

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
July 5, 2017**

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

Present:

Mayor Ken Tedford
City Councilman, Robert H. Erickson
City Councilman, James D. Richardson
City Engineer, Michael E. Miller
Police Chief, Kevin Gehman
City Clerk, Gary C. Cordes
Deputy City Attorney, Leonard E. Mackedon
Legal and Administrative Director, Robert Erquiaga
Deputy Public Works Director, Ryan A. Swirczek
Deputy Public Works Director, Brian A. Byrd
Director of Tourism and Special Events, Jane Moon

The meeting was called to order by Mayor Tedford at 7:00 p.m.

Mayor Tedford led the Pledge of Allegiance.

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

City Clerk Cordes advised that the agenda was posted in compliance with NRS 241.

Mayor Tedford noted for the record that Councilwoman Frost was out of town.

Approval of Warrants

- A) Accounts Payable
- B) Payroll
- C) Customer Deposit

Mayor Tedford inquired if there were any comments regarding the accounts payable, payroll and customer deposit warrants.

No comments were noted.

Councilman Erickson motioned to approve the accounts payable, payroll and customer deposit warrants and authorize the Mayor to sign the same; seconded by Councilman Richardson and approved with a 2-0 vote by the Council.

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 public comments were noted.

Discussion and Possible Adoption of Bill No. 776 as Ordinance No. 757: An Ordinance amending Title 5, Business Licenses and Regulations, Chapter 5.48, Room Rental Business, of the City of Fallon Municipal Code, for the purposes of defining the term “transient lodging” and revising and clarifying the composition, powers and duties of the Convention and Tourism Authority in order to comply with the Nevada Revised Statutes, and for other matters properly related thereto

Mayor Tedford noted that this item was placed on the agenda several months ago, September 20, 2016 for introduction and then it would have been up for adoption on October 18, 2016. Councilman Richardson introduced it at that time. It was pulled from consideration on October 18, 2016 so further amendments could be made. We then went through a process, through internal discussion, and incorporated some comments that had been received from people that were affected by this. So we made some changes, mostly related to how the ordinance relates to NRS. We then came up with the version that is before the Council tonight. His idea of promoting tourism is a vision of improving our community’s effect on those around us, working from the center out and if we can do some things in northern Nevada regionally, then maybe we can do some things further out than that. After Rick Gray left, we hired Jane Moon and the idea was discussed when Rick was starting to leave but we held off changing the composition of the board until now. The board had traditionally had five members: 2 members appointed by the Mayor from the hotel industry and three Council members. He served on that board, and chaired it for many years, and was of the opinion that maybe we should have a smaller board and the Council agreed. He spent some time with both current board members, Scott Tate and Pranav Morar, and discussed what the intentions were. This included how we would work with the Abbi Agency in promoting tourism, not only as a Tourism Board but also as a City. For several years now, we have promoted the City and the community from the City of Fallon more than the Tourism Board has done because of the limited amount of money that comes through room taxes. The City would take on the operation of the Convention Center; Jane Moon would serve in a position appointed by the Mayor and sit in a Cabinet position, and still work as the executive director of that board. The Mayor would be more in touch with what was happening with tourism, we would push as many special events as we could. We would try to find the right person to bring sports tournaments to Fallon. The goal is to bring people into our community for overnight stays, in restaurants, gas stations, shopping, and enjoying the various offerings of our community. He believed that smaller boards are more responsive to each other, they are more responsive to the citizens, and they are more responsive to the budgets that they have. We will still provide the same amount of budgeting to tourism as we always have, and we would enhance it with the amount of things we have done outside of tourism like the Rural Rumble. We try to create events around those special events that we do, instead of a one day

event, we would try to build a two day event. Some of these things will take time. He felt very strongly that we had to make a change in how that board is structured so we came up with this ordinance. He believed that it still had a core of really strong members and those members will be supplied with enough funds to do the things they want to do. They have good ideas. We have to find a way to market Fallon, not only for the facilities we have, but the facilities that the county has as well. The Tourism Board will give us another path to expand what we do. This is a good move; he has endorsed it the whole way through. It is a good product. Fallon is in a very centralized location and we can capitalize on that. He asked Deputy City Attorney Leonard Mackedon to point out a few details in this ordinance.

Deputy City Attorney Leonard Mackedon noted that the terminology in the bill that was read into the record at the June 6, 2017 Fallon City Council meeting has not changed. The changes that did occur were for administrative clarification. NRS requires certain language to be included in such an ordinance, for example, the definition of transient lodging. We felt it best in drafting this that we clarify how those taxes are to be collected and defining the taxes themselves. There is a 1% tax that is required by NRS and required to be administered, collected, and disbursed pursuant to that statute. The other 8% is imposed through slightly different rules and regulations and we thought it would be advantageous to clarify how that money would be collected and disbursed; in this case the intent would be to continue to fund the Tourism Authority with that additional 8% and allow the board to make recommendations on how it should be spent. The changes that were made prior to the June 6, 2017 Council meeting were simply removing certain sections of the statute and referring to them generally in nature, specifically NRS 268.095, so that there was no confusion. We can simply reference the authority and how the monies can be used. By not specifically listing them, we avoid confusion as to whether it is mandatory or not.

Mayor Tedford clarified the record: Councilman Richardson introduced this bill on September 20, 2016 and it was withdrawn October 18, 2016.

Deputy City Attorney Leonard Mackedon concurred.

Mayor Tedford inquired if the Council had any comments or questions.

Councilman Erickson noted that we have all served on that board for a number of years and he felt that it was necessary that the Director of Tourism be within the organizational structure of the City and come under the supervision of the Mayor.

Mayor Tedford inquired if there were any public comments or questions, as this was a public hearing.

Mr. Scott Tate, current Tourism Board member, stated that he wandered into the meeting today and apologized because he was not as prepared as he would like to be. He did not fully read the most recent version of the proposed ordinance. He read a previous version. He stated that quite a few changes had been made and he felt rushed even though, by his admission, this has been looked at over nine months. He was concerned about passing this ordinance tonight and he was opposed to it. He added that he was not necessarily opposed to the process or the change to the layout of the Convention and Tourism Authority. A lot of effort has been put forth to try to streamline and make this more efficient. He would like to see this ordinance be discussed at the Convention and Tourism Board level and go through it and gets answers to some of the questions that could possibly come out of this to make sure everyone is aware of and understands what is being done; where we came from and where we are going. He added that he remembered when Mayor Tedford and Councilman Erickson shared the history of the Convention and Tourism Authority with him some time ago. That history dates back into the

1970s when it was referred to as a community center. He always liked to respect those people that were here when this was established and try to maintain the intent of that. He thought we were doing that in this draft but would like to propose to the Council that it be read and understood by the current Convention and Tourism Board, and be discussed. While it has been discussed for nine months now, there has not been a discussion at a Convention and Tourism Board meeting. He would like to do that to ensure he understood what was being proposed. He could get into a couple of elements, but he did not think this was the place to do it.

Mayor Tedford advised that this is the place to do that.

Mr. Tate stated that, under the current format, there is a budget and a method in which funds were expended and approved at the Tourism Board level. Now it appears that the new Tourism Board being proposed, which is a three-member body, will be responsible to allocate and provide funding for tourism activities and will not be responsible for the physical site or personnel of the Convention Center. That was his understanding, and he stated that he needed confirmation on that. He added that, while he understood who the members of the City Council are today, those individuals will all die, as he will, and he was concerned that there be a nice, tight ordinance that prescribes the integrity and the intent of the Convention and Tourism Authority as it was originally founded. With that in mind, to ensure that he understood, the funds to be expended by the new Tourism Board would be the funds that are budgeted at the City level on an annual basis. For hypothetical purposes, say there was \$500,000 out there and, on an annual basis through the budgetary process at the City level, \$300,000 is allocated to grants and \$200,000 goes to the Convention Center to cover personnel and maintenance efforts. So, the opportunity to have public input from the citizenry would be at that time, just like any other expenditure. He was not sure that was the case, but based upon his reading, that was what he inferred. He would like to have a conversation about that, have some time to digest it a little bit and think about it. He stated that he thought that sounded reasonable. He said that it clearly gives more power to the City Council at that budgetary level and then once the funds move, that allocation is moved to the granting authority and then the power falls more toward the operators and he was not sure that was fair. For example, there is a budgetary item of \$300,000 for granting opportunities. Those two hotel operators could say that they do not believe in supporting 'those' items, they only want to support 'these' items; and make drastic moves in how funds are moved toward certain events. You could get a rodeo cowboy and a baseball freak, of which he noted he was both of those, and that guy could say that he thought \$250,000 should go toward these five events and no money should go toward other events such as arts or music or birding. That is a concern he has.

Mayor Tedford explained the original founding intent, about 1977, was the Fleischman Foundation's willingness to give enough money to build a community center but there was no money to operate and maintain it. So the City came up with the idea of room tax to generate funds to operate and maintain the community center. The Fleischman Foundation approved of the room tax idea. There was quite a back and forth with the motel operators, but they finally agreed to a room tax. Then the discussion became how much; then they reached a level they could agree to. The amount granted by the Fleischman Foundation was almost \$1 million. There was never an intent at the time that any amount would go to grants. NRS required a Fair and Recreation Board and the City set one up and it outlined a 4/5 vote, instead of the usual 3/5 vote, Council members were also on the board because it was public money and it protected the 4/5 vote. Since the day it began, they realized it was a mistake to require the 4/5 vote. So, for 40 years it has been a struggle, but everyone got along. The original intent was about O&M at the

Convention Center, never grants. Then the focus shifted to tourism grants, and less O&M, to promote this community. Mr. Tate's point about the Council eventually leaving; the next Council can undo anything the current Council does. So they cannot offer him any protection past the next Election Day. Mayor Tedford added that the funds would be budgeted annually, as they are now. At one point, we were holding up the entire City budget waiting for Tourism; we could not wait, we had a deadline to adhere to. So, in essence, the City approves the budget, but we would have had to pull the budget away and approve it whether Tourism liked it or not – this is the budget. The reason we are discussing this bill here is because it is a Council meeting and Councils make these decisions. The Tourism Board does not make a decision like this. The Council is not going to discuss this at a Tourism meeting; they are going to discuss it at a Council meeting where they make decisions. They cannot be in another meeting and discuss something they are going to make a decision on later or they will violate the Open Meeting Law so they are going to discuss and make their decision here. So, yes, the Tourism Board will no longer handle the Convention Center, it is the City's asset. The funds budgeted to Tourism will not be reduced, the City will even add to it because the City will take care of O&M. In response to the comment about rogue members; they are appointed by Mayor Tedford and if they are not on the same page, they will not be serving on the board any longer. Everyone will be fine here. Five members is unwieldy, three will be much more efficient.

Councilman Richardson stated that he introduced this bill. He was the board member that presented some of the issues that he found with how the Tourism Board was operating before; working in law enforcement and courts, he likes to follow within the law. There were a lot of functions in the ordinance that the Tourism Board was not doing that the Tourism Board was ultimately responsible for; such as all purchases, overseeing the Convention Center, even hiring personnel, audits and doing a budget. He was not comfortable with that role because they were unable to do those things. There were no tools or mechanisms in place, as a board member, to do that. We needed to do some housekeeping and clean it up and then it evolved into how the board is operating today. After reviewing the proposed ordinance, it makes more sense; it provides more controls, more oversight from the City.

Deputy City Attorney Leonard Mackedon noted that there is no legal way to bind Councils to one mission over infinity. The idea of preserving what you want to preserve by writing it down so that it can never be changed – you could not govern that way.

Mr. Tate wanted to go back to the history of what the Center was created for and make sure that is preserved and the structure is still there to do that. He stated that all expenses for the Convention Center should be funded by the Convention and Tourism Authority which is the exact reason the tax was created.

Mayor Tedford inquired if there were any further public comments.

No comments were noted.

Councilman Richardson motioned to adopt Bill No. 776 as Ordinance No. 757: An Ordinance amending Title 5, Business Licenses and Regulations, Chapter 5.48, Room Rental Business, of the City of Fallon Municipal Code, for the purposes of defining the term “transient lodging” and revising and clarifying the composition, powers and duties of the Convention and Tourism Authority in order to comply with the Nevada Revised Statutes, and for other matters properly related thereto; seconded by Councilman Erickson and approved with a 2-0 vote by the Council, as Councilwoman Frost was absent.

Appointments to Boards: Appointment of Councilwoman Kelly Frost, Pranav Morar, and Scott Tate to the Fallon Convention and Tourism Authority

Mayor Tedford offered the appointment of Councilwoman Kelly Frost, Pranav Morar, and Scott Tate to the Fallon Convention and Tourism Authority for confirmation by the Council.

Mayor Tedford inquired if the Council had any comments or questions.

No comments were noted.

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

No comments were noted.

Councilman Erickson motioned to confirm the appointment of Councilwoman Kelly Frost, Pranav Morar, and Scott Tate to the Fallon Convention and Tourism Authority; seconded by Councilman Richardson with a 2-0 vote by the Council.

Appointments to Boards: Appointment of Councilman James Richardson and Deputy City Clerk Elsie Lee as alternate to the Coalition for Senior Citizens Board of Directors and Churchill Area Regional Transit

Mayor Tedford offered the appointment of Councilman James Richardson and Deputy City Clerk Elsie Lee as alternate to the Coalition for Senior Citizens Board of Directors and Churchill Area Regional Transit for confirmation by the Council.

Mayor Tedford inquired if the Council had any comments or questions.

No comments were noted.

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

No comments were noted.

Councilman Erickson motioned to confirm the appointment of Councilman James Richardson and Deputy City Clerk Elsie Lee as alternate to the Coalition for Senior Citizens Board of Directors and Churchill Area Regional Transit; seconded by Councilman Richardson and approved with a 2-0 vote by the Council.

Presentation of the Police Department Report for May 2017

Chief Gehman presented the May monthly report. He added that the May incidents and activities were primarily in line with previous months with no exceptional variances.

- Staff participated in multiple hours of training.
- Detective Shyne provided the indoctrination lecture to newly stationed Navy personnel.
- The citizen survey results were positive.

Mayor Tedford inquired about the citizen survey comment about postal fraud.

Chief Gehman stated that he thought it was about missing mail.

Mayor Tedford inquired if the Council had any comments or questions.

No comments were noted.

Mayor Tedford thanked Chief Gehman for the report.

Public Comments

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

Council and Staff Reports

Deputy City Attorney Leonard Mackedon: No comments were noted.

City Clerk Cordes: No comments were noted.

Chief Gehman: No comments were noted.

City Engineer Miller: No comments were noted.

Legal and Administrative Director Erquiaga: No comments were noted.

Deputy Public Works Director Swirczek: No comments were noted.

Deputy Public Works Director Byrd: No comments were noted.

Tourism Director Moon: No comments were noted.

Councilman Richardson: No comments were noted.

Councilman Erickson: No comments 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 8:15 p.m.



Mayor Ken Tedford

Attest: 

Gary C. Cordes, City Clerk/Treasurer