

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
January 7, 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 17, 2018

Mayor Tedford inquired if there were any additions or corrections to the minutes for December 17, 2018.

No additions or corrections were noted.

Councilman Erickson motioned to approve the Council meeting minutes for December 17, 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 Erickson and approved with a 3-0 vote by the Council.

Recognition of Kelly Helton, Churchill County Clerk/Treasurer, Mike Richards, Justice of the Peace, and Bill Lawry, Justice Court and Municipal Court Judge Pro Tem, for their exemplary years of service to the community

Mayor Tedford stated that it was an honor today to have Kelly Helton, who worked for Churchill County for 35 years, serving as the Churchill County Clerk/Treasurer for the last 12 years; Justice of the Peace Mike Richards, who is retiring, and Bill Lawry, Justice Court and Municipal Court Judge Pro Tem and former Sheriff, who is also retiring. We wanted to honor them today at the City for their service to our community. It is not often that you have individuals like them who serve so long and in such a dignified and great manner as these three individuals have. It also should be known that they grew up here in our community, so they knew our community very well and that added to the service they provided to the citizens. It was an honor for them to appear in our Council Chamber and present a token of appreciation from the City and to thank them for all their years of service and wish them the best in their retirement.

Mayor Tedford presented Exemplary Service Awards to Kelly Helton, Churchill County Clerk/Treasurer, Mike Richards, Justice of the Peace, and Bill Lawry, Justice Court and Municipal Court Judge Pro Tem, for their commendable years of service to the community. Plaques were presented and photographs were taken.

Approval of plan of correction to prevent the recurrence of NRS violations as reported in footnote 2 of the City of Fallon June 30, 2018 Audited Financial Statements

Councilman Erickson, as a member of the Audit Committee, explained that during the presentation of the audit during the December 17, 2018 Fallon City Council meeting, the City had a violation of Note 2 in the audit which arose from an increase in contingent liability for landfill closure. As we did a true-up, which is required every five years, we used new technology and a change in methodology, and it ended up with an increase in that contingent liability of approximately \$900,000. There was no way to adjust our budget to provide for that, and that became a violation of NRS 354.6245. Pursuant to that statute, we are required to submit a plan of correction to the Nevada Department of Taxation, which we have provided to Council for their approval at this meeting. The Audit Committee spoke with Kelly Langley of the Department of Taxation on the telephone regarding this at the time when the City delivered the audit to the Department of Taxation and she fully understood that this was something that could not be planned for nor could it be avoided. She suggested that our plan of correction include that, which it does. The plan of correction provides background information and indicates how the City intends to operate the landfill in the future and assures the Department of Taxation that it would be operated with prudent conservative fiscal policies to ensure that the closure costs and responsibilities could be satisfied at the time of closure without financial hardship.

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 approve the submitted plan of correction to prevent the recurrence of NRS violations as reported in footnote 2 of the City of Fallon June 30, 2018 Audited Financial Statements; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Consideration and possible award of contract to Virginia Transformer Corp in the amount of Two Hundred Thirty-Seven Thousand Seventy Dollars (\$237,070.00) for a 63/12.5 kV, 8/11/14 MVA transformer to be placed at the to-be-constructed New River Substation

Legal and Administrative Director Erquiaga explained that the City is in the ongoing design and engineering planning process for a new fourth substation, which will be known as the New River Substation and be located at the New River Business Park. One of the key items to that substation is the transformer. He noted that he, Public Works Director Byrd, and Deputy Public Works Director Swirczek have worked extensively with TriSage Consulting on the preliminary design and the bid process to make this purchase. Pursuant to NRS 332, the City solicited bids from qualified vendors. That Request for Bids was published in the Lahontan Valley News starting on December 19, 2018. It was also on the City's website on December 19, 2018. Virginia Transformer Corp submitted the lowest responsive, responsible bid in the total amount of \$237,070. That bid also includes some spare parts that both City staff and TriSage think are important to procure with this purchase. It also includes some services related to delivery, off load, testing, and coordination with the ultimate contractor that will construct the

substation. The bid itself has been reviewed by Rich Salgo of TriSage Consulting and City staff. It is recommended that the Council award the contract to Virginia Transformer Corp for the amount and services outlined. This is one of those key timeline items; the lead time is about 23 to 24 weeks and needs to be purchased in order to maintain the Fall 2019 in-service date. The funding for this purchase would be from the Electric System Revenue Bonds that the Council previously issued.

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 Richardson motioned to award contract to Virginia Transformer Corp in the amount of Two Hundred Thirty-Seven Thousand Seventy Dollars (\$237,070.00) for a 63/12.5 kV, 8/11/14 MVA transformer to be placed at the to-be-constructed New River Substation; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Presentation of the Police Department Report for November 2018

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

- Staff participated in several hours of training.
- Detective Sergeant Frandsen provided the indoctrination lecture to newly stationed Navy personnel.
- VIP Goodson donated 15 hours to the agency.
- The citizen survey results were positive.

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

City Attorney Mike Mackedon: No comments were noted.

Deputy City Attorney Leonard Mackedon: No comments were noted.

City Clerk Cordes: No comments were noted.

Chief Gehman: No comments were noted.

Legal and Administrative Director Erquiaga: No comments were noted.

Deputy City Clerk Lee: No comments were noted.

Tourism Director Moon: No comments were noted.

Marketing & Communications Coordinator Ritchie: No comments were noted.

Deputy Public Works Director Swirczek: No comments were noted.

Public Works Director Byrd: No comments were noted.

Deputy Public Works Director Noriega: No comments were noted.

Deputy City Attorney deBraga: No comments were noted.

Councilwoman Frost: Confirmed that the next regular Council meeting would be on Tuesday, January 22 due to the Martin Luther King Jr. holiday on Monday, January 21.

Mayor Tedford confirmed for the record that the next regularly scheduled Council meeting would take place on January 22, 2019.

Councilwoman Frost added, on a personal note, that former Nevada State Assemblyman Bob Price passed away recently. He was one of her mentors; she interned with him in the Nevada State Legislature. He was a great guy and always seemed to work well with the rural communities; he was always a gentleman. She asked that his family be kept in prayer as they mourn this loss.

Councilman Richardson: No comments were noted.

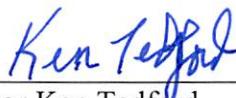
Councilman Erickson: No comments were noted.

Executive Session

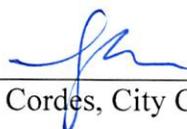
Mayor Tedford tabled the executive session, as it was not needed at this time.

Adjournment

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:25 a.m.



Mayor Ken Tedford

Attest: 

Gary C. Cordes, City Clerk/Treasurer