

**AGENDA**  
**CITY OF FALLON – CITY COUNCIL**  
**55 West Williams Avenue**  
**Fallon, Nevada**  
**April 1, 2019 – 9:00 a.m.**

The Honorable City Council will meet in a regularly scheduled meeting on April 1, 2019 at 9:00 a.m. in the City Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Items on the agenda may be taken out of order. The Council may combine two or more agenda items for consideration. The Council may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. Unless otherwise allowed by the City Council, public comments by an individual will be limited to five minutes.

1. Pledge of Allegiance to the Flag.
2. Certification of Compliance with Posting Requirements.
3. Public Comments: 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. **(For discussion only)**
4. Consideration and approval of Council meeting minutes for January 22, 2019 and March 4, 2019. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
  - A) Accounts Payable
  - B) Payroll
  - C) Customer Deposit
6. Consideration and possible approval and adoption of Resolution No. 19-03: A resolution adopting amendments to the City of Fallon Central Service Cost Allocation Plan in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's enterprises. **(For possible action)**
7. Public Comments **(For discussion only)**
8. Council and Staff Reports **(For discussion only)**

9. Executive Session (closed):

Discuss Litigation Matters **(For discussion only)** (NRS 241 et.seq.)  
Negotiations with Operating Engineers Local Union No. 3 **(For discussion only)**  
Negotiations with Fallon Peace Officers Association **(For discussion only)**

This agenda has been posted on or before 9:00 a.m. on March 27, 2019 at City Hall, District Court Building, Churchill County Office Complex, Churchill County Public Library and posted to the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>). Members of the public may request the supporting material for this meeting by contacting Elsie M. Lee, Deputy City Clerk, City Clerk's Office, City Hall, 55 West Williams Avenue, Fallon, Nevada, (775) 423-5104. The supporting material for this meeting is also available to the public on the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>).



Elsie M. Lee

NOTICE TO PERSONS WITH DISABILITIES: Reasonable effort will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the City Clerk's Office at 423-5104 in advance so that arrangements may be conveniently made.

April 1, 2019

## Agenda Item 4

Consideration and approval of Council meeting minutes for January 22, 2019 and March 4, 2019.  
**(For possible action)**

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
January 22, 2019**

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 Councilwoman, Kelly Frost  
City Clerk, Gary C. Cordes  
City Attorney, Michael F. Mackedon  
Deputy Public Works Director, Ryan A. Swirczek  
Deputy Public Works Director, Adrian Noriega  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Deputy City Clerk, Elsie M. Lee  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Marketing & Communications Coordinator, Kaitlin Ritchie  
Deputy City Attorney, Trent deBraga

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

**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.

### **Approval of Council meeting minutes for December 12, 2018**

Mayor Tedford inquired if there were any additions or corrections to the minutes for December 12, 2018.

No additions or corrections were noted.

Councilman Erickson motioned to approve the Council meeting minutes for December 12, 2018 as submitted, seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

### **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.

Councilwoman Frost 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 3-0 vote by the Council.

### **Consideration and possible approval and adoption of the updated Airport Master Plan for the Fallon Municipal Airport**

Legal and Administrative Director Erquiaga explained that the Federal Aviation Administration (FAA) recommends that airports update their long-term planning documents every seven to ten years. The City previously engaged Atkins North America, Inc. and Coffman Associates, Inc. to complete the process of updating the Airport Master Plan for the Fallon Municipal Airport. He noted that Mr. Brian Fitzgerald of Atkins North America, Inc. and Mr. Michael Dmyterko of Coffman Associates, Inc. were present today. The process included the formation of a Master Plan Advisory Committee consisting of representatives from the City, Churchill County, Naval Air Station Fallon, the Nevada Department of Transportation, local pilots, and the FAA. Those meetings were very successful; we had good conversation and good discussion during those meetings. Public meetings were also held the same days as the master plan meetings, and they were also successful. The public meetings were published and posted. They were a drop-in format where members of the public and, more specifically, airport users, had the opportunity to come ask questions and take a look at what was being considered as far as the master plan and long-term planning was concerned. They were productive meetings. This has been a fun process and very educational. Hopefully, this will be the culmination of it, with the Council's adoption of the updated Airport Master Plan. The City has been successful in receiving FAA grants through the years and undertook a lot of important projects and improvements at the airport. Updating our Master Plan will keep the City in line with all the regulations and remain eligible for FAA grants. He introduced Mr. Michael Dmyterko of Coffman Associates; he will narrate a PowerPoint presentation to the Council.



Mr. Michael Dmyterko of Coffman Associates explained that both he and Mr. Fitzgerald, along with their respective firms, enjoyed working with the City. He referred to a PowerPoint presentation that was displayed for all attendees. [PowerPoint presentation is attached to these minutes.] He wanted to provide an overview of the updated Airport Master Plan. He noted that they follow the FAA's prescribed process in doing an Airport Master Plan, which is basically a 20-year roadmap for the airport. There are general goals, but there are two things the FAA wants out of this process. The first is an updated airport aviation forecast which will detail the segments of demand that will drive future need. That need translates many times into funding requests of the FAA. We held a public meeting to outline what was going on at the airport and what was the need. After that meeting, we moved into the second phase, airport alternatives, where we translated what the need was and how we can meet that need. Another public meeting was held, detailing what those alternatives were. Then finally, moved into a recommendation. The recommended plan has been tweaked a little bit, not much, from when it was presented about two months ago. A capital improvement plan schedule was also paired with it. Then it was presented at a final public meeting. This final draft document is the result and is presented for the Council's review and approval. The second thing required from the FAA will come after this process. It will be a submittal of the airport layout plan drawings, referred to as ALP. They are very important because that is what the FAA will utilize in your funding requests. If there is a project on the ALP, that is justified by demand, the FAA can then process and fund that project. If the project you are requesting is not on the ALP, the FAA cannot approve or fund that project. There are two overall factors to consider. First, what and how many based aircraft are at the airport. We wanted to quantify the number and the type, which are all important factors. Right now, there are 72 airplanes based at the airport. We did an update because the FAA only had 29 aircraft assigned here. We performed a robust review and updated that number and the FAA has approved the quantity of 72 as the existing number. That is important, it gives a better standing with the FAA for funding. Ultimately, we show that going up to 91 over the course of the next 20 years. The second factor is operations. An operation is generally a takeoff or a landing. Those tell you how busy things are, on that runway system. Right now, there is an estimate of about 23,000 annual operations and we see that increasing to about 33,000 by the end of the planning period. He added that these numbers are vibrant, but not overwhelming, for noise or capacity reasons. As far as the recommended development plan, after identifying need and alternative evaluations, including discussion back and forth, this is an aerial graphic of the ALP. You have a two-runway system. For the primary runway, we are looking at an extension to the west which would allow you to better serve turbine-type aircraft such as a turbo prop or a turbo jet. The goal was to also meet the various FAA design standards. One example is the roadway network that is close to the runway end at present. Part of the plan is to extend the runway, but also to move the roadway network around the runway end and its safety area and the runway protection zone. That is approximately a 12-acre acquisition to ensure those roads are outside of those safety areas. The same can be said about the east end of the runway, with an equidistant extension on that end with the roads being moved outside of the safety areas as well. We are looking at various other issues with design standards the FAA recently changed in the taxiway system. If you look back into the north, we are looking at the modular expansion opportunities for additional hangars and apron areas in the current area that is already being used for aviation. We are not seeing a need for a significant amount of land acquisition; only to meet the needs of the runway safety system. These are all issues to either meet demand with a hangar or an apron, or to meet design with an expansion of the runway or safety areas. We also looked

at environmental factors that go into the recommended development plan. One of the most common environmental issues around airports is noise. For a general aviation facility, the noise profile is much smaller than, say, the Navy base. The FAA's agreed upon measure or metric for noise evaluation is the Day-Night Noise Level (DNL). The FAA considers 65 DNL to be a threshold of significance. If you have receptors that are sensitive such as residential schools, hospitals, or things of that sort, within that 65 or higher level, the FAA can participate in helping you mitigate that noise. Whether it be sound insulation or relocation. Your noise contours remain relatively close into the runway system. The number of annual operations is not significant enough to balloon those contours. Even looking at the long term, the contours get a little bigger, but not so much so that they leave airport property for the most part. Again, from an environmental perspective, noise is a relatively minor issue here. We did not see a lot of other things in any of the 13 other categories we reviewed that were significant in terms of impact. We put together a capital improvement schedule. This is broken up into three terms: short being the first five years, intermediate being the next five years, and long term being the next ten after that. The first five years are going to be the most important because you always have your five-year Airport Capital Improvement Program (ACIP) in front of the FAA. This is a point-in-time analysis, it will change as staff and consultants work through your ACIP process, you may find that some of these move up and down. Or the FAA may tell you that they only have a certain amount of funds available to use so you may have to modify as that goes along. Many projects revolve around things that are not eligible for funding, such as revenue enhancing projects and hangar construction; those are generally not eligible for large amounts of local funding, so we usually see more public-private partnerships and, even in some cases, private hangar development completely, with a land lease behind it. Overall, we are looking at a \$42 million capital improvement program with about \$15 million eligible for funding through the FAA, some of that \$27 million would be eligible for State funding as well. The ALP will be submitted after the Council's approval, along with associated documents, to the FAA for their approval. Once they are approved and signed, they will come back for the Mayor's signature, and they will be included in this plan as signed documents. As projects are completed, the consultant will make redline changes to it and, seven to ten years from now, the City will have to go through this process again. There are ten total drawings in the ALP set. He stated that his presentation was complete and would answer any questions.

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

Councilman Richardson confirmed that projects to move roads were eligible for grant funding.

Mr. Dmyterko stated that it would be eligible because the FAA's funding mechanism requires a priority ranking. Priority ranking is generally assigned based on the type of project. As an example, a safety project gets a much higher-level ranking and a capacity-improving project such as a runway extension, would be a much lower ranking project. Internally, the FAA takes all 3,000 ACIP items, machinates, and comes out with their annual budget. So, the higher the ranking, the better. Roads and runway protection zone acquisitions are safety related projects so it is believed that they would compete well for federal funding. Some of the others, like a runway extension, unless there is very good justification, tend to go to the bottom of the list and even get pushed to the next year. Roadways are eligible because they are a safety issue.

Councilman Erickson noted that a large amount of the funding not covered by the FAA is for hangar expansion. During the scoping meetings, he asked if they had determined the need for additional hangars at this point in time from the audience attending those meetings.

Mr. Dmyterko confirmed that there was a need for hangars. He added that, traditionally, communities had rallied and funded those types of improvements, such as a T-hangar, where you could put up a six to twelve-unit facility. The problem now, is the hangar cost has far exceeded the value and return on investment for most communities. An 8-unit T-hangar now costs about \$1 million to build and with the rent required to amortize that 15-year note, the rent would be approximately \$300 per month. Most aircraft owners, himself included, probably should not own an airplane; it is a very expensive venture. His point was that those types and amounts of rent are very hard to get in most communities. Many communities are having a hard time justifying that expense. Larger hangars are generally being built by the operators themselves because they want that hangar to be constructed to their specifications. So, you would offer a land lease for 10-30 cents per square foot per year and they would build their hangar. The FAA does allow you to use your Non-Primary Entitlement (NPE) money for hangar construction. But the most you can generate in NPE funds would be \$600,000 and that would be after waiting for four years and paying for nothing else during that time, banking that money, and then you could have one T-hangar that would not even be fully paid for. A project like that does not typically pencil out.

Mayor Tedford noted that aprons and taxiways were critical improvements for us. Planning year five that shows the purchase of ground and extension of the runway has been on planning year five probably going back to when Councilman Erickson was Mayor, over 25 years ago. It was quite the discussion in the Council Chambers that night about spending \$6-8 million to do that and actually was a split vote of the Council that night. The question that night was how many larger jets would land here if we had a longer runway. That is also his question today. It is a different era than when Councilman Erickson was Mayor and the Council decided that they did not want to extend the runways. The idea was still on the plan but not to go out and build it right then. Now, there are more geothermal industries out here and Navy contractors than 25 years ago when this was first discussed. He asked how much corporate jet traffic would come if we extended the runways.

Mr. Dmyterko stated the only real growth in general aviation right now is the turbine market. Right now, there is no backlog; all the used jets are being sold, whereas in 2008 that was not the case. The reality is that these aircraft are much less expensive than they used to be and are much more available and there is value in their use. There is a misconception about the use of this type of airplane and the reality is that the vast majority use it with their middle management. Those are who are on those planes, not the CEOs. Industry feels that Fallon is somewhat regionalized, while only an hour from Reno, time is money to these companies. Companies tend to use these types of aircraft to visit their sites. The current runway can handle them now. Some of that is promotion, some of that is pilot familiarity, once pilots know about it, they can continue to use it. He did believe there is definitely a growth curve upward for that type of airplane here and this community could support that.

Mayor Tedford inquired as to the largest plane that can land at the airport right now.

Mr. Dmyterko stated that the majority of business aircraft could operate out of the airport. How they operate is the difference, especially the larger or less efficient, they could come in and go out very light; the problem is their operational costs increase because they are going to have to stop somewhere else to refuel. The most comfortable size range would be the Citation-range of aircraft. About half the fleet in the market today is in that size range. You will not see a lot of Gulfstream 650s out there. We design to the full B2 standard which can still accommodate those



larger airplanes on occasion, but we are not designing around them. If we were to design around them, safety zones would more than triple.

Mayor Tedford noted that we are a General Aviation (GA) airport in a small rural city and the mission is to serve those that are here that are in general aviation. But, when you have a large geothermal market and a large Navy market, you should have the ability to serve those folks also. Maybe that planning is further down the line, not in five years, but in later years.

Mr. Dmyterko stated that this plan provides a full utility runway, you are not going to be excluded from business jet aircraft. Again, about half the fleet will have no problems whatsoever. Many popular fractional jet companies have an entire fleet of different sized aircraft to choose from and they will choose the most appropriate size which would likely be a Citation, or the like, to fly in and out of here. That size aircraft carries up to nine passengers. Once the runways are extended, you would then be able to handle some of the mid-sized to larger aircraft too. But you are not paying the tens of millions of dollars to design around those large-sized aircraft. This design can handle most of the jets under a B2 design, which keeps the cost down.

Mayor Tedford noted that his real goal was the second phase, planning year 2020, that slips quite a bit every year. The runway is in pretty fine shape, but you cannot neglect the maintenance on that runway, not a bit.

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

No comments were noted.

Mayor Tedford thanked Mr. Dmyterko for his presentation.

Councilman Erickson complimented Coffman Associates and Atkins North America on their work product; it was very well done. In the meetings that we had with the public and the pilots, it was a very good dialogue and was very well conducted and he appreciated how they treated our citizens. It was very impressive and very professional.

Councilman Erickson motioned to approve and adopt the Airport Master Plan for the Fallon Municipal Airport as submitted; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

**Consideration and possible approval of engagement letter and appointment of Eide Bailly for professional services to complete the mandatory independent audit of the records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs**

Legal and Administrative Director Erquiaga explained that the Fallon Municipal Court is required by the Supreme Court of Nevada and the Nevada Administrative Office of the Courts (AOC) to contract with an independent auditor once every four years to complete an independent audit of the records of the Court. The four-year independent audit must be completed by a certified public accountant or certified internal auditor. The independent audit includes a review of the Court's accounting records, procedures, automated financial management system records, and internal controls. If approved, Teri Gage would be the engagement partner for this project. Both Eide Bailly and Teri Gage are fully qualified to complete the independent audit and have provided exceptional service to the City of Fallon during past City audits. They are qualified and have made the list of approved auditors through the AOC. Eide Bailly is confident they can complete the audit by its March 1, 2019 due date. This has also been reviewed by the Audit

Committee and they are willing to assist in any way they can to make sure this is a smooth and appropriate process.

Mayor Tedford noted that the 40+ pages of accounting standards detailing what they must do for a Court audit is a lot for the amount of transactions that they perform in Municipal Court. They are all pretty straightforward. He was pretty impressed with what the AOC wants.

Legal and Administrative Director Erquiaga stated that perhaps a few bad examples have caused a level of review that is applied to all Courts. It is probably unnecessary or in too much depth for a Court of our size; we are on the smaller end as it relates to caseload and especially financial transactions. The Supreme Court and the AOC have essentially treated all Courts the same, whether they be District Courts or Justice Courts that handle a lot more cases and more financial transactions, or our Municipal Court. It probably comes from a couple of bad examples where there was mismanagement or financial issues, not an issue we have had here in our Court, but we still get to follow the same rules and the same audit procedures.

Mayor Tedford noted that there is a section on the issuance of checks, which are written in the Clerk's Office, they must be issued in sequential order. They must also maintain an inventory record of all used and unused checks. Imagine Las Vegas having to do that. It does not even say how long you have to maintain the records.

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

Councilman Richardson asked how the new Marsy's Law would impact our Municipal Court; requiring restitution be paid to victims before court fees.

Legal and Administrative Director Erquiaga stated that some portions of that law are still being worked out. As far as restitution is concerned, it has been the practice of Municipal Court that restitution goes first; we did not need an additional law to tell us to do that. Now, whether the Municipal Court's procedures are written and recorded appropriately may be part of this audit. But in practice, that has been the case. Anything owed to somebody has gone first, before those court fees and fines. There is no real change because our practice has been in compliance with that.

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

No comments were noted.

Councilman Erickson motioned to approve the engagement letter as submitted and appoint Eide Bailly for professional services to complete the mandatory independent audit of the records of the City of Fallon Municipal Court for the year ended June 30, 2018 for the estimated fee of Seven Thousand Seven Hundred Fifty Dollars (\$7,750.00) plus out of pocket travel costs; seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

### **Public Comments**

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

### **Council and Staff Reports**

Mayor Tedford inquired if there were any Council or staff reports.

Legal and Administrative Director Erquiaga advised that bids for construction of the Fallon Youth Center are due February 21, 2019. He was excited to bring that project award before the Council for consideration during a Council meeting in March. The phone system

project for City Hall and some other City facilities is underway. CC Communications representatives will be around for the next couple of weeks running lines and doing some groundwork so the City's phone service will not be interrupted as they build the new network and test the system so it will be fully operational before the changeover.

Councilwoman Frost commended the City crews for the cleanup work they did on the North Maine Street property.

### **Executive Session**

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

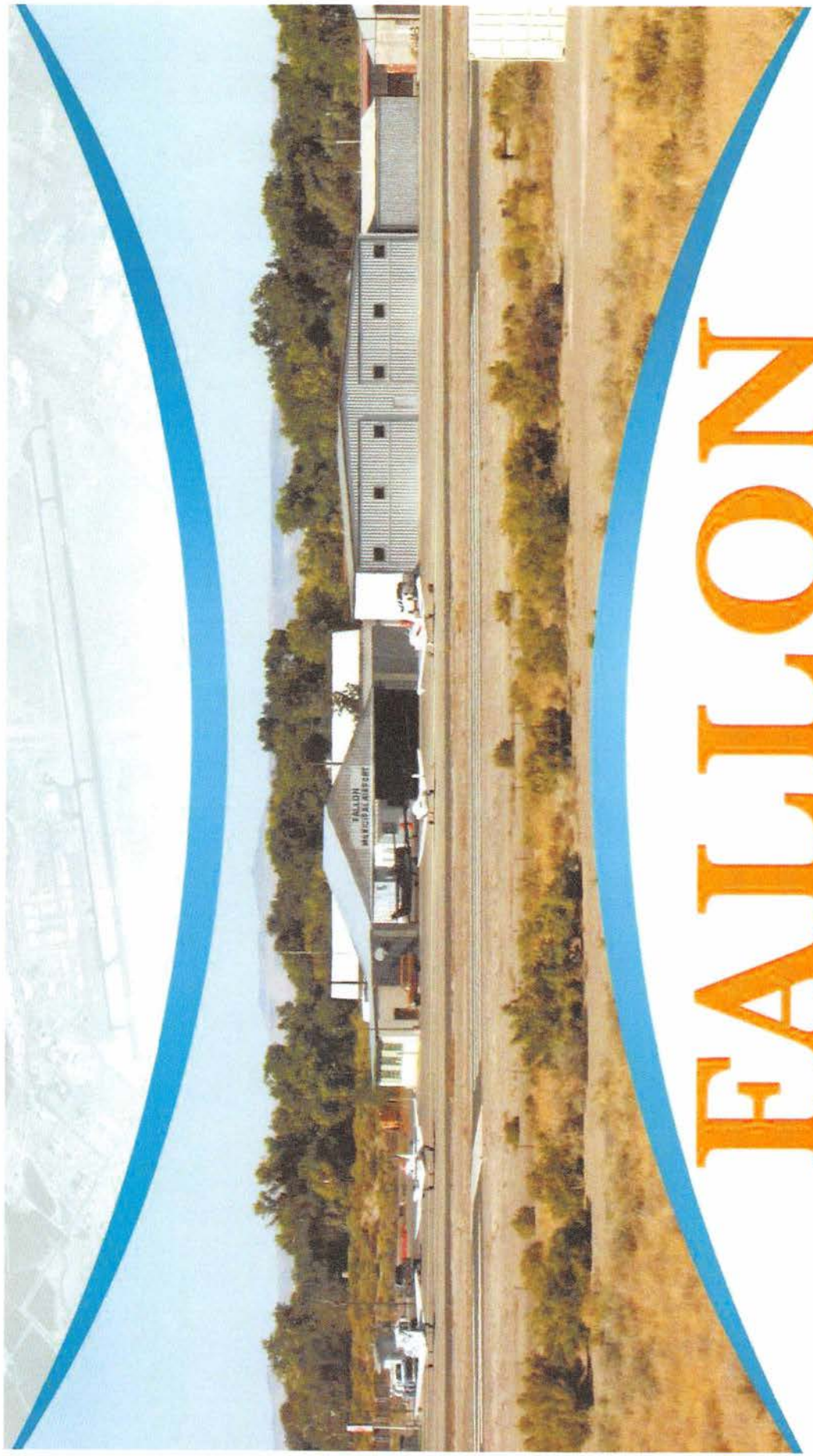
### **Adjournment**

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:55 a.m.

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Mayor Ken Tedford

Attest: \_\_\_\_\_  
Gary C. Cordes, City Clerk/Treasurer



# FALLON

MUNICIPAL AIRPORT

Airport Master Plan



# **Fallon Municipal Airport Master Plan**

**City of Fallon, City Council**

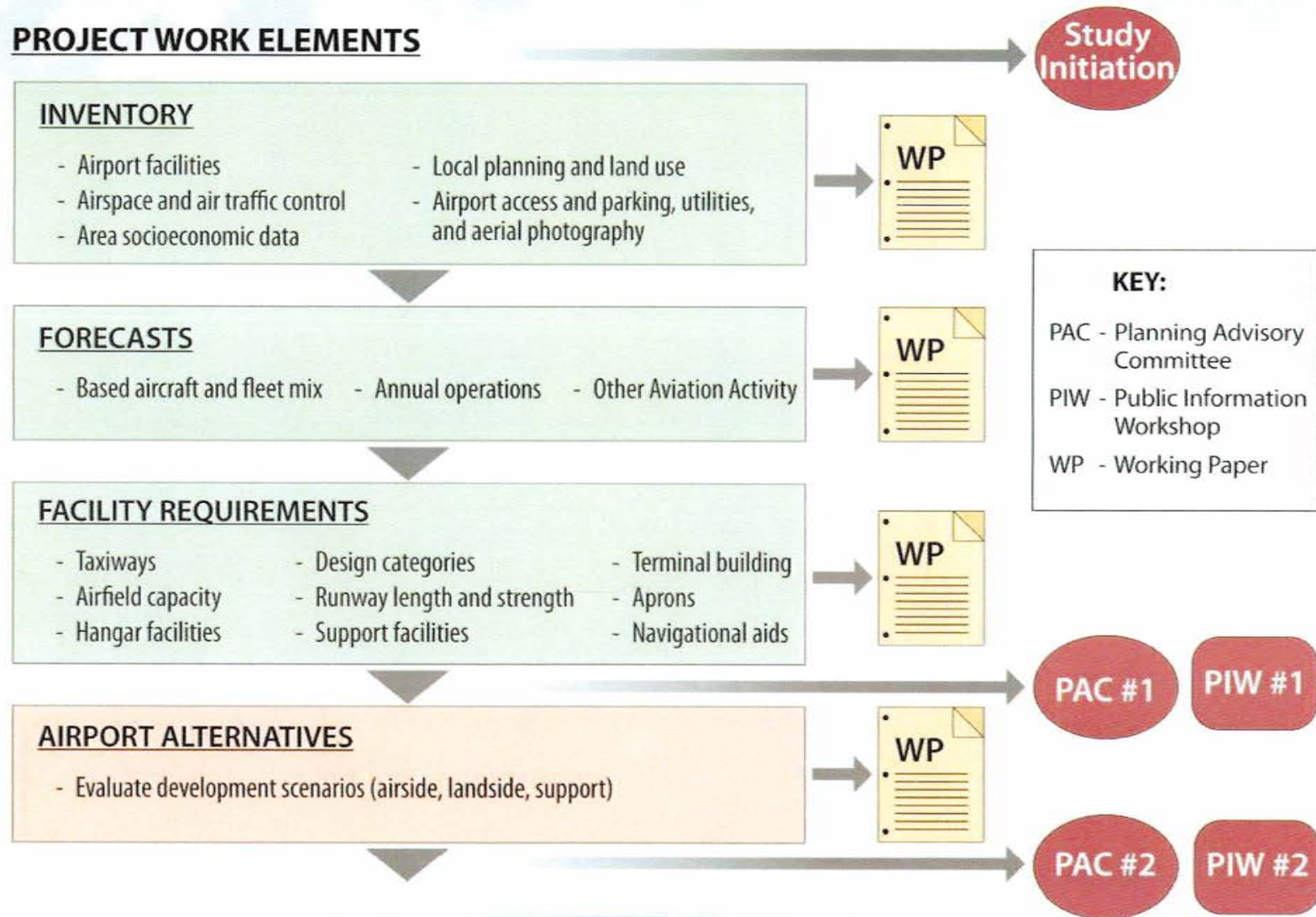
**Tuesday, January 22, 2019**

**9:00 am**

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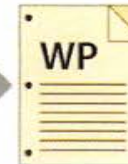
## **PROJECT WORK ELEMENTS**





**RECOMMENDED MASTER PLAN CONCEPT/  
ENVIRONMENTAL REVIEW**

- Detailed master plan facility and land use plans
- Review evaluation of NEPA environmental categories
- Noise exposure



**FINANCIAL PLAN/CAPITAL IMPROVEMENTS**

- Airport Development schedule
- Cost estimates
- Funding sources



PAC #3

PIW #3

**AIRPORT LAYOUT PLANS/LAND USE COMPATIBILITY**

- Airport layout plan
- Airspace/approach drawings
- Property map
- Landside drawing
- On-airport land use plan
- Land use plan
- Recycling plan

**FINAL DOCUMENTATION/DELIVERABLES**

- Draft Master Plan Report
- Final Master Plan Report
- Master Plan/ALP Approvals
- Electronic Documentation

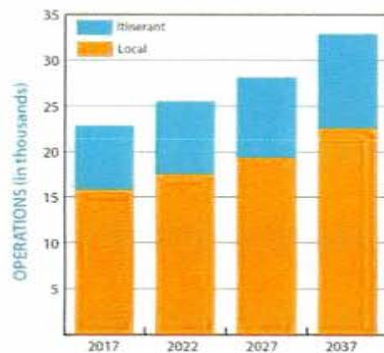


# FALLON

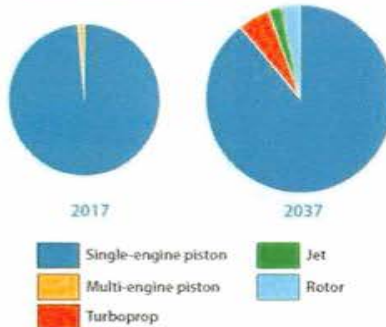
MUNICIPAL AIRPORT  
Airport Master Plan

## Exhibit 2F FORECAST SUMMARY

### TOTAL ANNUAL OPERATIONS



### BASED AIRCRAFT FLEET MIX



### ANNUAL OPERATIONS

#### Itinerant Operations

	BASE YEAR	2022	2027	2037
Air Taxi	2,000	2,300	2,600	3,200
General Aviation	4,939	5,500	6,000	7,000
Military	100	100	100	100
<b>Total Itinerant Operations</b>	<b>7,039</b>	<b>7,900</b>	<b>8,700</b>	<b>10,300</b>

#### Local Operations

	BASE YEAR	2022	2027	2037
General Aviation	15,804	17,600	19,400	22,600
Military	-	-	-	-
<b>Total Local Operations</b>	<b>15,804</b>	<b>17,600</b>	<b>19,400</b>	<b>22,600</b>
<b>TOTAL ANNUAL OPERATIONS (rounded)</b>	<b>22,843</b>	<b>25,500</b>	<b>28,100</b>	<b>32,900</b>

### BASED AIRCRAFT

	BASE YEAR	2022	2027	2037
Single Engine	71	75	77	81
Multi-Engine Piston	1	1	0	0
Turboprop	0	1	3	5
Jet	0	0	1	2
Rotor	0	0	1	3
<b>TOTAL BASED AIRCRAFT</b>	<b>72</b>	<b>77</b>	<b>82</b>	<b>91</b>

### ANNUAL INSTRUMENT APPROACHES

	BASE YEAR	2022	2027	2037
	141	158	174	206







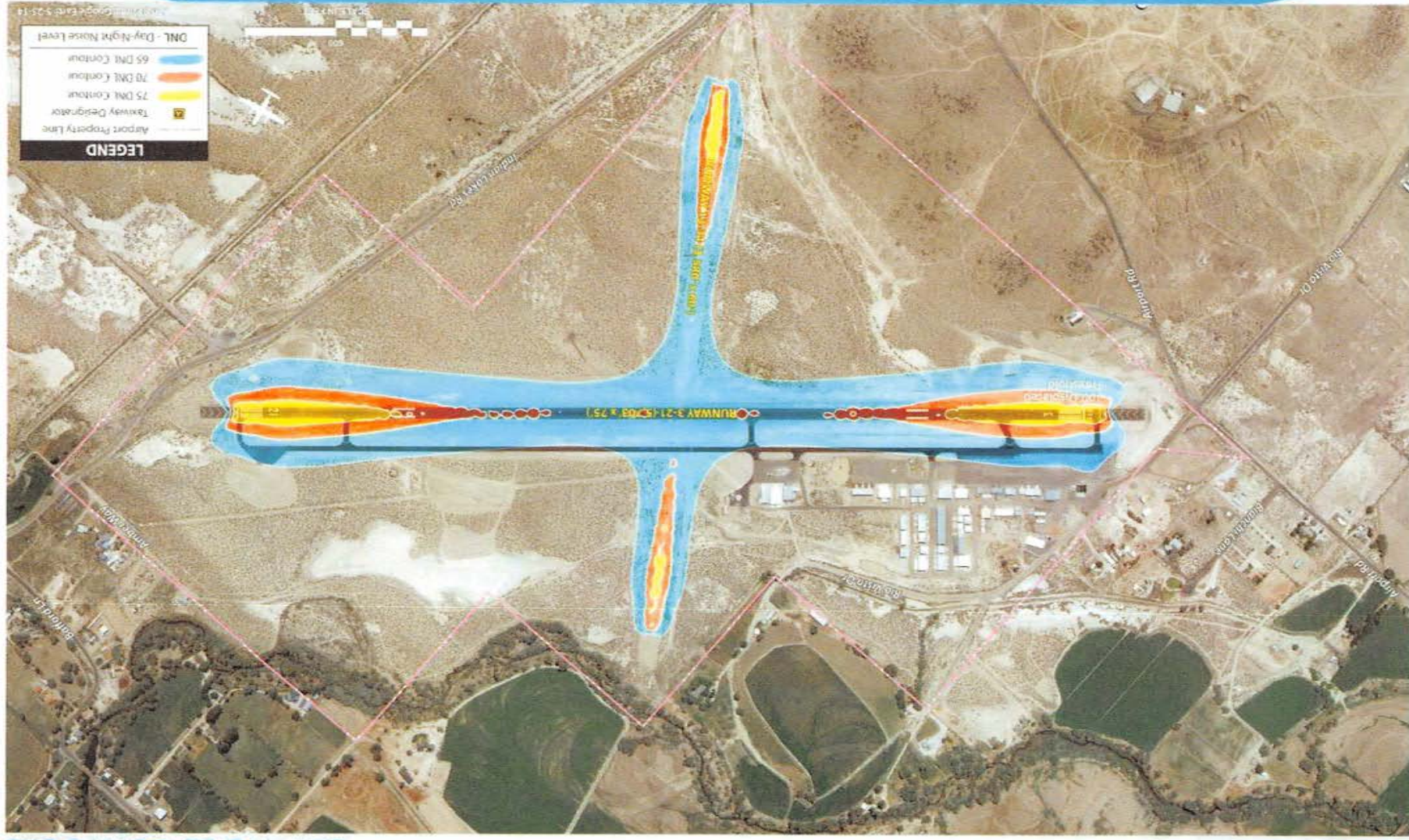
Exhibit 5B  
2017 NOISE CONTOURS



Exhibit 5C  
2037 NOISE CONTOURS

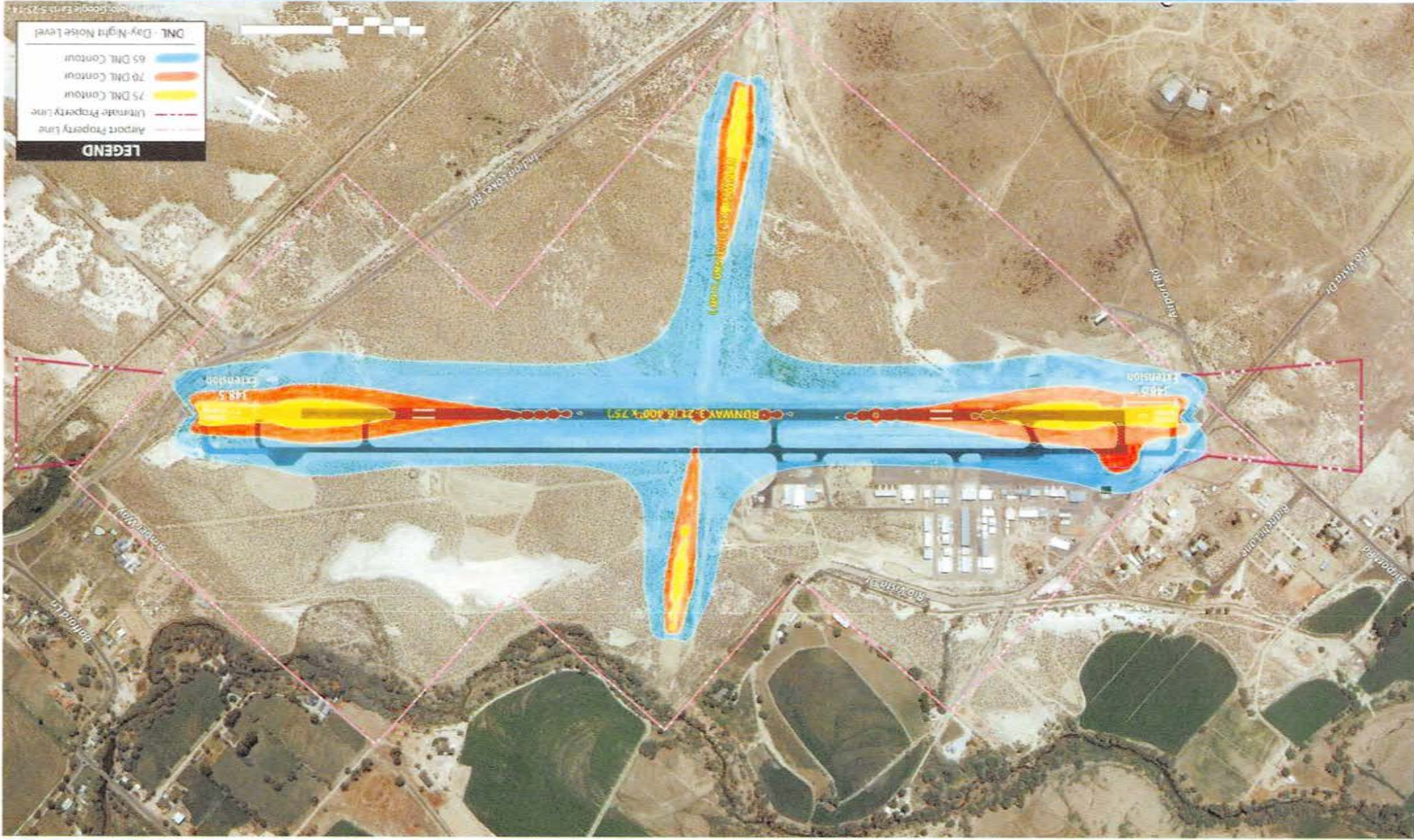




Exhibit 6A  
**SHORT TERM CAPITAL IMPROVEMENT PROGRAM**

PROJECT NUMBER	PROJECT DESCRIPTION	PROJECT CATEGORY	FEDERAL FUNDING	STATE/LOCAL SHARE*	TOTAL PROJECT COST ESTIMATE
<b>SHORT-TERM PROJECT DESCRIPTION</b>					
<i>Planning Year 2019</i>					
1	Replace Perimeter Fence and Gates (Design and Construct)	SS/MN	\$1,096,875	\$73,125	\$1,170,000
<b>2019 Total</b>			<b>\$1,096,875</b>	<b>\$73,125</b>	<b>\$1,170,000</b>
<i>Planning Year 2020</i>					
2	Rehabilitate Runway 3-21, Taxiway, Main and North Apron, Runway 3 Soil Stabilization, Remove and Relocate Taxiway G, and Remove the Northern Portion of Taxiway M (Design and Construct)	SS/MN	\$789,375	\$52,625	\$842,000
<b>2020 Total</b>			<b>\$789,375</b>	<b>\$52,625</b>	<b>\$842,000</b>
<i>Planning Year 2021</i>					
3	Replace MIRL, PAPI-2s, Segmented Circle and Lighted Wind Cone with LED Lights	MN	\$365,625	\$24,375	\$390,000
<b>2021 Total</b>			<b>\$365,625</b>	<b>\$24,375</b>	<b>\$390,000</b>
<i>Planning Year 2022</i>					
4	Acquire Bi-Directional Tractor with Snow Blower and Broom Attachment	MN	\$234,375	\$15,625	\$250,000.00
5	Construct Airport Maintenance / Snow Removal Equipment Storage Building	MN	\$-	\$1,560,000	\$1,560,000
<b>2022 Total</b>			<b>\$234,375</b>	<b>\$1,575,625</b>	<b>\$1,810,000</b>
<i>Planning Year 2023</i>					
6	Reconstruct Entrance Road and Taxilanes (Design and Construct)	MN	\$1,200,000	\$80,000	\$1,280,000.00
7	Environmental Assessment for Land Acquisition	EN	\$46,875	\$3,125	\$50,000.00
8	Acquire Approximately 12.1 and 10.2 Acres of Property Within the Ultimate Runway 3 and 21 RPZs. Acquire Approximately 0.3 Acres to Accommodate the Ultimate Taxiway A and Connector Taxiway F Configuration	SS	\$260,625	\$17,375	\$278,000.00
9	Acquire Approximately 5.6 and 6.5 Acres of Property (in Easement) Within the Ultimate Runway 13 and 31 RPZs	SS	\$150,000	\$10,000	\$160,000.00
10	Construct UAV Runway	DM/OP	\$796,875	\$53,125	\$850,000
<b>2023 Total</b>			<b>\$2,437,500</b>	<b>\$162,500</b>	<b>\$2,600,000</b>
<b>TOTAL SHORT-TERM PROGRAM</b>			<b>\$4,940,625</b>	<b>\$1,889,375</b>	<b>\$6,830,000</b>

**KEY**

SS - Safety/Security	MIRL - Medium Intensity Runway Lighting
EN - Environmental	PAPI - Precision Approach Path Indicator
MN - Maintenance	REIL - Runway End Identification Lights
EF - Efficiency	UAV - Unmanned Aerial Vehicle
DM - Demand	
OP - Opportunity	

\* State funding is available through the Nevada Fund for Aviation Grant Program providing \$100,000 statewide on an annual basis; however, state match grants are not to exceed \$50,000.



INTERMEDIATE CAPITAL IMPROVEMENT PROGRAM

PROJECT NUMBER	PROJECT DESCRIPTION	PROJECT CATEGORY	FEDERAL FUNDING	STATE/LOCAL SHARE*	TOTAL PROJECT COST ESTIMATE
<b>INTERMEDIATE-TERM PROJECT DESCRIPTION</b>					
11	Construct Unpaved Graded and Compacted Taxiway Turn-Arounds	SS	\$637,500	\$42,500	\$680,000
12	Design and Construct 9,900 SY Apron Expansion, Joining the Main Apron with the Central and North Apron Areas	DM	\$1,744,688	\$116,313	\$1,861,000
13	Construct Two 40' x 100' Linear Box Hangars	DM	\$-	\$1,710,000	\$1,710,000
14	Relocate Airport Road and Rio Vista Drive	SS	\$1,523,438	\$101,563	\$1,625,000
15	Relocate Indian Lakes Road	SS	\$2,238,750	\$149,250	\$2,388,000
16	Design and Environmental Assessment for Runway 3-21 and Taxiway A Extension	EN	\$475,313	\$31,688	\$507,000
<b>TOTAL INTERMEDIATE-TERM PROGRAM</b>			<b>\$6,619,688</b>	<b>\$2,151,313</b>	<b>\$8,771,000</b>

**KEY**

SS - Safety/Security  
EN - Environmental  
MN - Maintenance  
EF - Efficiency  
DM - Demand  
OP - Opportunity

MIRL - Medium Intensity Runway Lighting  
PAPI - Precision Approach Path Indicator  
REIL - Runway End Identification Lights  
UAV - Unmanned Aerial Vehicle

\* State funding is available through the Nevada Fund for Aviation Grant Program providing \$100,000 statewide on an annual basis; however, state match grants are not to exceed \$50,000.

LONG TERM CAPITAL IMPROVEMENT PROGRAM

PROJECT NUMBER	PROJECT DESCRIPTION	PROJECT CATEGORY	FEDERAL FUNDING	STATE/LOCAL SHARE*	TOTAL PROJECT COST ESTIMATE
<b>LONG-TERM PROJECT DESCRIPTION</b>					
17	Construct 348.5-foot Runway Extension on Each End of Runway 3-21 and Taxiway A to an Ultimate Length of 6,400 Feet and Construct Ultimate Taxiway Connectors F and Q	SS/DM	\$2,732,813	\$182,188	\$2,915,000
18	Upgrade PAPI-2s Serving the Ultimate Runway 3-21 to PAPI-4s	SS	\$300,000	\$20,000	\$320,000
19	Implement REILs Serving Runway 3-21	SS	\$103,125	\$6,875	\$110,000
20	Construct Paved Secondary Access Road from Rio Vista Drive	DM/OP	\$-	\$320,000	\$320,000
21	Construct Three 60' x 60' Executive Box Hangars	DM/OP	\$-	\$2,910,000	\$2,910,000
22	Construct Six 60' x 60' Executive Box Hangars	DM/OP	\$-	\$5,790,000	\$5,790,000
23	Relocate the Existing Retention Pond and Implement Subsurface Pump Station	OP	\$-	\$480,000	\$480,000
24	Construct Four Linear Box Hangars (of Varying Sizes)	DM/OP	\$-	\$14,510,000	\$14,510,000
<b>TOTAL LONG-TERM PROGRAM</b>			<b>\$3,135,938</b>	<b>\$24,219,063</b>	<b>\$27,355,000</b>
<b>CAPITAL IMPROVEMENT PROGRAM TOTAL</b>			<b>\$14,696,250</b>	<b>\$28,259,750</b>	<b>\$42,956,000</b>

**KEY**

SS - Safety/Security  
EN - Environmental  
MN - Maintenance  
EF - Efficiency  
DM - Demand  
OP - Opportunity

MIRL - Medium Intensity Runway Lighting  
PAPI - Precision Approach Path Indicator  
REIL - Runway End Identification Lights  
UAV - Unmanned Aerial Vehicle

\* State funding is available through the Nevada Fund for Aviation Grant Program providing \$100,000 statewide on an annual basis; however, state match grants are not to exceed \$50,000.

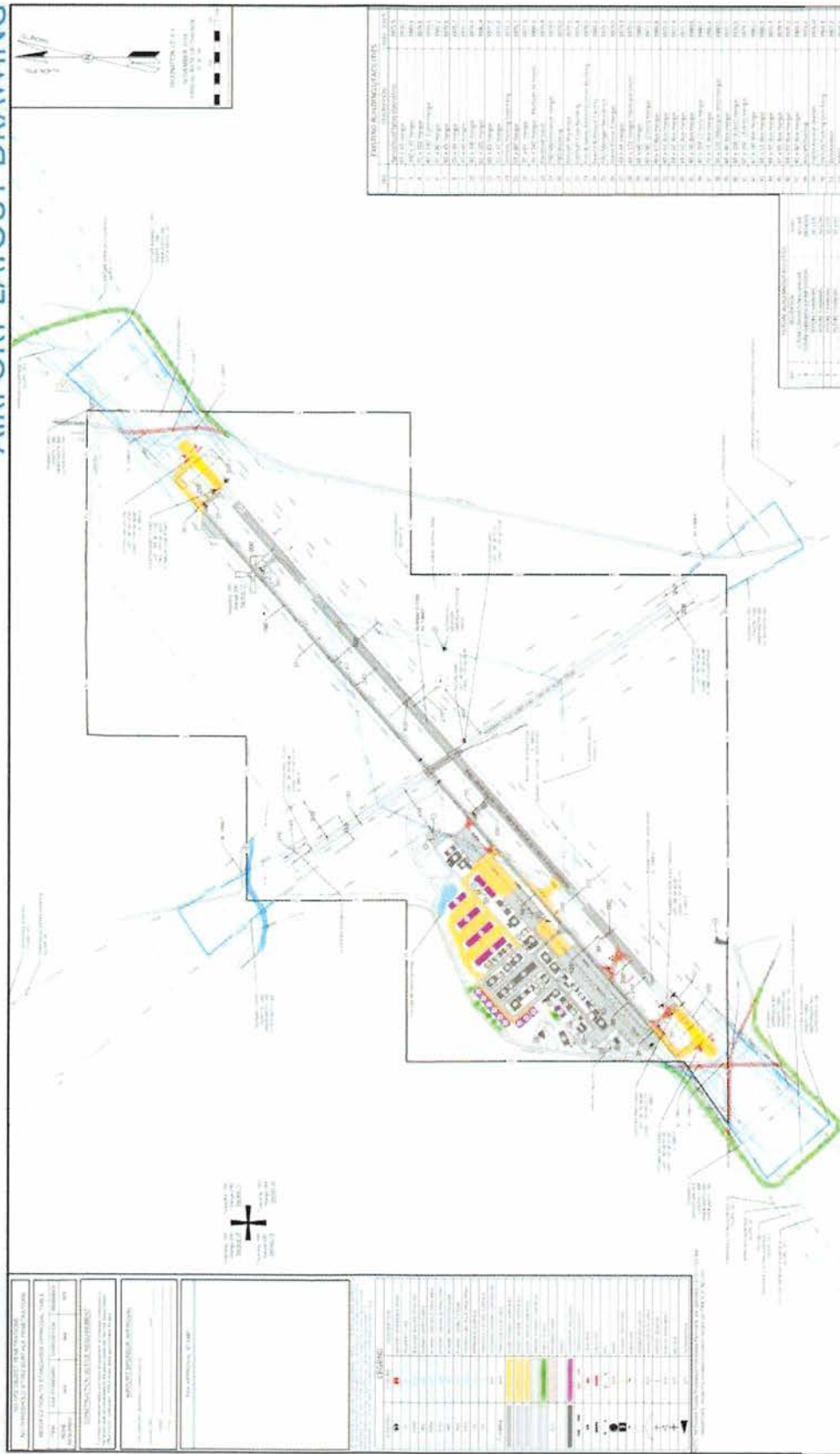


# FALLON

## MUNICIPAL AIRPORT

ALDOT Master Plan

### AIRPORT LAYOUT DRAWING



CITY OF FALLON

AIRPORT LAYOUT PLAN UPDATE  
FALLON MUNICIPAL AIRPORT (FLX)  
FALLON, NEVADA

**ATKINS**  
A Division of the SNC-Lavalin Group  
10000 Lakeshore Drive, Suite 1000  
Dallas, TX 75243  
Tel: (972) 820-1432  
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PROJECT NO. 10000  
SHEET NO. 10000  
DATE: 03/10/2010

# FALTON



# Questions?



**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
March 4, 2019**

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 Councilwoman, Kelly Frost  
City Clerk, Gary C. Cordes  
City Attorney, Michael F. Mackedon  
Deputy Public Works Director, Ryan A. Swirczek  
Deputy Public Works Director, Adrian Noriega  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Deputy City Clerk, Elsie M. Lee  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Marketing & Communications Coordinator, Kaitlin Ritchie  
Deputy City Attorney, Trent deBraga

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

Mayor Tedford led the Pledge of Allegiance.

Mayor Tedford stated that he wanted to publicly congratulate the Greenwave Girls and Boys Basketball teams for their State Championship victories this weekend. It was a great thing to have these kids win like that and we are very proud of the coaches, parents, and the kids themselves.

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.

**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.

### **Approval of Council meeting minutes for February 19, 2019**

Mayor Tedford inquired if there were any additions or corrections to the minutes for February 19, 2019.

No additions or corrections were noted.

Councilman Erickson motioned to approve the Council meeting minutes for February 19, 2019 as submitted, seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

### **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.

Councilwoman Frost 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 3-0 vote by the Council.

### **Public Hearing: Adoption of Resolution No. 19-01: A resolution authorizing the augmentation of the 2018-2019 General Fund of the City of Fallon in the amount of \$232,123**

City Clerk Cordes advised that now is the time and place for this public hearing that was properly noticed in the Lahontan Valley News. The purpose of this General Fund budget augmentation is to properly budget the resources and expenditures of the General Fund budget. The schedules represent the final approved budget that was adopted by the Council, the revisions reflect changes in financial estimates that were not anticipated when the budget was adopted by the Council; and pursuant to NRS, this resolution will allow us to properly reflect the changes in financial estimates. He added that no comments regarding this agenda item have been received by the City Clerk's Office.

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 adopt Resolution No. 19-01: A resolution authorizing the augmentation of the 2018-2019 General Fund of the City of Fallon in the amount of \$232,123; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

## **Appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2019**

Councilman Erickson noted that Eide Bailly has, for the last three years, been the auditor for the City of Fallon. Our experience with Eide Bailly has been extremely professional and, by its general nature, an audit is an intrusive function in that it is done in a relatively short period of time and you have a burden placed on the Clerk's Office especially, but on almost every department head providing information and going over actions taken in the prior year. Eide Bailly has always acted extremely professional and with courtesy and respect to our employees and have done an excellent job with the previous audits and he recommended that Eide Bailly be appointed as auditors for the City of Fallon for the fiscal year ending June 30, 2019 under a contract which they submitted for a base fee of \$79,500. As they get into an audit, there are a number of Federal and State requirements that are triggered by dollar amounts, so if some of those triggers occur, there is a provision in the agreement that the base dollar amount for the cost of the audit could be adjusted up to provide for those additional schedules.

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

Councilwoman Frost asked if the \$79,500 amount was the same base amount billed last year.

Councilman Erickson stated that it was the same base amount.

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

No comments were noted.

Councilman Erickson motioned to appoint Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2019; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Mayor Tedford concurred with Councilman Erickson's comments that it can be a disruption when the auditors are at City Hall, but the last few years it has gone smoothly; he appreciated that and looked forward to the same process when they return to perform this audit.

### **Public Comments**

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

### **Council and Staff Reports**

Mayor Tedford inquired if there were any Council or staff reports.

Councilwoman Frost reiterated Mayor Tedford's opening comment about the basketball teams. She was fortunate that she was able to watch them play; it was an amazing weekend of basketball in Las Vegas. She congratulated the players and coaches for jobs well done.

Mayor Tedford stated that he was honored to be the Mayor of a City that had two State champions in one weekend. He was even more honored to be surrounded by a Councilwoman that had a girl on the championship team and a Councilman that had a boy on the championship team, and he was sitting in between those two parents right now.

Councilwoman Frost also thanked the first responders that escorted the teams out in style and brought them back in with style; and Pizza Barn stayed open late and had pizzas for all the kids. It was a big celebration for our community.

Councilman Richardson echoed Councilwoman Frost's comments. He was in Las Vegas as well. The Orleans is an amazing venue; it is where NBA and college teams also play. There was a good amount of people from Fallon witnessing those games, as well as Elko, so it was your typical rural communities competing. He appreciated the news coverage from the Lahontan Valley News and The Fallon Post.

Councilman Erickson agreed that those games were a real adrenaline rush, and the teams and their parents should really be congratulated.

Mayor Tedford concurred with all the comments. We are working on a celebration; as soon as we determine a date, we will let everyone know. He had heard that two State Championships for basketball have not been won in Fallon since 1924. That was in the old Nevada gym on North Virginia Street, with all the brick. The girls three-peated, which is remarkable and that goes back to the early years when Legal and Administrative Director Erquiaga's grandmother played and they won six or seven championships in a row in the early 1900s. The boys had not won a championship since 1971, which was 48 years ago, and he was a player on that 1971 team.

### **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 9:25 a.m.

---

Mayor Ken Tedford

Attest: \_\_\_\_\_  
Gary C. Cordes, City Clerk/Treasurer

April 1, 2019

## Agenda Item 6

Consideration and possible approval and adoption of Resolution No. 19-03: A resolution adopting amendments to the City of Fallon Central Service Cost Allocation Plan in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's enterprises. **(For possible action)**



**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: March 26, 2019

AGENDA DATE REQUESTED: April 1, 2019

TO: The Honorable City Council

FROM: Gary C. Cordes, City Clerk/Treasurer

SUBJECT TITLE: Consideration and possible approval and adoption of Resolution No. 19-03: A resolution adopting amendments to the City of Fallon Central Service Cost Allocation Plan in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's enterprises. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Formal Action/Motion	<input type="checkbox"/> Other

RECOMMENDED COUNCIL ACTION: Motion to approve and adopt Resolution No. 19-03: A resolution adopting amendments to the City of Fallon Central Service Cost Allocation Plan in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's enterprises.

DISCUSSION: The City Council previously adopted a Central Service Cost Allocation Plan in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's six (6) enterprises. The City's Central Service Cost Allocation Plan is subject to, at minimum, an annual review and amendment as necessary and proper. The Audit Committee has met several times during the fiscal year in order to analyze and review the Plan and to evaluate the necessity for possible amendments to the Plan. The attached Resolution and amended Central Service Cost Allocation Plan are a result of those meetings and discussions that would, if approved, more properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's six (6) enterprise during fiscal year 2019. If approved, the Resolution and amended Plan would be effective July 1, 2018.

FISCAL IMPACT: Neutral to the budget. The compensation from the Enterprise Funds to the General Fund is calculated annually pursuant to the Central Service Cost Allocation Plan.

FUNDING SOURCE: N/A

PREPARED BY: Gary C. Cordes, City Clerk/Treasurer

**RESOLUTION NO. 19-03**

**A RESOLUTION ADOPTING AMENDMENTS TO THE CITY OF FALLON  
CENTRAL SERVICE COST ALLOCATION PLAN IN ORDER TO  
PROPERLY COMPENSATE THE GENERAL FUND FOR THE COSTS  
INCURRED BY THE GENERAL FUND IN PROVIDING GENERAL,  
OVERHEAD, ADMINISTRATIVE AND INDIRECT COSTS TO  
THE CITY'S ENTERPRISES.**

\*\*\*\*\*

WHEREAS, the City of Fallon operates six (6) enterprises that receive goods, services and other resources from the General Fund of the City of Fallon; and

WHEREAS, pursuant to Nevada law, the City of Fallon is required to account for, and equitably allocate to each enterprise, the compensation to which the General Fund is entitled for the provision of said goods, services and other resources; and

WHEREAS, as such, the City Council previously adopted a Central Service Cost Allocation Plan in order to properly account for, and equitably allocate to each enterprise, the compensation to which the General Fund is entitled; and

WHEREAS, the Central Service Cost Allocation Plan is subject to, at minimum, an annual review and amendment as necessary and proper; and

WHEREAS, the City Council of the City of Fallon desires to amend the Central Service Cost Allocation Plan as provided herein in order to properly compensate the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative and indirect costs to the City's six (6) enterprises.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fallon that the City's Enterprise Funds shall reimburse the General Fund for the costs incurred by the General Fund in providing general, overhead, administrative, and indirect costs to the Enterprise Funds in the amended allocations as follows:

Mayor & Legal and Administrative Director Department	85% of Expenditures
City Council Department	70% of Expenditures
City Clerk/Treasurer Department	85% of Expenditures
City Hall Department	75% of Expenditure
General Expenditures Department	65% of Expenditures
City Attorney Department	85% of Expenditures

BE IT FURTHER RESOLVED that the City Council of the City of Fallon hereby approves and adopts the amended Central Service Cost Allocation Plan which is attached hereto and incorporated herein by this reference.



BE IT FURTHER RESOLVED that this Resolution and the amended Central Service Cost Allocation Plan adopted herein shall apply to fiscal year 2019 with an effective date of July 1, 2018.

BE IT FURTHER RESOLVED that the City Clerk shall forthwith transmit a copy of this Resolution to the Nevada Department of Taxation in the form and manner required by law.

APPROVED AND ADOPTED by the City Council of the City of Fallon, Nevada this \_\_\_\_\_ day of April, 2019.

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
GARY C. CORDES  
City Clerk/Treasurer

City of Fallon  
Central Service Cost Allocation Plan  
Fiscal Year 2019  
Prepared by Gary C. Cordes  
City Clerk / Treasurer  
Attachment to Resolution No. 19-03  
April 1, 2019

**Executive Summary**

The City of Fallon budgets for 15 governmental type funds with estimated annual expenditures of \$10,601,269 and 9 proprietary funds with estimated expenses of \$21,987,117. The departments of Mayor (Chief Executive Officer) and Legal and Administrative Director, City Council, City Clerk Treasurer, City Hall, General Expenditures and City Attorney are all accounted for in the General Fund. Pursuant to applicable laws and regulations, the Fallon City Council adopted a Central Service Cost Allocation Plan on June 26, 2014 by way of Resolution No. 14-07 which, by the terms of the Resolution, enacted a plan to compensate the General Fund and allocate the cost of providing general, overhead, administration and indirect costs for each Enterprise identified in the Resolution.

The Central Service Cost Allocation Plan requires adjustment in order to correspond with actual current financial and operating conditions and, consequently, should be reviewed and re-evaluated as a non-consent agenda item by the Fallon City Council at its regularly scheduled meeting on April 1, 2019 to determine whether modifications to the Central Service Cost Allocation Plan adopted by the Fallon City Council as Resolution No. 14-07 should be modified to reflect changed financial and operating conditions of each Enterprise identified in the Resolution.

The Central Service Cost Allocation Plan is presented in sections as follows:

**Section 1:** Identification of departments in the General Fund that are necessary for the proper and efficient administration and performance of the enterprise funds;

**Section 2:** Identification of the enterprise funds receiving the value of the costs incurred by the General Fund departments and identification of the methodology of allocating costs among the 6 enterprise funds from the General Fund.

**Section 3:** Identification of the costs to be used in the allocation plan.

**Section 4:** Identification of the equitable distribution of the costs used in the allocation plan.

**Section 5:** Attestation, signed by the chief financial officer of the local government, that the Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.

City of Fallon  
Central Service Cost Allocation Plan  
Fiscal Year 2019  
Prepared by Gary C. Cordes  
City Clerk / Treasurer  
Attachment to Resolution No. 19-03  
April 1, 2019

**Section 1: Identification of departments in the General Fund that are necessary for the proper and efficient administration and performance of the enterprise funds.**

Pursuant to NRS 354.613 and NAC 354.865 through NAC 354.867, the City has established departments in the General Fund which account for costs that are necessary for the proper and efficient administration and performance of the enterprise funds. The departments identified are: Mayor and Legal and Administrative Director; City Council; City Clerk/Treasurer; City Hall; General Expenditures; and City Attorney.

The departments in the General Fund that are identified in the Central Service Cost Allocation Plan are briefly described as follows:

**Mayor and Legal and Administrative Director Department:** The Mayor is the City's Chief Executive Officer who oversees the day-to-day operations of the City, including both Enterprise Fund operations and General Fund operations. The Legal and Administrative Director assists the Mayor in the oversight of the day-to-day operations of the City, including both Enterprise Fund operations and General Fund operations. All costs of the Mayor and Legal and Administrative Director Department are accounted for in the General Fund.

**City Council Department:** The City Council is the legislative branch for the Enterprise Fund operations as well as the General Fund operations. All costs of the City Council Department are accounted for in the General Fund.

**City Clerk/Treasurer Department:** The City Clerk/Treasurer Department provides for the fiscal management and clerical functions for the Enterprise Fund operations as well as the General Fund operations. All costs of the City Clerk/Treasurer Department are accounted for in the General Fund.

**City Hall Department:** The City Hall Department provides for the costs of operating the administrative headquarters for the Enterprise Fund operations as well as the General Fund operations. All costs of the City Hall Department are accounted for in the General Fund.

**General Expenditures Department:** The General Expenditures Department includes expenditures for public relations, audits, property and liability insurance, and retiree-insurance subsidies.

**City Attorney Department:** The City Attorney Department includes wages and benefits for the City Attorney and two Deputy City Attorneys, who are all members of the law firm Mackedon Law, and monthly compensation for overhead and administration the law firm provides. Also included are costs of a law library and consulting attorneys. The City Attorney and Deputy City Attorneys provide legal advice and counsel relating to the day-to-day operations of the City, including both Enterprise Fund operations and General Fund operations. All costs of the City Attorney Department are accounted for in the General Fund.

**Section 2: Identification of the enterprise funds receiving the value of the costs incurred by the General Fund departments and identification of the methodology of allocating costs among the 6 enterprise funds from the General Fund.**

The enterprise funds receiving the value of the costs incurred by the General Fund departments are the Electric Enterprise Fund, the Water Enterprise Fund, the Water Treatment Enterprise Fund, the Sewer Enterprise Fund, the Sanitation Enterprise Fund, and the Landfill Enterprise Fund. The Enterprise Funds have a total of 37 full-time employees and have the following stats:

Electric Enterprise Fund: 4,134 residential meters and 801 commercial meters

Water Enterprise Fund: 3,384 water meters

Water Treatment Enterprise Fund: 9.7 million gallons of treated water capacity per day

Sewer Enterprise Fund: 2.2 million gallons of treated sewer capacity per day

Sanitation Enterprise Fund: 3,980 collection containers picked up weekly

Landfill Enterprise Fund: 93,975 tons of municipal solid waste tipped annually

Pursuant to NRS 354.613 and NAC 354.865 through NAC 354.867, the City has established departments in the General Fund which account for costs that are necessary for the proper and efficient administration and performance of the enterprise funds. The departments identified are: Mayor and Legal and Administrative Director; City Council; City Clerk/Treasurer; City Hall; General Expenditures; and City Attorney.

In fiscal year 1996, the Fallon City Council adopted a resolution providing for the reimbursement of costs incurred in the above-mentioned General Fund departments from the enterprise funds. On June 26, 2014, the Fallon City Council revised the 1996 Central Service Cost Allocation Plan with the adoption of Resolution No. 14-07. The Central Service Cost Allocation Plan adopted in 2014 equitably allocated costs incurred by the General Fund departments on behalf of the enterprises based on financial and operational information appropriate as of fiscal year 2014. Since 2014, City staff has reviewed and analyzed the Central Service Cost Allocation Plan at least twice annually, although no changes to the plan have been made since fiscal year 2014. The Audit Committee has met several times during this fiscal year in order to analyze and review the Central Service Cost Allocation Plan and to evaluate the necessity for possible amendments to the Plan. As a result of those meetings and discussions, and having evaluated the financial and operational activities of the enterprises, the percentages used in the Central Cost Allocation Plan since 2014 should be amended as follows:



Mayor and Legal and Administrative Department	85% of Expenditures
City Council Department	70% of Expenditures
City Clerk/Treasurer Department	85% of Expenditures
City Hall Department	75% of Expenditures
General Expenditures Department	65% of Expenditures
City Attorney Department	85% of Expenditures

### **Section 3: Identification of the costs to be used in the allocation plan.**

Pursuant to NAC 354.8668(2) the central service cost allocation plan must be limited to indirect costs for service and property provided by the local government on a centralized basis, which may include, without limitation, general administrative costs, planning costs, budgeting costs, payroll costs, legal costs, legislative costs, and costs for general ledger accounting, internal audits, the administration of accounts payable, human resources, general services, emergency services, public relations, public works, property management, building and grounds maintenance, procurement and contracts, grants management, risk management, a motor pool, road maintenance, water and sewer service, telecommunications, automatic data processing services, printing, maintaining a library, records maintenance, storage and warehousing, and animal control. Further, pursuant to NAC 354.8668(4), the central service cost allocation plan must be based upon either audited historical data or budget data and the determination of which data to use must anticipate any expected program changes for the coming year that would not be reflected in historical amounts.

The costs in the Central Service Cost Allocation Plan for fiscal year 2019 are based on the most recent audited data available which is fiscal year 2018. The following program changes have occurred which would not be reflected in historical amounts: the purchase of land adjacent to City Hall which is unusual, non-recurring and material; improvements to City Hall which are non-recurring and material; employment of a new Deputy City Attorney which is non-recurring and material; the purchase of a trailer for additional City Hall space which is non-recurring and material; and a wage reclassification for the Deputy City Clerk which is non-recurring and material.

### **Section 4: Identification of the equitable distribution of costs used in the allocation plan.**

Pursuant to NAC 354.8668(5)(a), the costs must be allocated in a manner that provides for an equitable distribution of general, overhead, administrative and similar costs of the local government. The costs will be distributed among the enterprise funds proportionate to their relative average expenditures for the fiscal years 2015, 2016, 2017 and 2018. The enterprise fund expenditures include, without limitation, the accounts of salaries, employee benefits, services and supplies, payments in-lieu of taxes, payments for administrative support, payments to internal service funds and capital outlay.

**Section 5: Attestation, signed by the chief financial officer of the local government, that the Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.**

Pursuant to NAC 354.8668(8), I, Gary C. Cordes, the City Clerk/Treasurer and chief financial officer of the City of Fallon, hereby attest that this Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.

\_\_\_\_\_  
Gary C. Cordes  
City Clerk/Treasurer

\_\_\_\_\_  
Date

City of Fallon  
Central *Service* Cost Allocation Plan  
Fiscal Year ~~2014~~ 2019  
Prepared by Gary C. Cordes  
City Clerk / Treasurer  
Attachment to Resolution No. ~~14-07~~ 19-03  
~~June 26, 2014~~ April 1, 2019

**Executive Summary**

The City of Fallon budgets for 15 governmental type funds with estimated annual expenditures of ~~\$7,943,307~~ \$10,601,269 and 9 proprietary funds with estimated expenses of ~~\$18,392,952~~ \$21,987,117. The departments of Mayor (Chief Executive Officer) *and Legal and Administrative Director*, City Council (~~Board of Director's~~), City Clerk Treasurer (~~Financial Management~~), City Hall (~~Corporate Offices~~), General Expenditures (~~Overhead~~) and City Attorney (~~Legal Counsel~~) are all accounted for in the General Fund. ~~The City Council had adopted a resolution in 1996 which provided for a reimbursement from the enterprise funds for a percentage of the previously identified department costs. The 2011 legislature provided a bill (AB471) which required a central cost allocation plan for municipal government that were allocating costs from the General Fund to the Enterprise Fund. The bill directed the Committee on Local Government Finance to study the bill and adopt regulations that would allow for the proper application of the bill. Pursuant to applicable laws and regulations, the Fallon City Council adopted a Central Service Cost Allocation Plan on June 26, 2014 by way of Resolution No. 14-07 which, by the terms of the Resolution, enacted a plan to compensate the General Fund and allocate the cost of providing general, overhead, administration and indirect costs for each Enterprise identified in the Resolution.~~

*The Central Service Cost Allocation Plan requires adjustment in order to correspond with actual current financial and operating conditions and, consequently, should be reviewed and re-evaluated as a non-consent agenda item by the Fallon City Council at its regularly scheduled meeting on April 1, 2019 to determine whether modifications to the Central Service Cost Allocation Plan adopted by the Fallon City Council as Resolution No. 14-07 should be modified to reflect changed financial and operating conditions of each Enterprise identified in the Resolution.*

~~The Central Cost Allocation Plan is required to be approved by the City Council on a non-consent agenda item. This plan may be amended frequently to improve its transparency and effectiveness.~~

The Central *Service* Cost Allocation Plan is presented in sections *as follows*:

~~Section 1: Pursuant to Nevada Administrative Code (NAC) 354,866(8) the plan must include an attestation, signed by the Chief Financial Officer of the local government or his or~~



~~her designee, that the central cost allocation plan complies with the provisions of NAC 354.865 to NAC 354.867, inclusive.~~

**Section 2 1:** Identification of departments in the General Fund that ~~is~~ are necessary for the proper and efficient administration and performance of the enterprise funds;

**Section 3 2:** Identification of the enterprise funds receiving the value of the costs incurred by the General Fund departments; ~~and~~ identification of ~~the~~ methodology of allocating costs among the 6 enterprise funds from the General Fund.

**Section 4 3:** Identification of ~~the~~ costs to be used in the allocation plan. ~~Pursuant to NAC 354.8668 the central cost service cost allocation plan must be limited to indirect costs for service and property provided by the local government on a centralized basis, which may include, without limitation, general administrative costs, planning costs, budgeting costs, payroll costs, legal costs, legislative costs, and costs for general ledger accounting, internal audits, the administration of accounts payable, human resources, general services, emergency services, public relations, public works, property management, building and grounds maintenance, procurement and contacts, grants management, risk management, a motor pool, road maintenance, water and sewer service, telecommunications, automatic data processing services, printing, maintaining a library, records maintenance, storage and warehousing, and animal control.~~

**Section 5 4:** ~~NAC 354.8668(5) (a) the costs must be allocated in a manner that provides for an equitable distribution of general, overhead, administrative and similar costs of the government.~~ *Identification of the equitable distribution of the costs used in the allocation plan.*

**Section 5:** *Attestation, signed by the chief financial officer of the local government, that the Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.*



City of Fallon  
Central *Service* Cost Allocation Plan  
Fiscal Year ~~2014~~ 2019  
Prepared by Gary C. Cordes  
City Clerk / Treasurer  
Attachment to Resolution No. ~~14-07~~ 19-03  
~~June 26, 2014~~ April 1, 2019

**Section 2-1: Identification of departments in the General Fund that ~~is~~ *are* necessary for the proper and efficient administration and performance of the enterprise funds.**

Pursuant to NRS 354.613 and NAC 354.865 through NAC 354.867, the City has established departments in the General Fund which account for costs that are necessary for the proper and efficient administration and performance of the enterprise funds. The departments identified are: Mayor *and Legal and Administrative Director*; City Council; City Clerk/Treasurer; City Hall; General Expenditures; *and* City Attorney.

~~A brief description of the departments in the general fund which have been identified in the central cost allocation plan follows:~~

*The departments in the General Fund that are identified in the Central Service Cost Allocation Plan are briefly described as follows:*

**Mayor's *and Legal and Administrative Director* Department:** The Mayor is the *City's Chief Executive Officer* ~~CEO for the Enterprise Operations as well as the General Fund Operations~~ *who oversees the day-to-day operations of the City, including both Enterprise Fund operations and General Fund operations. The Legal and Administrative Director assists the Mayor in the oversight of the day-to-day operations of the City, including both Enterprise Fund operations and General Fund operations.* All costs of the Mayor's ~~office~~ *and Legal and Administrative Director Department* are accounted for in the General Fund.

**City Council Department:** The City Council is the legislative branch ~~/board of director's~~ for the Enterprise *Fund* operations as well as the General Fund operations. All costs of the City Council's ~~office~~ *Department* are accounted for in the General Fund.

**City Clerk/Treasurer Department:** The City Clerk/Treasurer Department provides for ~~all~~ the fiscal management and clerical functions for the Enterprise *Fund* operations as well as the General Fund operations. All costs of the City Clerk/Treasurer's ~~office~~ *Department* are accounted for in the General Fund.

**City Hall Department:** The City Hall Department provides for ~~all~~ the costs of operating the administrative headquarters for the Enterprise *Fund* operations as well as the General Fund operations. All costs of ~~operating the~~ City Hall *Department* are accounted for in the General Fund.



**General Expenditures Department:** This *General Expenditures* Department includes expenditures for public relations, audits, property and liability insurance, and retiree ~~subsidy~~ insurance *subsidies*.

~~**Community Support:** The City of Fallon has 6 enterprise funds each of which provides some level of community support.~~

~~The Electric Fund accounts for the city electric utility enterprise which operates in a market environment equivalent to investor owned utilities. All the City enterprises by their nature have large fixed costs such that if the number of citizens and businesses decrease in Fallon the costs of operations at the enterprise funds stay the same.~~

~~The enterprises provide community support as a part of their purpose and function and thereby promote the public welfare for the citizens of Fallon and support economic development as well as cultural affairs. By way of example, the City provides contributions to Highway 95 EDA, the Senior Center, Churchill Area Transit Authority and many other organizations and events.~~

~~The costs allocated for community support may vary from enterprise to enterprise but are allocated in a manner consistent with the prudent operation of a private business involved in the activity.~~

~~**Audit:** The Cost of the audit is charged to the General Fund except any cost incurred for Single Audit Compliance is charged to the fund for which the grant expenditures/receipts were charged. Cost of consulting are charged to the fund for which the effort was made.~~

~~**Retiree Insurance Subsidy:** Formers employees of the City of Fallon General Fund are enrolled in the State of Nevada Health Insurance. The City is required to pay the State of Nevada a certain portion of the monthly premium. Those employees previously benefited both the General Fund and the Enterprise Funds.~~

**City Attorney *Department:*** ~~The City of Fallon employees members of the law firm of Mackedon Erquiaga Law for City Attorney and Deputy City Attorney offices. Mackedon Erquiaga is a private law firm located in the City of Fallon. The City pays the attorney's wages and benefits. The City also compensates the law firm monthly for overhead and administration that the law firm provides. Also included in the City Attorney department is legal library and costs of consulting attorneys.~~ *The City Attorney Department includes wages and benefits for the City Attorney and two Deputy City Attorneys, who are all members of the law firm Mackedon Law, and monthly compensation for overhead and administration the law firm provides. Also included are costs of a law library and consulting attorneys. The City Attorney and Deputy City Attorneys provide legal advice and counsel relating to the day-to-day*



operations of the City, including both Enterprise Fund operations and General Fund operations. All costs of the City Attorney Department are accounted for in the General Fund.

City of Fallon  
Central Cost Allocation Plan  
Fiscal Year 2014

Section 3

**Section 2: Identification of the enterprise funds receiving the value of the costs incurred by the General Fund departments, and identification of the methodology of allocating costs among the 6 enterprise funds from the General Fund.**

The enterprise funds receiving the value of the costs ~~paid~~ incurred by the General Fund departments are *the Electric Enterprise Fund, the Water Enterprise Fund, the Water Treatment Enterprise Fund, the Sewer Enterprise Fund, the Sanitation Enterprise Fund, and the Landfill Enterprise Fund*. The Enterprise Funds have a total of 37 full-time employees and have the following stats:

Electric *Enterprise* Fund: ~~4,055 residential hook-ups~~ 4,134 residential meters and 801 commercial meters

Water *Enterprise* Fund: ~~3,505~~ 3,384 water meters

Water Treatment *Enterprise* Fund: 9.7 million gallons of treated water capacity per day

Sewer *Enterprise* Fund: ~~961,000 gallons treated daily~~ 2.2 million gallons of treated sewer capacity per day

Sanitation *Enterprise* Fund: ~~3,650~~ 3,980 collection containers picked up weekly

Landfill *Enterprise* Fund: ~~24,902~~ 93,975 tons of municipal solid waste tipped annually

~~Total Number of Employees of the enterprise funds: 37~~

**Identification of methodology of allocating costs among the 6 enterprise funds from the General Fund**

Pursuant to NRS 354.613 and NAC 354.865 through NAC 354.867, the City has established departments in the General Fund which account for costs that are necessary for the proper and efficient administration and performance of the enterprise funds. The departments identified are: Mayor *and Legal and Administrative Director*; City Council; City Clerk/Treasurer; City Hall; General Expenditures; *and* City Attorney.

In fiscal year 1996, the ~~City of~~ Fallon City Council adopted a resolution ~~to provide~~ *providing* for the reimbursement of costs incurred in the above-mentioned *General Fund* departments from the enterprise funds. *On June 26, 2014, the Fallon City Council revised the 1996 Central Service Cost Allocation Plan with the adoption of Resolution No. 14-07. The Central Service Cost Allocation Plan adopted in 2014 equitably allocated costs incurred by the*



General Fund departments on behalf of the enterprises based on financial and operational information appropriate as of fiscal year 2014. Since 2014, City staff has reviewed and analyzed the Central Service Cost Allocation Plan at least twice annually, although no changes to the plan have been made since fiscal year 2014. The Audit Committee has met several times during this fiscal year in order to analyze and review the Central Service Cost Allocation Plan and to evaluate the necessity for possible amendments to the Plan. As a result of those meetings and discussions, and having evaluated the financial and operational activities of the enterprises, the percentages used in the Central Cost Allocation Plan since 2014 should be amended as follows: A percentage of the departments expenditures was determined to fairly reflect the activity of the department. Those percentages have been used since 1996 or 18 years. The percentage were recently analyzed by the City Clerk Treasurer, City Councilman Erickson and City Attorney Mackedon and City Attorney Erquiaga. The percentages used since 1996 were

Mayor	80% of expenditures
City Council	80% of expenditures
City Clerk/Treasurer	80% of expenditures
City Hall	60% of expenditures
General Expenditures	60% of expenditures
City Attorney	70% of expenditures

Upon analysis and discussion at a public hearing the following percentages are recommended.

Mayor and Legal and Administrative Department	80% 85% of Expenditures
City Council Department	60% 70% of Expenditures
City Clerk/Treasurer Department	80% 85% of Expenditures
City Hall Department	70% 75% of Expenditures
General Expenditures Department	60% 65% of Expenditures
City Attorney Department	70% 85% of Expenditures

Changes are noted for the City Council department and City Hall Department.

City Council: The City had gone through significant growth period of enterprise infrastructure which required study of the City Council. The City is still growing and enterprise infrastructure still is considered and studied by the City Council but not the previous trend of 80%. The rate for the City Council is being reduced 20%.

City Hall: The previously used percentage for the City Hall was 60%. The committee felt this was not representative for several reasons. The Red Flag Rules require each new service to appear in person with proof of indentification and ownership. More customers are making payment arrangements for the utility bills as a result of a challenging economy. The rate for City Hall is being increased from 60% to 70%.

The Department's of Mayor, City Clerk Treasurer, General Expenditures and City Attorney were reviewed as well. No changes for those rates are recommended at this time.



~~Administration Department: The Cost Allocation Rate for Administration Department was increases by 5%. The largest expenditures in this category are audit services, actuarial services relating to GASB 64 and GASB 82 and insurance. The general fund records the entire cost of the audit and the actuarial services. Insurance is for the property and liability includes coverage for City Hall and City Clerk and elected officials.~~

City of Fallon  
Central Cost Allocation Plan  
Fiscal Year 2014

Section 4

**Section 3: Identification of the costs to be used in the ~~central cost~~ allocation plan.**

Pursuant to NAC 354.8668(2) the central ~~cost~~ service cost allocation plan must be limited to indirect costs for service and property provided by the local government on a centralized basis, which may include, without limitation, general administrative costs, planning costs, budgeting costs, payroll costs, legal costs, legislative costs, and costs for general ledger accounting, internal audits, the administration of accounts payable, human resources, general services, emergency services, public relations, public works, property management, building and grounds maintenance, procurement and contacts, grants management, risk management, a motor pool, road maintenance, water and sewer service, telecommunications, automatic data processing services, printing, maintaining a library, records maintenance, storage and warehousing, and animal control. *Further*, pursuant to NAC 354.8668(4), the central service cost allocation plan must be based upon either audited historical data or budget data; *and* the determination of which data to use must anticipate any expected program changes for the coming year that would not be reflected in historical amounts.

The costs in the *Central Service Cost* Allocation Plan for fiscal year ~~2014~~ 2019 are based on the most recent audited data available which is fiscal year ~~2012~~ 2018. The following program changes have occurred which would not be reflected in historical amounts: *the purchase of land adjacent to City Hall which is unusual, non-recurring and material; improvements to City Hall which are non-recurring and material; employment of a new Deputy City Attorney which is non-recurring and material; the purchase of a trailer for additional City Hall space which is non-recurring and material; and a wage reclassification for the Deputy City Clerk which is non-recurring and material.*

~~The City Hall foundation is in need of repair. This significant repair is unusual, non-recurring and has a material financial impact. The cost of this repair will be allocated immediately rather than be included in the 2016 central cost allocation plan. The Asst. City Clerk-Treasurer retired in July 2013 after 22 years of service. The payoff of accrued sick leave and vacation pay is unusual, non-recurring and has a material financial impact. The cost of the accrued sick leave~~

~~and vacation pay-off will be allocated immediately rather than be included in the 2016 central cost allocation plan.~~

City of Fallon  
Central Cost Allocation Plan  
Fiscal Year 2014

Section 5

**Section 4: Identification of the equitable distribution of costs *used* in the ~~central cost~~ allocation plan.**

*Pursuant to NAC 354.8668(5)(a), the costs must be allocated in a manner that provides for an equitable distribution of general, overhead, administrative and similar costs of the *local* government. The costs will be distributed among the enterprise funds proportionate to their relative average expenditures for the fiscal years ~~2010 2015, 2011 2016, 2017 & and 2012 2018~~. The enterprise fund expenditures include, *without limitation*, the accounts of salary*ies*, employee benefits, services and supplies, payments ~~of~~ in-lieu of taxes, payments for administrative support, payments to internal service funds and capital outlay.*

**Section 5: Attestation, signed by the chief financial officer of the local government, that the Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.**

*Pursuant to NAC 354.8668(8), I, Gary C. Cordes, the City Clerk/Treasurer and chief financial officer of the City of Fallon, hereby attest that this Central Service Cost Allocation Plan complies with the provisions of NAC 354.865 to 354.867, inclusive.*

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Gary C. Cordes  
City Clerk/Treasurer

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Date