

**MINUTES
CITY OF FALLON
55 West Williams Ave
Fallon, Nevada
June 27, 2024**

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
Chief Ron Wenger
Captain John Riley
Captain Daniel Babiarz
City Clerk Treasurer Sean Richardson
Deputy City Clerk Elsie Lee
Deputy City Clerk Michael O'Neill
Public Works Director Brian Byrd
Director of Tourism Jane Moon

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

Mayor Tedford led the Pledge of Allegiance.

Mayor 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 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.

No comments were noted.

Report on transfers of appropriations between functions or programs with the General Fund, Convention Center Fund, and Convention Tourism Fund during fiscal year 2024 as required by NRS 354.598005.

City Clerk Treasurer Sean Richardson stated NRS 354.598005 allows for budget appropriations to be transferred between functions and funds, if such transfers do not increase the total appropriations and are not in conflict with other statutory provisions. The transfers would be effective once the Council is 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, & Convention Tourism Fund. There was no increase in total appropriations due to the action. This is for discussion only, this is just a notification of these transfers during a public meeting.

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

No comments were noted.

Consideration and possible approval and adoption of Resolution No. 24-06: A resolution augmenting the Fiscal Year 2024 budget of the General Fund in the amount of Four Million Four Hundred Seventeen Thousand Dollars (\$4,417,000.00), the Convention & Tourism Authority Fund in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), the Mayor's Youth Fund in the amount of Fifteen Thousand Dollars (\$15,000.00), and other matters properly related thereto.

City Clerk Treasurer Sean Richardson stated that this agenda involves the augmentation of governmental funds. Annually, City staff estimate the actual expenditures of all the governmental funds by function and compares it to the budget. NRS 354.598005 authorizes the City to augment a budget when anticipated resources available exceed the budgeted amount. In addition, in order to augment, City Council must adopt a resolution. General Fund has Ad Valorem taxes as a revenue source requiring a publication in the newspaper on its intention to augment. No action can be taken until three days after the publication notice. This notice was published in the Fallon Post on Friday June 21st, which today is beyond the 3-day period. A copy of the affidavit stating the intention to augment the General Fund in the amount of \$4,417,000 is available to the public today and will be added to the record. As listed in resolution 24-06, today we are requesting an augmentation in the General Fund, Convention & Tourism Fund and 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, I will be forwarding the augmentation authorization to the department of taxation.

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

No comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution No. 24-06: A resolution augmenting the Fiscal Year 2024 budget of the General Fund in the amount of Four Million Four Hundred Seventeen Thousand Dollars (\$4,417,000.00), the Convention & Tourism Authority Fund in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), the Mayor's Youth Fund in the amount of Fifteen Thousand Dollars (\$15,000.00), 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. 24-07: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Water Enterprise Fund in the amount of Six Hundred Thousand Dollars (\$600,000.00), and other matters properly related thereto.

City Clerk Treasurer Sean Richardson stated in April 2023, Council approved an increase in water rates and included a CPI adjustment to the monthly service charge annually effective in July. For this upcoming fiscal year, the monthly charges will be increased 3.6%. Even with the recent rate adjustments, the water enterprise is still experiencing tight cash flows due to increased operation costs and capital expenses. Staff are requesting a temporary interfund loan to ensure a positive cash position at the end of fiscal year. In order to properly authorize a temporary interfund loan, the City must comply with NRS 354.6118 and NAC 354.290. The proposed Resolution 24-07 will satisfy those requirements. If approved, the proposed temporary interfund loan will be repaid in full within one year and will bear no interest.

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

No comments were noted.

Councilman Harmon motioned to approve and adopt Resolution No. 24-07: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Water Enterprise Fund in the amount of Six Hundred Thousand Dollars (\$600,000.00), 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. 24-08: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sewer Enterprise Fund in the amount of Four Hundred Thousand Dollars (\$400,000.00), and other matters properly related thereto.

City Clerk Treasurer Sean Richardson stated in April 2023, Council approved an increase in sewer rates and included a CPI adjustment to the monthly service charge annually effective in July. For this upcoming fiscal year, the monthly charges will be increased 3.6%. Even with the recent rate adjustments, the sewer enterprise is still experiencing tight cash flows due to increased operation costs and capital expenses. Staff are requesting a temporary interfund loan to ensure a positive cash position at the end of fiscal year. In order to properly authorize a temporary interfund loan, the City must comply with NRS 354.6118 and NAC 354.290. The proposed Resolution 24-08 will satisfy those requirements. If approved, the proposed temporary interfund loan will be repaid in full within one year and will bear no interest.

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

No comments were noted.

Councilwoman Frost motioned to approve and adopt Resolution No. 24-08: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sewer Enterprise Fund in the amount of Four Hundred Thousand Dollars (\$400,000.00), 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. 24-09: A Resolution augmenting the fiscal year 2023-2024 budget of the Electric Enterprise Fund in the amount of One Million One Hundred Fifty-Five Thousand Dollars (\$1,155,000.00), the Water Enterprise Fund in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), the Sewer Enterprise Fund in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00), the Sanitation Enterprise Fund in the amount of Four Hundred Ninety Thousand Dollars (\$490,000.00), the Landfill Enterprise

Fund in the amount of Three Hundred Seventy-Four Thousand Dollars (\$374,000.00), the Data Processing Internal Service Fund in the amount of Twenty-Five Thousand Dollars (\$25,000.00), the Public Works Internal Service Fund in the amount of Two Hundred Forty-Three Thousand Dollars (\$243,000.00), and other matters properly related thereto.

City Clerk Treasurer Sean Richardson stated this agenda 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 available exceed the budgeted amount. In addition, in order to augment, City Council must adopt a resolution. As listed in resolution 24-09, today, staff is requesting an augmentation in the Electric Enterprise Fund, Water Enterprise Fund, Sewer Enterprise Fund, Sanitation Enterprise Fund, Landfill Enterprise Fund, Data Processing Internal Service Fund & Public Works Internal Service 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 augmentation will be noted in the next quarterly financial report sent to the department of taxation.

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

No comments were noted.

Councilman Harmon motioned to approve and adopt Resolution No. 24-09: A Resolution augmenting the fiscal year 2023-2024 budget of the Electric Enterprise Fund in the amount of One Million One Hundred Fifty-Five Thousand Dollars (\$1,155,000.00), the Water Enterprise Fund in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), the Sewer Enterprise Fund in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00), the Sanitation Enterprise Fund in the amount of Four Hundred Ninety Thousand Dollars (\$490,000.00), the Landfill Enterprise Fund in the amount of Three Hundred Seventy-Four Thousand Dollars (\$374,000.00), the Data Processing Internal Service Fund in the amount of Twenty-Five Thousand Dollars (\$25,000.00), the Public Works Internal Service Fund in the amount of Two Hundred Forty-Three Thousand Dollars (\$243,000.00), and other matters properly related thereto; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Consideration and possible adoption of Resolution No. 24-10: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds’ Accounts Receivable.

Deputy City Clerk Michael O’Neill stated the accounts presented for adjustment to the allowance for the doubtful accounts, have been outstanding prior to July 1, 2022, and are no longer City of Fallon customers. The accounts have been forwarded to a collection agency for additional collection efforts. The total proposed adjustment of Eighty-Four Thousand Eight Hundred Fifty-Nine Dollars and twelve cents (\$84,859.12) represents 4/10th of one percent (0.4%) of the Enterprise Funds’ Total Operating Revenues for the most recent fiscal year ended June 30, 2023.

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

Councilman Harmon inquired on these accounts being forwarded to collections. In the chance that the collection agency is able to successfully collect some of this money back, what is the breakdown of the amount they keep, and what amount does the City receive?

Deputy City Clerk Michael O’Neill stated that the normal fee runs about 25-30 percent

of the account amount forwarded to collections. Usually, by this length of time, these are accounts that have actually been with the collection agency for about year. So, we have pretty much exhausted our sources to collect from these customers. This doesn't mean that they don't occasionally creep back up. We do have customers that will come back after years, trying to sign up for service, and they owe us a collections account. We won't allow them to sign up until they have paid their prior balance. At this point, they have been with collections for almost a year, and we haven't received anything. That is probably another provision I need to add for next year. We have not received any payments in the most recent fiscal year, on any of these accounts. They are definitely dormant.

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

No further comments were noted.

Councilwoman Kent motioned to adopt and approve Resolution No. 24-10: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds' Accounts Receivable; 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 9:20 a.m.

Mayor Tedford

Attest: _____
Michael O'Neill, City Clerk-Treasurer