cents (\$160,723.04) represents 8/10<sup>th</sup> of one percent (0.8%) of the Enterprise Funds’ Total Operating Revenues for the most recent fiscal year ended June 30<sup>th</sup>, 2022.

Mayor Tedford stated that it should also be noted that not only did they go to collections but if they ever move back to City limits, these will remain on record. They will have to pay a deposit and clear up this bill. This bill will never get away from these people. Often times people move back into the City and we try to collect from them another time. 8/10<sup>th</sup> of one percent of accounts receivable isn’t bad. Any questions from the Council or public?

No comments were made.

Councilwoman Frost motioned to approve and adopt Resolution No. 23-11: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds’ Accounts Receivables; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

**Consideration and possible action to approve the purchase and sale agreement and escrow instructions for the purchase of real property owned by Hilltop Foundation located at 1050 W Williams Avenue, Fallon, Nevada (Churchill County Assessor's Parcel No. 001-191-07) in the amount of Seventy-Two Thousand Dollars (\$72,000.00).**

Deputy City Attorney Trent deBraga stated that as part of the City's redevelopment plans of the north Whitaker commercial block Williams Avenue, City staff has been involved in communications with the Hilltop Foundation. The Hilltop Foundation is the owner of record of the real property commonly known as 1050 W Williams Avenue, or also known as the KHWG building. As part of the redevelopment plans for north Whitaker Avenue, City staff believes it is necessary to acquire the real property at 1050 W Williams Avenue. The Hilltop Foundation has proposed to sell its real property at 1050 W Williams Avenue in the amount of \$72,000.00. The proposed purchase price is comprised of the County's 2022-2023 total taxable value in the amount of \$69,563.00 and other fees the Hilltop Foundation would incur as part of the transaction. If approved, the proposed contract terms and escrow instructions are attached to this agenda item. If approved, the Mayor will execute the contract on behalf of the City and the transaction will proceed to escrow, which is expected to close in approximately 60-days, or less.

Mayor Tedford stated that we have long term plans to extend Whitaker Lane north to Auction Road, to try and open some development in the Auction Road area. That is long term, but isn't going to happen tomorrow, just so everyone understands that. We need this piece of property to get there. We have been working on this for about a year to a year and a half and it has finally come to fruition and that is an important piece to get there. I appreciate everyone that has helped in trying to get this done, you all know who you are. This has been difficult but is important to what we are going to attempt to get accomplished. I appreciate the Council understanding on how important that is in trying to open development in that Auction Road area that is a little stagnant and has been for years now. That is the importance of this piece of property. Any questions from the Council or public?

Councilwoman Frost stated that she believes this is an important piece to opening this area up. I appreciate all the hard work that it took to get where we are today. Thank you all.

Councilman Harmon stated that he just recently learned the intention of opening this area up and appreciates the City's forethought of getting this done.

Mayor Tedford stated that we were never able to do anything in the past because buildings were in the way, and now we can.

Councilwoman Frost motioned to approve the purchase and sale agreement and escrow instructions for the purchase of real property owned by Hilltop Foundation located at 1050 W Williams Avenue, Fallon, Nevada (Churchill County Assessor's Parcel No. 001-191-07) in the amount of Seventy-Two Thousand Dollars (\$72,000.00); seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

**Public Comments**

Mayor Tedford inquired if there were any public comments.  
No comments were noted.

### **Council and Staff Reports**

Mayor Tedford inquired if there were any Council or staff reports.  
No reports were noted.

### **Executive Session**

Mayor Tedford tabled the executive session, as it was not needed at this time.

### **Adjournment**

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:34 a.m.

\_\_\_\_\_  
Mayor Ken Tedford

Attest: \_\_\_\_\_  
Sean C. Richardson, City Clerk-Treasurer