

**AGENDA**  
**CITY OF FALLON – CITY COUNCIL**  
**55 West Williams Avenue**  
**Fallon, Nevada**  
**August 5, 2019 – 9:00 a.m.**

The Honorable City Council will meet in a regularly scheduled meeting on August 5, 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 May 20, 2019. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
  - A) Accounts Payable
  - B) Payroll
  - C) Customer Deposit
6. Consideration of application by Juan Mendoza for a retail liquor license and a drinking establishment liquor license for Carniceria & Taqueria Mendoza to be located at 2161 West Williams Avenue. **(For possible action)**
7. Approval of Fiscal Year 2020 Debt Management Policy, Indebtedness Report, and Capital Improvement Plan. **(For possible action)**
8. Consideration and possible adoption of Resolution No. 19-21, a Resolution authorizing the Red Mesa Tapaha Solar Project Transaction Schedule under the Power Supply Agreement with Utah Associated Municipal Power Systems; and related matters. **(For possible action)**
9. Public Comments **(For discussion only)**

10. Council and Staff Reports **(For discussion only)**

11. 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 July 31, 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.

August 5, 2019

## Agenda Item 4

Consideration and approval of Council meeting minutes for May 20, 2019. **(For possible action)**



**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
May 20, 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, Adrian Noriega  
Police Captain, Kris Alexander  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Marketing & Communications Coordinator, Kaitlin Ritchie  
Deputy City Attorney, Trent deBraga  
City Engineer, Derek Zimney

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 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 of application by Linda Lorow for a drinking establishment liquor license for The Slipperry to be located at 30 East Center Street**

Legal & Administrative Director Erquiaga explained that Linda Lorow, general manager/owner of The Slipperry, has made application for a drinking establishment liquor license for The Slipperry to be located at 30 East Center Street. This would actually represent just a change in the name of the business. Ms. Lorow has had a liquor license at this location since August 2018. This agenda item would be for a liquor license under the new business name to the same person that has held one there. The application has been reviewed by Chief Gehman, Deputy City Clerk Lee, and Legal and Administrative Director Erquiaga and has been recommended for approval.

Mayor Tedford inquired if the Council had any questions for Captain Alexander or Legal and Administrative Director Erquiaga.

No questions were noted.

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

No comments were noted.

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

No public comments were noted.

Councilman Erickson motioned to approve the application by Linda Lorow for a drinking establishment liquor license for The Slipperry to be located at 30 East Center Street; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

**Consideration of application by Linda Lorow for a cabaret license for The Slipperry to be located at 30 East Center Street**

Legal & Administrative Director Erquiaga explained that Linda Lorow, general manager/owner of The Slipperry, has made application for a cabaret license for The Slipperry to be located at 30 East Center Street. A cabaret license is a privileged license that allows the licensee to provide live entertainment or dancing at the establishment. In this case, the request from Ms. Lorow is for karaoke and possibly a live band. The application includes a map. Our engineering department went and took some measurements and provided a bit more of a detailed map which has been provided to the Council this morning and is available to the public on the back table. This application has been reviewed by Chief Gehman, Deputy City Clerk Lee, and Legal and Administrative Director Erquiaga and has been recommended for approval.

Mayor Tedford noted that he did not see the karaoke detailed on the engineering department map.

Legal & Administrative Director Erquiaga stated that the karaoke did not exist yet so combining the two maps might be helpful. Ms. Lorow is present today to answer questions. From Ms. Lorow's map, karaoke would be located at the south end of the bar and be tucked in that corner. Since it is not there currently, it did not make the engineering department's map, but it is proposed in the location that is on the first map.

Mayor Tedford noted that the engineering department's map shows what is there currently.

Legal & Administrative Director Erquiaga concurred; the focus was on the entrances and exits as well as the posted capacity and occupancy that would be allowed, so we tried to identify the dimensions of the facility so the Council would have a good idea of how many people could potentially be in there for a live band or for karaoke, and the safety of the location with the exits. It was evaluated by the fire department; they were involved with both applications.

Mayor Tedford asked if the door to the alley had a breaker-bar on it.

Ms. Lorow confirmed that the door has a push bar to get out, it cannot be opened from the outside.

Mayor Tedford asked about the dancing area.

Ms. Lorow stated that there is a wood floor in the rear area, near the restrooms. That is where they plan to set up karaoke.

Mayor Tedford confirmed that they would like to set up karaoke and the band – near the walk-in cooler.

Ms. Lorow replied affirmatively.

Mayor Tedford asked if that was the best location – at the end of the bar with bartenders and waitresses.

Ms. Lorow stated that the area is out of the way of everything, but they would move it if necessary. It could be relocated between the pool tables, against the wall.

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

No questions were noted.

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

Councilman Erickson noted that when he looked at the building, there appeared to be a lot of debris in the alcove off the alley that could impede people getting out that door. It should be clear of any debris.

Ms. Lorow agreed; they closed the business yesterday and plan to repaint, clean up and rearrange storage areas before they re-open in the next few days.

Councilwoman Frost stated that she would like assurance that they would keep strict track of the occupancy rating with only 99 people in there. Live bands can draw a lot of people.

Ms. Lorow stated that when they would have a band, they plan to issue tickets to control the count.

Councilman Richardson is concerned with loitering that may occur in the alley during shows. People will want to exit using that side door and we receive many complaints of people urinating and just hanging out in that alley. He asked Ms. Lorow if she had plans to patrol that.

Ms. Lorow stated that they have a security system inside and have purchased an expansion with cameras that will be on the outside of the building as well and they will be installed within the next few days so they could see what is going on outside and handle things as they are happening. They do have a security guard on Fridays and Saturdays and they walk the inside and the outside to make sure that people are behaving.

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

No public comments were noted.

Councilman Richardson motioned to approve the application by Linda Lorow for a cabaret license for The Slippery to be located at 30 East Center Street; seconded by Councilman Erickson and approved with a 3-0 vote by the Council.

Mayor Tedford advised Ms. Lorow, regarding both licenses, she needs to stay in close contact with the Fallon Police Department.

**Consideration and possible adoption of Resolution No. 19-05: A Resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2019 Private Activity Bond Volume Cap to the Nevada Rural Housing Authority; and other matters related properly thereto**

City Clerk Cordes explained that the City received a request to transfer the City's 2019 Private Activity Bond Volume Cap to the Nevada Rural Housing Authority (NRHA). The NRHA provides our citizens with programs such as the mortgage credit certificate and down payment assistance access program. The City Council has transferred the Private Activity Bond Volume Cap to the NRHA since the inception of these homebuyer assistance programs. He recommended adoption of this resolution.

Mr. Bill Brewer, Executive Director of the Nevada Rural Housing Authority, thanked the Council for the opportunity to be in attendance today. He appreciated the cooperative relationship that the NRHA has enjoyed with the City over the years. They are formally requesting the transfer of the City's allocation of Private Activity Bond Volume Cap, a little over \$475,000, to the NRHA. In turn, the NRHA pools that bond cap with transfers from other municipalities and counties to administer its mortgage credit certificate program. The program assists homebuyers of a certain income level to receive a direct tax credit from their income taxes that, in effect, increases their income and increases their ability to purchase a home and a lender looks at that as a little extra income that can help qualify them to buy a home. Along with our down payment assistance program, these programs have been working in Fallon for many years. To date, the NRHA has assisted 102 homeowners with down payment assistance, with a little more than \$15 million in mortgages in the City of Fallon. The transfer of the bond cap does not create any obligation for the City; it is merely the opportunity to issue tax exempt debt. It takes quite a bit of bond cap to really do anything, and that is why we come before you each year to gather it up and help us operate our program.

Mayor Tedford stated that this is one of our favorite programs. Mr. Brewer outlined how it has been used in the City of Fallon, especially the down payment assistance program and it has been really successful. We have one area where we need help, perhaps from the NRHA. There has been some resistance from banks to use these programs and he was unsure why. NRHA flyers are on our counter in the City Clerk's Office to help get the word out. We also used to have business cards for Jane Capurro as a loan writer for the program because she was the only one in Fallon. Ms. Capurro has since retired and there is no one in Fallon that seems to want to write these loans. The qualifying purchase price, coupled with the income parameters, is a great scenario for our area. He has told many school teachers and nurses about these programs. We are a little discouraged right now due to the lack of access to a loan writer.

Mr. Brewer could understand the frustration. Banks are the largest participants in the program. The loan servicing, as it is administered, is through a central servicer for these loans and some banks do not like to participate for that reason. He stated that they would be more than happy to work with any local banks in Fallon. He also has mortgage lenders that are willing to assist when they have the opportunity.

Mayor Tedford stated that is probably where it needs to begin. Someone needs to write these loans out here. They can be so easy to work with and they really help our citizens.

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

Councilman Erickson concurred with Mayor Tedford's comments and noted that they have had many conversations about it. He complimented Mr. Brewer on the NRHA's ad program. He observed that Fallon nor Churchill County were mentioned in them. The individual communities in the rest of the region are, but we are not mentioned. He believed the program could pick up some steam if prospective homebuyers were aware of the program through the NRHA ads and initiated a

request through their realtor or financial institution. If we could be included in your ad, it would be much appreciated.

Mr. Brewer stated that it would be done. They now have a specialist that participates regularly with the Churchill Economic Development Authority and attends monthly breakfasts and meets with area lenders. They plan to continue to get the word out about the programs they offer in Fallon.

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

No public comments were noted.

Councilman Erickson motioned to adopt Resolution No. 19-05: A Resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2019 Private Activity Bond Volume Cap to the Nevada Rural Housing Authority; and other matters related properly thereto; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

### **Public Hearing: Tentative Budget for June 30, 2020**

City Clerk Cordes stated that now was the time and place for the public hearing on the Tentative Budget for June 30, 2020. Nevada Revised Statutes indicate the governing body shall hold a public hearing on the Tentative Budget, at which time interested persons must be given an opportunity to be heard. The Tentative Budget has been on file and available at the Churchill County Clerk's Office and the Fallon City Clerk's Office since April 16, 2019. The City Clerk's Office has not received any inquiries, questions, or concerns regarding the Tentative Budget; either in writing or orally, since the Tentative Budget had been placed on file. There is a memo attached to the Tentative Budget indicating that the Nevada Department of Taxation, on April 18, 2019, examined the Tentative Budget and found it to be in compliance with the law and appropriate regulations.

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 public comments were noted.

### **Consideration and possible action to approve a construction contract with A&K Earthmovers of Fallon, Nevada, in order to complete the Manhole Rehabilitation Phase II project in the amount of One Million Two Hundred Seventy-Five Thousand Two Hundred and Seventy-Five Dollars (\$1,275,275.00). CH-2019-186**

Public Works Director Byrd read the following into the record: "The City of Fallon issued its Sewer Improvement and Refunding Bond, Series 2015B in November of 2015. Since its issuance, the City has diligently pursued multiple sewer improvement projects, including the Front Street Lift Station Odor Scrubber project, the Manhole Rehabilitation Phase I project and the Manhole Rehabilitation Phase II project. The Manhole Rehabilitation Phase II project consists of sixteen manholes that are identified as needing repair. An evaluation was performed of the City's sewer infrastructure by HDR Engineering and the referenced manholes were deemed the highest priority. The project consists of rehabilitating the sixteen manholes with polymer concrete inserts. Seven additional manholes were listed as additive alternate bid items, those specific manholes are not being recommended for award today. The engineer's estimate for this project was \$1,080,000.00. This project was released for public bid on April 10, 2019 and advertised in the Lahontan Valley News in accordance with NRS 338.1385. A pre-bid meeting was held on April 24, 2019. One bid was received and publicly opened by the City of Fallon on May 8, 2019. With approval, construction would start in July with a 180-day construction schedule." Public Works Director Byrd added that it



was worth noting that the project was bid with \$120,000 contingency just because of the scope and complexity of the project.

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 public comments were noted.

Councilman Richardson motioned to approve a construction contract with A&K Earthmovers of Fallon, Nevada, in order to complete the Manhole Rehabilitation Phase II project in the amount of One Million Two Hundred Seventy-Five Thousand Two Hundred and Seventy-Five Dollars (\$1,275,275.00) CH-2019-186; seconded by Councilman Erickson and approved with a 3-0 vote by the Council.

**Consideration and possible approval of a construction contract with Custom Fence Company of Logan, Utah in order to complete the Fallon Municipal Airport Perimeter Fencing Replacement project, PWP-CH-2019-150, in the amount of Six Hundred Forty-Six Thousand Ninety-Six Dollars and Ninety Cents (\$646,096.90), contingent upon final approval of FAA grant funding**

Public Works Director Byrd read the following into the record: "The City has been tentatively approved for an FAA grant to complete the Fallon Municipal Airport Perimeter Fencing Replacement project. This project was previously designed by Atkins North America, Inc. The project was advertised during the week of April 1, 2019 and a mandatory pre-bid meeting was held on April 16, 2019 at which five potential bidders were in attendance. Two bids were received and opened on April 24, 2019. FAA procedures provide final grant approval only after bid opening and contract award approval by the City Council. City staff recommends approval of a construction contract with Custom Fence, contingent upon final approval of FAA grant funding. This project will be funded by the FAA (93.75%) and the City of Fallon Airport Fund (6.25%). Pursuant to that formula, the City's share would be Forty Thousand Three Hundred Eighty-One Dollars and Five Cents (\$40,381.05)."

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

Councilwoman Frost asked when we could expect the FAA to give final approval.

Public Works Director Byrd said that he did not have a date.

Legal & Administrative Director Erquiaga stated that approval would typically be delivered within the next couple of months but we are highly reliant on the federal budget and sometimes it has slipped and left us hanging longer than City Clerk Cordes would probably like since some of the design money has already been expended and we are not able to get that reimbursed until the project moves forward. But, we go through the process of all those preapprovals and contingent approvals from the FAA so hopefully, that comes as timely as possible. They like a summer construction schedule so they usually try to keep that timeline but there are a lot of factors that can affect that.

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

No public comments were noted.

Councilwoman Frost motioned to approve a construction contract with Custom Fence Company of Logan, Utah in order to complete the Fallon Municipal Airport Perimeter Fencing Replacement project, PWP-CH-2019-150, in the amount of Six Hundred Forty-Six Thousand Ninety-Six Dollars and Ninety Cents (\$646,096.90), contingent upon final approval of FAA grant funding; seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

**Consideration and possible approval of a Professional Services Contract with Atkins North America, Inc. for construction administration support services relating to the Fallon Municipal Airport Perimeter Fencing Replacement project, PWP-CH-2019-150, in the amount of Eighty-Eight Thousand Eight Hundred Dollars (\$88,800.00), contingent upon final approval of FAA grant funding**

Public Works Director Byrd read the following into the record: "This follow-on professional services contract is needed to provide construction support services, inspection, and materials testing during the construction phase of the project, which are required by the FAA. Atkins North America, Inc. was previously awarded an open-ended contract to provide a variety of engineering services for the airport and this particular contract would be Task Order Number 7. City staff recommends approval of a Professional Services Contract with Atkins North America, Inc., contingent upon final approval of FAA grant funding. This project will be funded by the FAA (93.75%) and the City of Fallon Airport Fund (6.25%). Pursuant to that formula, the City's share would be Five Thousand Five Hundred Dollars (\$5,500.00)."

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 public comments were noted.

Councilman Richardson motioned to approve a Professional Services Contract with Atkins North America, Inc. for construction administration support services relating to the Fallon Municipal Airport Perimeter Fencing Replacement project, PWP-CH-2019-150, in the amount of Eighty-Eight Thousand Eight Hundred Dollars (\$88,800.00), contingent upon final approval of FAA grant funding; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Mayor Tedford closed the meeting to an Executive Session at 9:42 a.m.

Mayor Tedford returned the meeting to an open session at 10:00 a.m.

**Consideration and possible action to approve negotiated agreement between the City of Fallon and the Fallon Peace Officers Association to be effective from July 1, 2018 to June 30, 2021. (Pursuant to NRS 288.153, the proposed agreement and any exhibits or other attachments to the proposed agreement are available to the public on the City's website, [fallonnevada.gov](http://fallonnevada.gov), and at the City Clerk's Office, 55 West Williams Avenue, Fallon, Nevada.)**

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 public comments were noted.

Councilman Erickson motioned to approve the negotiated agreement between the City of Fallon and the Fallon Peace Officers Association to be effective from July 1, 2018 to June 30, 2021; 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 & Administrative Director Erquiaga noted that there are two weeks left in the Legislative Session and Lisa Foster and her team are still working hard in Carson City. We are tracking a lot of bills and paying a lot of attention as they really get down to the last two weeks; getting serious about financial matters and otherwise. We are paying attention and if anybody has any issue or concern or anything they have heard, feel free to let him know. Talk to him and he will make sure Lisa Foster is informed; he added that she continues to do a really good job on our behalf over there.

Councilwoman Frost congratulated the 4x100 boys relay team that won the gold at the State Track Meet last weekend.

## **Adjournment**

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 10:05 a.m.

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

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

August 5, 2019

Agenda Item 6

Consideration of application by Juan Mendoza for a retail liquor license and a drinking establishment liquor license for Carniceria & Taqueria Mendoza to be located at 2161 West Williams Avenue. **(For possible action)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: July 30, 2019

AGENDA DATE REQUESTED: August 5, 2019

TO: The Honorable City Council

FROM: Elsie Lee, Deputy City Clerk

SUBJECT TITLE: Consideration of application by Juan Mendoza for a retail liquor license and a drinking establishment liquor license for Carniceria & Taqueria Mendoza to be located at 2161 West Williams Avenue. (For possible action)

TYPE OF ACTION REQUESTED: (Check One)

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

RECOMMENDED COUNCIL ACTION: Motion to approve application and to issue a retail establishment and a drinking establishment liquor license to Juan Mendoza for Carniceria & Taqueria Mendoza to be located at 2161 West Williams Avenue.

DISCUSSION: Juan Mendoza, owner of Carniceria & Taqueria Mendoza has made application for a retail establishment and a drinking establishment liquor license for Carniceria & Taqueria Mendoza to be located at 2161 West Williams Avenue. A retail liquor license is a privileged license that allows the licensee to sell alcoholic beverages from a fixed and definite place of business for consumption off of the premises only and a drinking establishment liquor license is a privileged license that allows the licensee to sell alcoholic beverages from a fixed and definite place of business for consumption upon the premises only.

The application has been reviewed by Police Chief Kevin Gehman, City Engineer Derek Zimney, Deputy City Clerk Elsie Lee and Legal and Administrative Director Robert Erquiaga and has been recommended for approval.

FISCAL IMPACT: Annual retail establishment and drinking establishment liquor license fee revenue.

FUNDING SOURCE: N/A.

PREPARED BY: Elsie Lee, Deputy City Clerk

DATE: July 30, 2019

TO BE PRESENTED TO THE COUNCIL BY: Elsie Lee, Deputy City Clerk





# CITY OF FALLON CLERK'S OFFICE

55 West Williams Avenue, Fallon, Nevada 89406

Phone: (775) 423-5104

Fax: (775) 423-8874



## LIQUOR LICENSE APPLICATION

Application Type: ☒ New ☐ Owner Change ☐ Manager Change ☐ Location Change

Applicant Name:

Mendoza Juan

Last

First

MI

Application Date: 7/11/19

Title:

owner

Phone:

(775) 224-1911

Date of Birth:

5/27/1965

Driver's License Number:

3200635346

State:

List all addresses in which you have resided at for the past five (5) years.

Begin/End	Physical Address	City	State	Zip
<u>2004</u> - Present	<u>30 Lone Cedar Ct.</u>	<u>Sun Valley</u>	<u>Nv.</u>	<u>89433</u>

Business Entity Type: ☒ Sole Proprietor ☐ Partnership ☐ Limited Liability Company ☐ DBA

☐ Corporation

☐ Association

☐ Other:

Business Name:

Carniceria & Taqueria Mendoza

Business Owner(s):

Name	Address	Title
<u>Juan Mendoza</u>	<u>30 Lone Cedar Ct.</u>	<u>owner</u>
	<u>Sun Valley Nv. 89433</u>	

Business Address:

2161 W. Williams Ave Fallon

City

State

Zip

Nv. 89406

Provide a brief description of the portion to be occupied by the establishment for which the license is sought:

Meat Market and Food Service.

Is the premises to be licensed leased by the applicant? ☒ Yes ☐ No

Name of the owner of the premises:

bing

Name of the owner's authorized agent, if any:

What type of license for which the application is made: ☒ Retail (Off Premises) ☒ Drinking Establishment (On Premises)

Have you owned or managed any other business?

☒ Yes ☐ No





## CITY OF FALLON CLERK'S OFFICE

55 West Williams Avenue, Fallon, Nevada 89406

Phone: (775) 423-5104

Fax: (775) 423-8874

If Yes, list the business(es) you have owned or managed.					
Begin/End	Name	Address	City	State	Zip
2/16/Presort	Camicon Medice	5055 Sun Valley Blvd	295 Sun Valley	NV	89433
2/16 - Presort	Mendoza's Bar	551 E Moana Ln	Heio	NV	89502

Have you ever been issued a business or a liquor license?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
If Yes, when? <u>1986 2016</u>	What Agency? <u>Washoe County</u>		
Have you ever had a business or liquor license revoked?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
If Yes, when? _____	What Agency? _____		
Have you ever been denied a business or liquor license?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
If Yes, when? _____	What Agency? _____		
Have you received any specialized training for serving alcoholic beverages?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
If Yes, explain: _____			
Have you ever been arrested?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
If Yes, provide the following information:			
Date	Charge	Arresting Agency	Disposition

List five (5) references not related to you with daytime phone numbers:		
Name	Phone	Relationship
Frank Reynolds	(775) 745-4240	Friends
Lynn Mincleau	(775) 846-8974	Friends
Jennifer Laguna	(775) 359-1468	ex boss
Tom Davis	(775) 691-0956	" "
Isidro	(775) 745-9115	Business Relation

I declare under penalty of perjury that the foregoing is true and correct:

1. That I have received and read a copy of Chapter 5.08 of the Fallon Municipal Code – Alcoholic Beverage Sales;
2. That upon approval of a Liquor License, I will conduct the business and business establishment in accordance with the provisions of the laws of the State of Nevada, the United States, and the ordinances of the City of Fallon applicable to the conduct of business; and
3. That the above information is true and correct to the best of my knowledge and belief and that such declaration is made with the full knowledge that any failure to disclose, misstatement, or other attempt to mislead may be considered sufficient cause for denial of a business license.

  
Applicant's Signature



## CITY OF FALLON CLERK'S OFFICE

55 West Williams Avenue, Fallon, Nevada 89406

Phone: (775) 423-5104

Fax: (775) 423-8874

### AUTHORIZATION AND RELEASE

I, Juan Mendoza, authorize the Fallon Police Department to perform a background check and to release the results of said investigation, which may include information of a confidential or privileged nature, to the City Council in public documents and/or discussion at a public meeting.

Juan Mendoza  
Applicant's Signature

OFFICIAL USE ONLY			
10 Print Card	_____	Spillman Entry	_____
Photo	_____		_____
Local records	_____		Recommended by Chief of Police or Designee
NCJIS	_____		
Municipal Code	_____		
Fee	\$ _____		Not Recommended by Chief of Police or Designee
City of Fallon Engineering/Building Department		REVIEWED BY:	Date: 7/29/19
City of Fallon Chief of Police		_____	Date: 7/29/19
City of Fallon/Churchill County Fire Dept.		_____	Date: 7-30-19
City of Fallon Attorney's Office		Robert K. King	Date: 7/30/19

OFFICIAL USE ONLY:		
Account No.	License No.	Payment Received By:



# FALLON POLICE DEPARTMENT

55 West Williams Avenue  
Fallon, Nevada 89406-2941  
(775) 423-2111  
(Fax) 423-6527

Kevin Gehman  
Chief of Police

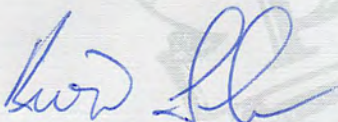
July 29, 2019

This letter certifies that Juan Mendoza, sole proprietor of Carniceria & Taqueria Mendoza located at 2161 W. Williams Ave., Fallon, NV 89406, has completed and passed his background check for a liquor license.

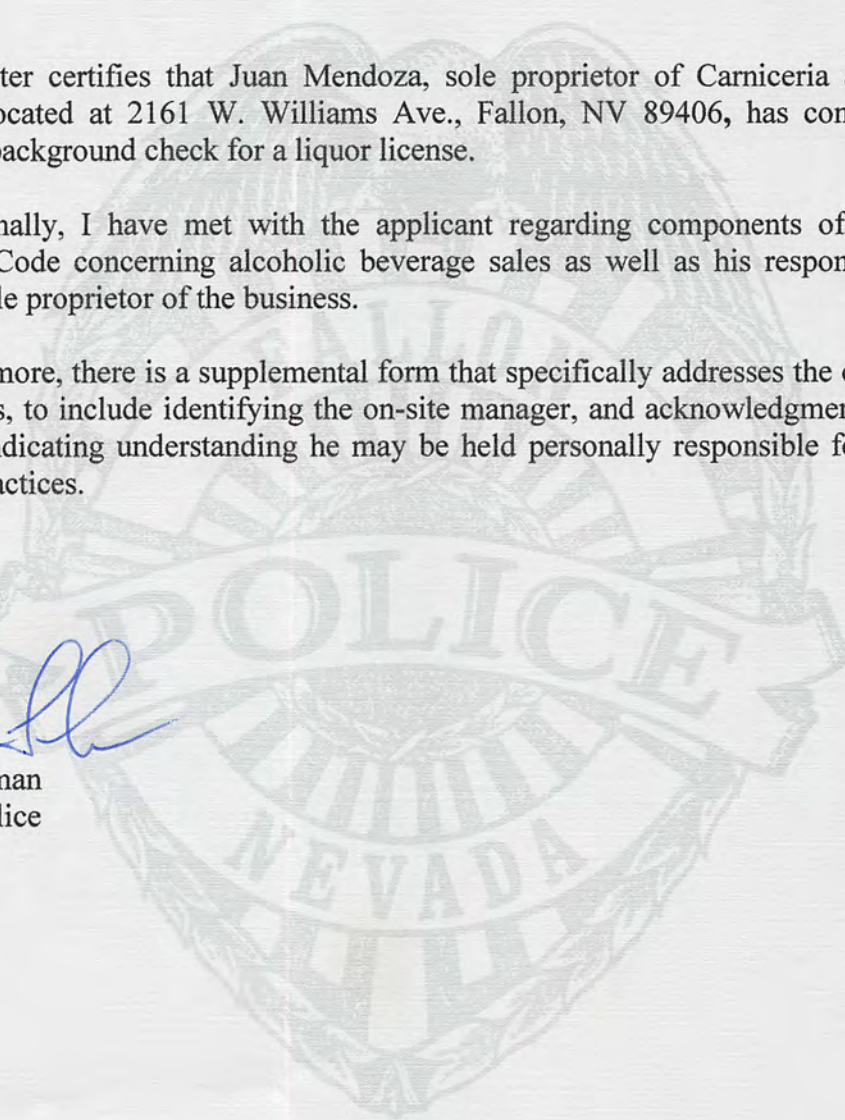
Additionally, I have met with the applicant regarding components of the Fallon Municipal Code concerning alcoholic beverage sales as well as his responsibilities as manager/sole proprietor of the business.

Furthermore, there is a supplemental form that specifically addresses the operation of the business, to include identifying the on-site manager, and acknowledgments from the applicant indicating understanding he may be held personally responsible for improper business practices.

Sincerely,



Kevin Gehman  
Chief of Police



July 18, 2019

**Liquor License Application**

**Carniceria & Laqueria Mendoza**

**2161 W. Williams Ave.**

**Fallon, NV 89406**

Chief Kevin Gehman

Fallon Police Department

55 W Williams Ave

Fallon, NV 89406

Personal Reference Check for:

**Mr. Juan Mendoza (Owner)**

Dear Chief Gehman,

On July 18, 2019, I completed the reference check for Mr. Juan Mendoza by contacting the personal references he had listed on his Liquor License Application. Listed below are their responses:

**Frank Reynolds**

**Friend**

Mr. Reynolds has been a longtime friend to Mr. Mendoza, for the last 14 years. They have worked together and are very good friends. Mr. Reynolds stated that Mr. Mendoza's other business is ran very professionally. He does not question Mr. Mendoza's reputation for honesty, trustworthiness or good character. Mr. Reynolds believes Mr. Mendoza will adhere to all the rules and regulations that come with the issuing of a liquor license.

**Isidro**

**Business Relation**

Isidro has known Mr. Mendoza for 5 years. Mr. Mendoza is/was a customer of Isidro's. He said Mr. Mendoza and his wife are very good people and he has absolutely no concerns with Mr. Mendoza's honesty, trustworthiness or character, that he is amazing. Isidro also stated that Mr. Mendoza has another business, a bar and grill in Sun Valley, that is very clean. The business has lots of customers that are happy. He is sure they know and will follow all rules and regulation, due to already having a business. Isidro feels that Mr. Mendoza's business will be a benefit to the community.

**Jennifer Laguna**

**Ex-boss**

Ms. Laguna has known Mr. Mendoza for 20 years, through work. Ms. Laguna owns a family business and Mr. Mendoza worked for her father for about 10 years and for her the last 10 years. Ms. Laguna said Mr. Mendoza is a very good guy and thinks he will absolutely adhere to all the laws, regulations and responsibilities of having a liquor license. She has been in Mr. Mendoza's other establishment and says it is very professional. Ms. Laguna can think of no reason why we should not issue Mr. Mendoza a liquor license.



**Lynn Minedew****Friend**

Mr. Minedew has known Mr. Mendoza since 1996. Mr. Minedew worked with Mr. Mendoza and they are friends. Mr. Minedew stated he does not question Mr. Mendoza's reputation for honesty, trustworthiness or good character. Mr. Minedew is quite confident in Mr. Mendoza's ability to adhere to all legal constraints involved in the issuing of a liquor license. He has never been to a business managed or owned by Mr. Mendoza. Mr. Minedew said Mr. Mendoza and his wife make a great pair and will do well.

**Tom Davis****Ex-Boss**

Mr. Davis has known Mr. Mendoza for 20 years. Mr. Mendoza has worked for Mr. Davis's. He said Mr. Mendoza is very honest and trustworthy. Mr. Davis said he absolutely believes Mr. Mendoza will adhere to all the rules and regulation of the liquor license. Mr. Davis said Mr. Mendoza's other business is ran very professional, very organized and neat. He can think of no reason why we shouldn't issue a liquor license to Mr. Mendoza.

All the above subjects were confident that Mr. Juan Mendoza would not have any issues if he was approved for a Liquor License in the City of Fallon.

Thank you,

A handwritten signature in blue ink, appearing to read "Melissa Fecht".

PSA Melissa Fecht, 9024

## LIQUOR LICENSE – CHARACTER REFERENCE QUESTIONS

Applicant Name Juan Mendoza Date 7-17-19

Name of Reference Frank Reynolds (775) 745-4240 Friends  
L/M 7/17 @ 0935

How do you know the applicant and how long have you known him/her?

14 yrs work  
consulting  
espousit

Do you question the applicant's reputation for honesty, trustworthiness or good character?

I do not

There are several laws, regulations and responsibilities that accompany the issuance of a liquor license. Are you confident the applicant will adhere to these legal constraints?

Yes

Have you ever frequented a business owned or operated by the applicant?

to yes

If so, how would you describe the manner in which the business was operated?

very good

Are you aware of any issues that should preclude the applicant from being allowed to operate a business that serves alcohol?

No

Do you have anything you would like to add about the applicant?

No  
good character  
no issues

✓

## LIQUOR LICENSE – CHARACTER REFERENCE QUESTIONS

Applicant Name Juan Mendoza Date 7-17-19

Name of Reference Tsicho 775-745-9115 Business Relation  
7/17 y/m 20935

How do you know the applicant and how long have to known him/her?

5 years / customer sell cheese

Do you question the applicant's reputation for honesty, trustworthiness or good character?

no or his wife have Bar  
high character + Grill  
very honest business

There are several laws, regulations and responsibilities that accompany the issuance of a liquor license. Are you confident the applicant will adhere to these legal constraints?

yes I believe SA already follow them

Have you ever frequented a business owned or operated by the applicant?

yes in store

If so, how would you describe the manner in which the business was operated?

very well  
clean customer happy

Are you aware of any issues that should preclude the applicant from being allowed to operate a business that serves alcohol?

no

Do you have anything you would like to add about the applicant?

Benefit to community



## LIQUOR LICENSE – CHARACTER REFERENCE QUESTIONS

Applicant Name Juan Mendoza Date 7-17-19

Name of Reference Jonne ~~Laguna~~ 775-359-1468 ex boss  
Jennifer Laguna

How do you know the applicant and how long have you known him/her?

20 years worked for father then by owned

Do you question the applicant's reputation for honesty, trustworthiness or good character?

No

There are several laws, regulations and responsibilities that accompany the issuance of a liquor license. Are you confident the applicant will adhere to these legal constraints?

Yes

Have you ever frequented a business owned or operated by the applicant?

Yes

If so, how would you describe the manner in which the business was operated?

very professional

Are you aware of any issues that should preclude the applicant from being allowed to operate a business that serves alcohol?

No

Do you have anything you would like to add about the applicant?

No good person working up and down 3-4 years at it

✓

## LIQUOR LICENSE – CHARACTER REFERENCE QUESTIONS

Applicant Name Juan Mendoza Date 7-17-19

Name of Reference Lynn Minedew 775-848-8974 Friends  
Minedew

How do you know the applicant and how long have you known him/her?

1996 worked w/ him 8 year

Do you question the applicant's reputation for honesty, trustworthiness or good character?

Not at all

There are several laws, regulations and responsibilities that accompany the issuance of a liquor license. Are you confident the applicant will adhere to these legal constraints?

Quite Confident  
wife & him make a good pair

Have you ever frequented a business owned or operated by the applicant?

No

If so, how would you describe the manner in which the business was operated?

Are you aware of any issues that should preclude the applicant from being allowed to operate a business that serves alcohol?

No

Do you have anything you would like to add about the applicant?



✓

## LIQUOR LICENSE – CHARACTER REFERENCE QUESTIONS

Applicant Name Juan Mendoza Date 7-17-19

Name of Reference Tom Davis 775-691-0956 ex boss 7/17 VM full  
7/18 4/m

How do you know the applicant and how long have you known him/her?

20 years worked for us

Do you question the applicant's reputation for honesty, trustworthiness or good character?

No at all

There are several laws, regulations and responsibilities that accompany the issuance of a liquor license. Are you confident the applicant will adhere to these legal constraints?

absol

Have you ever frequented a business owned or operated by the applicant?

Yes

If so, how would you describe the manner in which the business was operated?

professional  
organized  
neat

Are you aware of any issues that should preclude the applicant from being allowed to operate a business that serves alcohol?

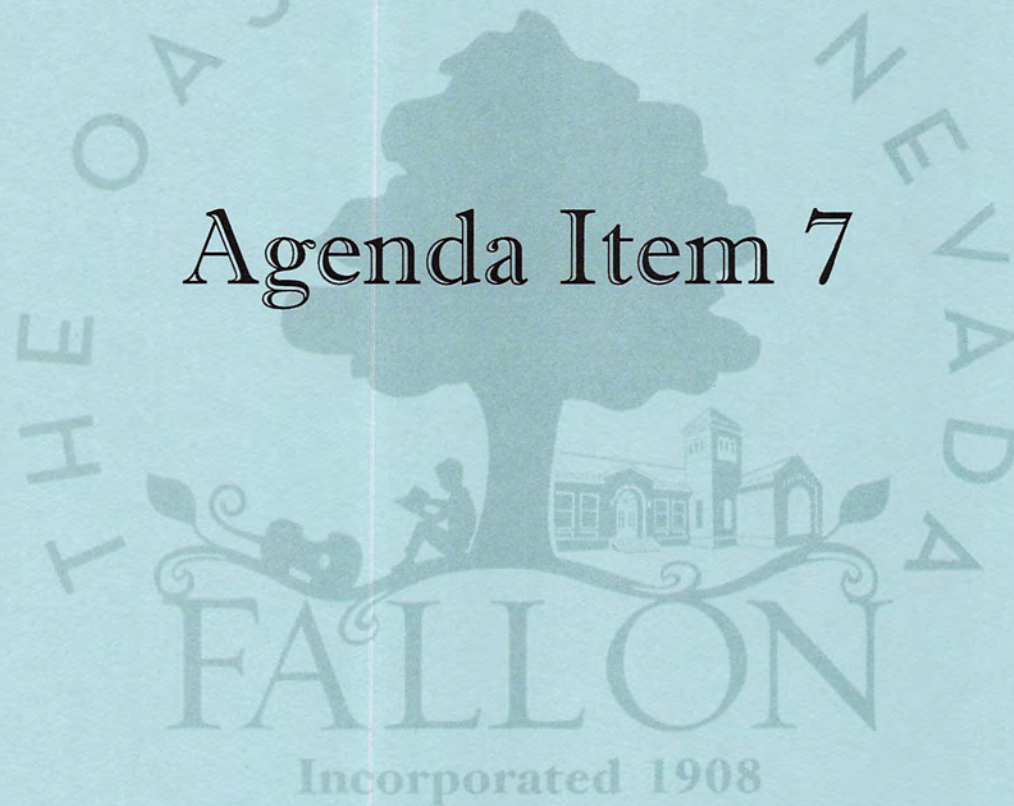
None

Do you have anything you would like to add about the applicant?

No good guy honest

August 5, 2019

## Agenda Item 7



Approval of Fiscal Year 2020 Debt Management Policy, Indebtedness Report, and Capital Improvement Plan. **(For possible action)**



**City of Fallon**  
**Request for Council Action**  
**Agenda item 7**

**Date Submitted:** July 29, 2019

**From:** City Clerk Treasurer Cordes

**Agenda Date Requested:** August 5, 2019

**To:** The Honorable City Council

**Subject Title:** Approval of Fiscal Year 2020 Debt Management Policy, Indebtedness Report and Capital Improvement Plan

**Recommended Council Action:** Approval of Fiscal Year 2020 Debt Management Policy, Indebtedness Report and Capital Improvement Plan

**Discussion:** NRS Chapter 350 requires an annual review of current and contemplated debt along with discussions and analysis of debt. The State of Nevada Department of Taxation requires an Indebtedness Report as of June 30, 2019. Both of these reports have been complied by Marty Johnson of JNA Consulting Group, LLC. The State of Nevada Department of Taxation requires the Capital Improvement Plan to be updated each fiscal year.

The Debt Management Policy, Indebtedness Report and Capital Improvement Plan will be presented to the Churchill County Debt Management Commission on August 29, 2019 at 2 p.m. in the Churchill County Commissioners Chambers.

**Fiscal Impact:** NA

**Funding Source:** NA

**Alternatives:** NA

**Prepared By:** Gary C Cordes City Clerk & Treasurer

**Presented By:** Gary C Cordes City Clerk & Treasurer

A handwritten signature in blue ink, appearing to read 'GCC', is written over the 'Prepared By' and 'Presented By' lines.



# **City of Fallon**

## **Debt Management Policy Fiscal Year 2020**

**Prepared June 2019**



**JNA Consulting Group, LLC**  
1400 Wyoming Street, Suite 3  
Boulder City, NV 89006  
702-294-5100 fax 702-294-5145

## **EXECUTIVE SUMMARY**

This Debt Management Policy was created to fulfill the requirements of NRS 350.013. The City is generally limited in the bonds it can issue by its statutory debt limit, the \$3.64 limit on overlapping tax rates and the amount of revenue available to pay debt service on bonds. The policy discusses the outstanding and proposed debt of the City, its ability to afford such debt and other items relating to the issuance of bonds by the City.

As of June 30, 2019, the City has no general obligation debt outstanding paid from property tax. The City has \$923,517 of medium-term general obligation debt outstanding. It has \$8,060,377 in general obligation revenue supported bonds outstanding. In addition, the City has \$546,255 in lease purchase obligations and \$6,234,000 in revenue debt outstanding which are not considered general obligation debt. The City is currently considering issuing approximately \$1,500,000 in medium-term general obligation debt during fiscal year 2020. The City has not yet determined the exact amount or timing of issuing this debt.

Most of the City debt is paid from revenues generated by its utility systems. The City presently has approximately \$30,740,000 of statutory debt limit available.



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APPENDIX A - GENERAL OBLIGATION REVENUE BONDS DEBT SERVICE SCHEDULES

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### Affordability of Existing, Authorized and Proposed General Obligation Debt

*NRS 350.013 1.(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*

*NRS 350.013 1.(c)(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*

### Outstanding, Authorized, and Proposed General Obligation Debt

As of June 30, 2019, the City has no general obligation debt paid from property tax outstanding. The City has \$923,517 of medium-term general obligation debt outstanding. It has \$8,060,377 in general obligation revenue supported bonds outstanding. In addition, the City has \$546,255 in lease purchase obligations outstanding which is not considered general obligation debt and \$6,234,000 in revenue bonds which are not general obligation debt.

The following table lists the outstanding debt of the City.

#### Outstanding Debt and Other Obligations June 30, 2019

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
<b><u>MEDIUM-TERM GENERAL OBLIGATIONS DEBT</u></b>				
Medium-Term Obligation-General Fund	07/01/12	07/01/22	\$77,183	\$23,157
Medium-Term Obligation-Electrical Fund	07/01/12	07/01/22	119,192	35,759
Medium-Term Obligation	07/01/12	07/01/22	327,710	98,313
Medium-Term Obligation-General Fund	02/17/15	02/17/25	206,029	123,617
Medium-Term Obligation-General Fund	02/17/15	02/17/25	256,382	153,830
Medium-Term Obligation-Sanitation Fund	02/17/15	02/17/25	159,075	45,443
Medium-Term Obligation-Landfill Fund	02/17/15	02/17/25	134,736	30,840
Medium-Term Obligation (Tipper)	04/20/15	04/20/20	398,153	66,558
Medium-Term Obligation	06/16/15	06/16/25	660,000	<u>346,000</u>
TOTAL MEDIUM-TERM GENERAL OBLIGATION DEBT				\$923,517
<b><u>GENERAL OBLIGATION REVENUE SUPPORTED BONDS</u></b>				
Sewer Bonds (Bond Bank)	11/04/15	12/16/35	\$7,285,000	\$6,485,000
Water Refunding Bonds (SRF)	01/06/16	01/06/36	2,154,213	<u>1,575,377</u>
TOTAL GENERAL OBLIGATION REVENUE SUPPORTED DEBT				\$8,060,377
<b>TOTAL GENERAL OBLIGATION DEBT</b>				<b>\$8,983,894</b>

- table continues on following page -

**REVENUE BONDS**

Electric System Revenue Bonds	11/02/2017	11/01/32	\$6,333,000	<u>\$6,234,000</u>
TOTAL REVENUE DEBT				\$6,234,000

**OTHER OBLIGATIONS**

Lease Purchase-Sanitation Fund	10/28/16	10/20/22	\$405,763	\$243,388
Lease Purchase-Sanitation Fund	10/28/16	08/15/26	172,735	133,743
Lease Purchase-General Fund	06/15/17	07/01/22	265,792	<u>169,124</u>
TOTAL OTHER DEBT				\$546,255

SOURCE: The City's 2020 Final Budget

Appendix A contains individual debt service schedules for each of the outstanding bond issues.

**General Obligation Bonds**

The City currently has no outstanding general obligation debt paid by the levy of a specific property tax.

**Outstanding Medium-Term General Obligation Bonds**

The City currently has \$923,517 of outstanding medium-term general obligation debt secured by revenues from various City funds. The following table details the payments on the bonds.

**Medium-Term General Obligation Debt  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest<sup>1</sup></b>	<b>Total</b>
2020	\$235,588	\$4,665	\$240,253
2021	169,030	2,097	171,127
2022	169,035	1,052	170,087
2023	116,622	0	116,622
2024	116,622	0	116,622
2025	<u>116,622</u>	<u>0</u>	<u>116,622</u>
TOTAL	\$923,517	\$7,814	\$931,331

<sup>1</sup> Most interfund loans are at 0%

SOURCE: The City; compiled by JNA Consulting Group, LLC



The table below shows the coverage of the outstanding medium-term general obligation debt service by available revenues.

**Available Revenues and Coverage Schedule**

	<b>2018 Audited</b>	<b>2019 Estimated</b>	<b>2020 Budgeted</b>
Available Revenues <sup>1</sup>	3,365,690	3,919,796	2,482,212
Annual Debt Service	271,265	170,465	460,489
Coverage	12.41	22.99	5.39

<sup>1</sup> Medium-Term debt is paid from all legally available funds, including the general fund, electric fund, water fund, water treatment fund, sewer fund, sanitation fund, and landfill fund.

SOURCE: The City; compiled by JNA Consulting Group, LLC

**Proposed Medium-Term Bonds**

The City is considering issuing approximately \$1,500,000 in medium-term general obligation debt to be paid from all available funds of the City. The City has not yet determined the exact amount it will issue or exactly when it will be issued.

**Outstanding General Obligation Water Revenue Supported Debt**

The City currently has \$1,575,377 of outstanding general obligation debt secured by a lien on the net pledged revenues of its water system. The following table details the payments on the bonds.

**Water System Revenue Secured Bonds  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$201,556	\$34,013	\$235,569
2021	206,378	29,492	235,870
2022	211,314	24,863	236,177
2023	216,369	20,122	236,491
2024	221,545	15,268	236,813
2025	226,844	10,299	237,143
2026	173,391	5,210	178,601
2027	<u>117,980</u>	<u>1,977</u>	<u>119,957</u>
<b>TOTAL</b>	<b>\$1,575,377</b>	<b>\$141,243</b>	<b>\$1,716,620</b>

SOURCE: The City; compiled by JNA Consulting Group, LLC

The table below shows the coverage of the outstanding debt service by the pledged revenues.

**Pledged Revenue and Coverage Schedule  
Water Revenue Fund**

	<b>2018 Audited</b>	<b>2019 Estimated</b>	<b>2020 Budgeted</b>
Operating Revenues	\$1,735,476	\$1,603,256	\$1,620,000
System Operating Expenses <sup>1</sup>	(1,531,070)	(1,426,627)	(1,570,559)
Nonoperating Income	<u>76,364</u>	<u>91,935</u>	<u>62,000</u>
Total Pledged Revenues	280,770	268,564	111,441
Annual Debt Service	234,991	235,278	235,569
Coverage <sup>2</sup>	1.19	1.14	0.47

<sup>1</sup> Operating expenses exclude depreciation and allocated administrative expenses.

<sup>2</sup> The City has budgeted ending fund balances of \$255,620 in fiscal year 2019 and \$45,472 in fiscal year 2020 which are available for debt service.

SOURCE: The City; compiled by JNA Consulting Group, LLC

**Outstanding General Obligation Sewer Revenue Supported Debt**

The City currently has \$6,485,000 of outstanding general obligation debt secured by a lien on the net pledged revenues of its sewer system. The following table details the payments on the bonds.

**Sewer Revenue Secured Bonds  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$290,000	\$260,413	\$550,413
2021	305,000	245,913	550,913
2022	320,000	230,663	550,663
2023	335,000	214,663	549,663
2024	350,000	197,913	547,913
2025	365,000	187,413	552,413
2026	375,000	176,463	551,463
2027	395,000	157,713	552,713
2028	410,000	137,963	547,963
2029	430,000	121,563	551,563
2030	445,000	104,363	549,363
2031	460,000	91,013	551,013
2032	475,000	76,638	551,638
2033	490,000	61,200	551,200
2034	510,000	41,600	551,600
2035	<u>530,000</u>	<u>21,200</u>	<u>551,200</u>
<b>TOTAL</b>	<b>\$6,485,000</b>	<b>\$2,326,688</b>	<b>\$8,811,688</b>

SOURCE: The City; compiled by JNA Consulting Group, LLC



The table below shows the coverage of the outstanding debt service by the pledged revenues.

**Pledged Revenue and Coverage Schedule  
Sewer Revenue Fund**

	<b>2018 Audited</b>	<b>2019 Estimated</b>	<b>2020 Budgeted</b>
Operating Revenues	\$2,245,391	\$2,275,181	\$2,280,000
System Operating Expenses <sup>1</sup>	(1,284,652)	(1,254,914)	(1,335,509)
Nonoperating Income	<u>119,408</u>	<u>88,002</u>	<u>55,000</u>
Total Pledged Revenues	1,080,147	1,108,269	999,491
Annual Debt Service	552,413	549,163	550,413
Coverage	1.96	2.02	1.82

<sup>1</sup> Operating expenses exclude depreciation and allocated administrative expenses.

SOURCE: The City; compiled by JNA Consulting Group, LLC

**Outstanding Revenue Debt Paid from Electrical Fund Pledged Revenues**

The City currently has \$6,234,000 of outstanding general obligation debt secured by a lien on the net pledged revenues of its electrical system. The following table details the payments on the bonds.

**Electrical Revenue Secured Bonds  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$372,000	\$163,296	\$535,296
2021	382,000	153,117	535,117
2022	393,000	142,655	535,655
2023	403,000	131,909	534,909
2024	414,000	120,879	534,879
2025	425,000	109,553	534,553
2026	437,000	97,916	534,916
2027	449,000	85,955	534,955
2028	461,000	73,670	534,670
2029	473,000	61,061	534,061
2030	486,000	48,115	534,115
2031	499,000	34,817	533,817
2032	513,000	21,155	534,155
2033	<u>527,000</u>	<u>7,115</u>	<u>534,115</u>
<b>TOTAL</b>	<b>\$6,234,000</b>	<b>\$1,251,207</b>	<b>\$7,485,207</b>

SOURCE: The City; compiled by JNA Consulting Group, LLC

The table below shows the coverage of the outstanding debt service by the pledged revenues.

**Pledged Revenue and Coverage Schedule  
Electrical Revenue Fund**

	<b>2018 Audited</b>	<b>2019 Estimated</b>	<b>2020 Budgeted</b>
Operating Revenues	\$11,461,830	\$11,437,943	\$11,432,000
System Operating Expenses <sup>1</sup>	(7,912,208)	(8,351,257)	(8,577,021)
Nonoperating Income	<u>82,964</u>	<u>201,551</u>	<u>50,000</u>
Total Pledged Revenues	3,632,586	3,288,237	2,904,979
Annual Debt Service	85,021	268,655	535,296
Coverage	42.73	12.24	5.43

<sup>1</sup> Operating expenses exclude depreciation and allocated administrative expenses.

SOURCE: The City; compiled by JNA Consulting Group, LLC

### General Obligation Debt Limit

*NRS 350.013 1.(c)(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;*

The City is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 20 percent of the City's total assessed valuation. As of June 30, 2019, the City has no general obligation debt paid from property tax outstanding and none proposed. It has \$8,060,377 of general obligation revenue supported debt outstanding and \$923,517 of medium-term general obligation debt outstanding. Based on the fiscal year 2019 assessed value, the City's available general obligation debt limit is approximately \$30,740,994.

#### General Obligation Debt Limit Based on Fiscal Year 2019 Assessed Value

Total Assessed Value	\$206,124,442
General Obligation Debt Limit (30%)	\$41,224,888
Less: Outstanding General Obligation Debt	8,983,894
Less: Proposed General Obligation Debt	<u>1,500,000</u>
Available General Obligation Debt Limit	<u>\$30,740,994</u>

Other factors also limit the amount of debt the City can issue. These factors include, but are not limited to, voter approval, overlapping tax rates, available revenues, market conditions, and types of projects to be funded.



### General Obligation Debt Comparisons

*NRS 350.013 1.(c)(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;*

*NRS 350.013 1.(c)(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;*

The following table shows a comparison of the City's outstanding general obligation debt with other comparable local governments.

#### General Obligation Debt Comparison

June 30, 2019

District	General Obligation Debt	Population <sup>1</sup>	FY 2019 Assessed Value <sup>2</sup>	GO Debt Per Capita	GO Debt as a % of Assessed Value
Fallon	<b>\$8,983,894</b>	<b>9,030</b>	<b>\$206,124,442</b>	<b>\$995</b>	<b>4.36%</b>
Fernley	66,531,386	19,300	715,291,334	3,447.22	9.30%
Mesquite	18,604,189	20,838	791,293,312	892.80	2.35%
Sparks	32,838,339	96,928	2,839,231,639	<u>338.79</u>	<u>1.16%</u>
			Average:	\$615.80	1.75%

<sup>1</sup> 2019 population from the cities' budgets.

<sup>2</sup> Excludes redevelopment agencies; includes net proceeds of minerals.

SOURCE: Nevada Department of Taxation, Local Government Finance, *Property Tax Rates for Nevada Local Governments, Fiscal Year 2018-2019*; and the cities; compiled by JNA Consulting Group, LLC

## Method of Sale

*NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt;*

Bonds can generally be sold at a competitive sale, negotiated sale or be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing the bonds. A day and time are chosen for the sale and bonds are generally awarded to the firm offering the lowest true interest cost on the bonds (the "TIC"). The TIC is the discount rate which results in a present value of the future debt service payments equal to amount bid for the bonds.

Negotiated Sale - One firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of sale, interest rates and other terms of the bonds are negotiated with the underwriter.

Private Placement - A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the City to be sold at competitive sale. For most City general obligation bonds a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the City would consider a negotiated sale or private placements. Such circumstances include, but are not limited to:

- 1) Bonds issued with a variable rate of interest
- 2) Bonds rated below A- or not rated
- 3) Very small or very large bond issues
- 4) Unstable or highly volatile markets
- 5) Bonds with unusual security or structure

The City will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the City determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for City. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure and marketing plan.

## Operational Costs of Future Capital Projects

*NRS 350.013 1.(c)(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.*

The City has prepared a Capital Improvement Plan which is attached as Appendix B. There are no contemplated projects which would require the City to issue general obligation bonds nor levy a specific property tax. Operational costs will be paid for from operating funds for the water and sewer systems and are not expected to impact the property tax rate.

## **Capital Improvement Plan**

*NRS 350.013 1.(d) Either:*

*(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or*

*(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.*

The City's five-year capital improvement plan is attached as Appendix B.

## **Chief Financial Officer of the City**

*NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.*

The chief financial officer of the City is:

Gary Cordes  
City Clerk/Treasurer  
55 West Williams Avenue  
Fallon, Nevada 89406  
775-423-5105  
775-423-8874 fax

**APPENDIX A**

**GENERAL OBLIGATION REVENUE BONDS  
DEBT SERVICE SCHEDULES**



**2012 Medium-Term Obligation (BofA)**  
**Outstanding Debt Service**  
07/01/2012

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2020	\$52,408	\$3,144	\$55,552
2021	52,408	2,097	54,505
2022	<u>52,413</u>	<u>1,052</u>	<u>53,465</u>
Total	\$157,229	\$6,293	\$163,522

**2015 Medium-Term Obligation**  
**(Interfund Loans)**  
**Outstanding Debt Service**  
02/17/2015

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2020	\$58,955	\$0	\$58,955
2021	58,955	0	58,955
2022	58,955	0	58,955
2023	58,955	0	58,955
2024	58,955	0	58,955
2025	<u>58,955</u>	<u>0</u>	<u>58,955</u>
Total	\$353,730	\$0	\$353,730

**2015 Medium-Term Obligation  
Outstanding Debt Service  
04/20/2015 (Landfill Tipper)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2020	<u>\$66,558</u>	<u>\$1,521</u>	<u>\$68,079</u>
Total	\$66,558	\$1,521	\$68,079

**2015 Medium-Term Obligation  
Outstanding Debt Service  
06/16/2015**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Annual Debt Service</b>
2020	\$57,667	\$0	\$57,667
2021	57,667	0	57,667
2022	57,667	0	57,667
2023	57,667	0	57,667
2024	57,667	0	57,667
2025	<u>57,667</u>	<u>0</u>	<u>57,667</u>
Total	\$346,000	\$0	\$346,000

**Debt Service Summary  
2015 Sewer General Obligation Revenue Bonds**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
08/01/2019			\$130,206	\$130,206	
02/01/2020	\$290,000	5.000%	130,206	420,206	\$550,413
08/01/2020			122,956	122,956	
02/01/2021	305,000	5.000%	122,956	427,956	550,913
08/01/2021			115,331	115,331	
02/01/2022	320,000	5.000%	115,331	435,331	550,663
08/01/2022			107,331	107,331	
02/01/2023	335,000	5.000%	107,331	442,331	549,663
08/01/2023			98,956	98,956	
02/01/2024	350,000	3.000%	98,956	448,956	547,913
08/01/2024			93,706	93,706	
02/01/2025	365,000	3.000%	93,706	458,706	552,413
08/01/2025			88,231	88,231	
02/01/2026	375,000	5.000%	88,231	463,231	551,463
08/01/2026			78,856	78,856	
02/01/2027	395,000	5.000%	78,856	473,856	552,713
08/01/2027			68,981	68,981	
02/01/2028	410,000	4.000%	68,981	478,981	547,963
08/01/2028			60,781	60,781	
02/01/2029	430,000	4.000%	60,781	490,781	551,563
08/01/2029			52,181	52,181	
02/01/2030	445,000	3.000%	52,181	497,181	549,363
08/01/2030			45,506	45,506	
02/01/2031	460,000	3.125%	45,506	505,506	551,013
08/01/2031			38,319	38,319	
02/01/2032	475,000	3.250%	38,319	513,319	551,638
08/01/2032			30,600	30,600	
02/01/2033	490,000	4.000%	30,600	520,600	551,200
08/01/2033			20,800	20,800	
02/01/2034	510,000	4.000%	20,800	530,800	551,600
08/01/2034			10,600	10,600	
02/01/2035	<u>530,000</u>	<u>4.000%</u>	<u>10,600</u>	<u>540,600</u>	<u>551,200</u>
<b>TOTAL</b>	<b>\$6,485,000</b>		<b>\$2,326,688</b>	<b>\$8,811,688</b>	<b>\$8,811,688</b>

**Debt Service Summary  
2016 Water General Obligation Revenue Bonds**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
07/01/2019	\$100,182	2.230%	\$17,565	\$117,747	
01/01/2020	101,374	2.230%	16,448	117,822	\$235,569
07/01/2020	102,579	2.230%	15,318	117,897	
01/01/2021	103,799	2.230%	14,174	117,973	235,870
07/01/2021	105,033	2.230%	13,017	118,050	
01/01/2022	106,281	2.230%	11,846	118,127	236,176
07/01/2022	107,545	2.230%	10,661	118,206	
01/01/2023	108,824	2.230%	9,461	118,285	236,491
07/01/2023	110,118	2.230%	8,248	118,366	
01/01/2024	111,427	2.230%	7,020	118,447	236,813
07/01/2024	112,752	2.230%	5,778	118,530	
01/01/2025	114,092	2.230%	4,521	118,613	237,143
07/01/2025	115,449	2.230%	3,249	118,698	
01/01/2026	57,942	2.230%	1,961	59,903	178,601
07/01/2026	58,631	2.230%	1,315	59,946	
01/01/2027	<u>59,349</u>	2.230%	<u>662</u>	<u>60,011</u>	<u>119,957</u>
<b>TOTAL</b>	<b>\$1,575,377</b>		<b>\$141,243</b>	<b>\$1,716,620</b>	<b>\$1,716,620</b>



**Debt Service Summary  
\$405,763 2016 Equipment Lease**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
08/15/2019	\$33,362	2.750%	\$3,347	\$36,708	
02/15/2020	33,820	2.750%	2,888	36,708	\$73,417
08/15/2020	34,285	2.750%	2,423	36,708	
02/15/2021	34,757	2.750%	1,951	36,708	73,417
08/15/2021	35,235	2.750%	1,474	36,708	
02/15/2022	35,719	2.750%	989	36,708	73,417
08/15/2022	<u>36,210</u>	2.750%	<u>498</u>	<u>36,708</u>	<u>36,708</u>
TOTAL	\$243,388		\$13,569	\$256,957	\$256,957

**Debt Service Summary  
\$172,735 2016 Equipment Lease**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
08/15/2019	\$7,929	3.330%	\$2,229	\$10,158	
02/15/2020	8,061	3.330%	2,097	10,158	\$20,316
08/15/2020	8,195	3.330%	1,962	10,158	
02/15/2021	8,332	3.330%	1,826	10,158	20,315
08/15/2021	8,470	3.330%	1,687	10,158	
02/15/2022	8,611	3.330%	1,546	10,158	20,315
08/15/2022	8,755	3.330%	1,403	10,158	
02/15/2023	8,901	3.330%	1,257	10,158	20,315
08/15/2023	9,046	3.330%	1,109	10,155	
02/15/2024	9,199	3.330%	958	10,158	20,312
08/15/2024	9,352	3.330%	805	10,157	
02/15/2025	9,507	3.330%	649	10,156	20,313
08/15/2025	9,666	3.330%	491	10,157	
02/15/2026	9,827	3.330%	330	10,157	20,314
08/15/2026	<u>9,892</u>	3.330%	<u>166</u>	<u>10,058</u>	<u>10,058</u>
TOTAL	\$133,743		\$18,515	\$152,258	\$152,258

**Debt Service Summary**  
**\$265,792 2017 Equipment Lease**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
07/01/2019	\$4,269	6.500%	\$887	\$5,156	
08/01/2019	4,290	6.500%	865	5,156	
09/01/2019	4,312	6.500%	843	5,156	
10/01/2019	4,334	6.500%	821	5,156	
11/01/2019	4,357	6.500%	799	5,156	
12/01/2019	4,379	6.500%	777	5,156	
01/01/2020	4,401	6.500%	754	5,156	
02/01/2020	4,424	6.500%	732	5,156	
03/01/2020	4,447	6.500%	709	5,156	
04/01/2020	4,469	6.500%	687	5,156	
05/01/2020	4,492	6.500%	663	5,156	
06/01/2020	4,515	6.500%	641	5,156	\$61,870
07/01/2020	4,538	6.500%	618	5,156	
08/01/2020	4,561	6.500%	594	5,156	
09/01/2020	4,585	6.500%	571	5,156	
10/01/2020	4,608	6.500%	548	5,156	
11/01/2020	4,632	6.500%	524	5,156	
12/01/2020	4,656	6.500%	500	5,156	
01/01/2021	4,679	6.500%	476	5,156	
02/01/2020	4,703	6.500%	453	5,156	
03/01/2021	4,727	6.500%	428	5,156	
04/01/2021	4,752	6.500%	404	5,156	
05/01/2021	4,776	6.500%	380	5,156	
06/01/2021	4,800	6.500%	356	5,156	61,870
07/01/2021	4,825	6.500%	331	5,156	
08/01/2021	4,850	6.500%	306	5,156	
09/01/2021	4,874	6.500%	281	5,156	
10/01/2021	4,899	6.500%	257	5,156	
11/01/2021	4,924	6.500%	231	5,156	
12/01/2021	4,950	6.500%	206	5,156	
01/01/2022	4,975	6.500%	181	5,156	
02/01/2022	5,000	6.500%	155	5,156	
03/01/2022	5,026	6.500%	130	5,156	
04/01/2022	5,052	6.500%	104	5,156	
05/01/2022	5,077	6.500%	78	5,156	
06/01/2022	5,103	6.500%	52	5,156	61,870
07/01/2022	<u>861</u>	6.500%	<u>26</u>	<u>887</u>	<u>887</u>
TOTAL	\$169,124		\$17,372	\$186,496	\$186,496

**Debt Service Summary**  
**\$6,333,000 2017 Revenue Bonds**

Date	Principal	Coupon	Interest	Total Payment	Annual Payment
11/01/2019	\$372,000	2.700%	\$84,159	\$456,159	
05/01/2020			79,137	79,137	\$535,296
11/01/2020	382,000	2.700%	79,137	461,137	
05/01/2021			73,980	73,980	535,117
11/01/2021	393,000	2.700%	73,980	466,980	
05/01/2022			68,675	68,675	535,655
11/01/2022	403,000	2.700%	68,675	471,675	
05/01/2023			63,234	63,234	534,909
11/01/2023	414,000	2.700%	63,234	477,234	
05/01/2024			57,645	57,645	534,879
11/01/2024	425,000	2.700%	57,645	482,645	
05/01/2025			51,908	51,908	534,553
11/01/2025	437,000	2.700%	51,908	488,908	
05/01/2026			46,008	46,008	534,916
11/01/2026	449,000	2.700%	46,008	495,008	
05/01/2027			39,947	39,947	534,955
11/01/2027	461,000	2.700%	39,947	500,947	
05/01/2028			33,723	33,723	534,670
11/01/2028	473,000	2.700%	33,723	506,723	
05/01/2029			27,338	27,338	534,061
11/01/2029	486,000	2.700%	27,338	513,338	
05/01/2030			20,777	20,777	534,114
11/01/2030	499,000	2.700%	20,777	519,777	
05/01/2031			14,040	14,040	533,817
11/01/2031	513,000	2.700%	14,040	527,040	
05/01/2032			7,115	7,115	534,155
11/01/2032	<u>527,000</u>	2.700%	<u>7,115</u>	<u>534,115</u>	<u>534,115</u>
TOTAL	\$6,234,000		\$1,251,207	\$7,485,207	\$7,485,207

**APPENDIX B**

**FIVE-YEAR CAPITAL IMPROVEMENT  
PLAN**



**FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
(Per NRS 354.5945)



**Minimum level of expenditure for items classified as capital assets**  
**Minimum level of expenditure for items classified as capital projects**

**\$5,000****\$5,000**

Entity: City of Fallon

Date: July 29, 2019

FUND:	General Fund - Admin Function	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Cottage School Exterior Rehabilitation	\$ 100,000	\$ -	\$ -	\$ -	\$ -
	City Hall Break Room and Ladies Restroom	\$ -	\$ 200,000	\$ -	\$ -	\$ -
	Municipal Court Remodel		\$ 75,000	\$ -	\$ -	\$ -
Source of Funding:	General Fund Revenues					
Completion Date:	Annually					
Fund Total		\$ 100,000	\$ 275,000	\$ -	\$ -	\$ -

FUND:	General Fund - Streets	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Planning/Design Phase IV - Maine Street	\$ 75,000	\$ -	\$ -	\$ -	\$ -
	Slurry Seal / Chip Seal Streets	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
	Maine Street Phase IV Construction	\$ -	\$ 800,000	\$ -	\$ -	\$ -
	Maine Street Access Project	\$ -	\$ 1,172,500	\$ -	\$ -	\$ -
	Asphalt Roller	\$ -	\$ 25,000	\$ -	\$ -	\$ -
	10' Broom for Loader	\$ -	\$ 16,000	\$ -	\$ -	\$ -
	Parking Lot at Pool	\$ -	\$ 100,000	\$ -	\$ -	\$ -
	Parking Lot at Laverne	\$ -	\$ -	\$ -	\$ 125,000	\$ -
	Slurry Machine	\$ -	\$ 90,000	\$ -	\$ -	\$ -
	General Street Improvements	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ 525,000
Source of Funding:	General Fund Revenues & Regional Transportation ICETEA Grant, CDBG Grant					
Completion Date:	Annually					
Fund Total		\$ 275,000	\$ 2,403,500	\$ 725,000	\$ 850,000	\$ 725,000

**FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
(Per NRS 354.5945)



<b>FUND:</b>	<b>General Fund - Police Department</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Animal Control Fencing Addition	\$ 3,500	\$ -	\$ -	\$ -	\$ -
	Patrol Car with equipment	\$ 48,500	\$ -	\$ 105,000	\$ 53,000	\$ 108,000
	Stencil Radio / Phone Recorder in Dispatch	\$ 14,920	\$ -	\$ -	\$ -	\$ -
	Body Camera Replacement	\$ 53,177	\$ -	\$ -	\$ -	\$ -
	Live Scan Finger Printing Machine	\$ -	\$ 20,000	\$ -	\$ -	\$ -
	Unmarked Vehicles	\$ -	\$ 50,000	\$ -	\$ -	\$ -
	Portable Radios	\$ -	\$ 60,000	\$ -	\$ -	\$ -
	Animal Control Vehicle	\$ -	\$ 50,000	\$ -	\$ -	\$ -
	Spillman Server	\$ -	\$ -	\$ -	\$ 75,000	\$ -
	L3 Server	\$ -	\$ -	\$ -	\$ 65,000	\$ -
<b>Source of Funding:</b>	General Fund Revenues and Grants					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ 120,097	\$ 180,000	\$ 105,000	\$ 193,000	\$ 108,000

<b>FUND:</b>	<b>General Fund - Parks</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Park Infrastructure Rehab and Replacement	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Source of Funding:</b>	General Fund Revenues					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>	General Fund	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

<b>FUND:</b>	<b>Convention Center Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Equipment Replacement	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	New Ceiling Tiles	\$ -	\$ 27,000	\$ -	\$ -	\$ -
	New Closet Doors Main Room	\$ -	\$ 18,000	\$ -	\$ -	\$ -
	Replace Room Dividers	\$ -	\$ -	\$ 500,000	\$ -	\$ -
	Interior Paint	\$ -	\$ -	\$ 13,000	\$ -	\$ -
	Replace Sound System	\$ -	\$ -	\$ 50,000	\$ -	\$ -
<b>Source of Funding:</b>	Room Tax and Room Rents					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>	Convention Center Fund	\$ 150,000	\$ 95,000	\$ 613,000	\$ 50,000	\$ 50,000

FIVE YEAR CAPITAL IMPROVEMENT PLAN  
(Per NRS 354.5945)



FUND:	Special Adv Valorem Capital Projects	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Governmental Fund Capital Projects	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Source of Funding:	Special Adv Valorem Taxes					
Completion Date:	Annually					
Fund Total		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000

FUND:	Airport Fund	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Welcome Sign	\$ 25,000	\$ -	\$ -	\$ -	\$ -
	Grant Match for FAA Improvement Projects	\$ 75,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Airport Terminal and Office Building	\$ -	\$ 350,000	\$ -	\$ -	\$ -
Source of Funding:	General transfers, Lease Fees and Grants					
Completion Date:	Annually					
Fund Total		\$ 100,000	\$ 375,000	\$ 25,000	\$ 25,000	\$ 25,000

FUND:	Land Reserve & Park Acquisitions Capital Fund	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Park Capital Projects	\$ 13,291	\$ -	\$ -	\$ -	\$ -
Source of Funding:	Park Tax					
Completion Date:	Annually					
Fund Total		\$ 13,291	\$ -	\$ -	\$ -	\$ -

**FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
(Per NRS 354.5945)



<b>FUND:</b>	<b>Electric Enterprise Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Maine Street Access Project	\$ 327,000		\$ -	\$ -	\$ -
	Electric Metering Upgrade	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
	Electric Substation, Direct Bury Replace, Substation Transformer Spare	\$ 5,233,000	\$ -	\$ -	\$ -	\$ -
	Pennington Youth Center	\$ 5,407,800	\$ -	\$ -	\$ -	\$ -
	Upgrade Phase I Maine Street	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
	Allocation of Repeaters	\$ -	\$ 1,740,817	\$ 1,000,000	\$ 1,259,183	\$ -
	Avian Line Upgrades	\$ -	\$ 100,000	\$ -	\$ -	\$ -
	Old Post Office Parking Lot Improvement	\$ -	\$ 125,000	\$ -	\$ -	\$ -
	Bucket Truck	\$ -	\$ -	\$ 150,000	\$ -	\$ -
	System Improvements	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	Mini Excavator with attachments	\$ -	\$ 75,000	\$ -	\$ -	\$ -
	Public Works Building	\$ -	\$ 300,000	\$ -	\$ -	\$ -
	Portion of Vac Truck	\$ -	\$ 250,000	\$ -	\$ -	\$ -
<b>Source of Funding:</b>	Revenues, Grants, Medium Term Financing					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ 12,067,800	\$ 2,940,817	\$ 1,500,000	\$ 1,609,183	\$ 350,000

<b>FUND:</b>	<b>Water Enterprise Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Maine Street Access Project	\$ 450,000	\$ -	\$ -	\$ -	\$ -
	Portion of Vac Truck	\$ -	\$ 125,000	\$ -	\$ -	\$ -
	Replace Stuck and Broken Meters	\$ -	\$ 177,000	\$ -	\$ -	\$ -
	Equipment Trailer	\$ -	\$ 18,000	\$ -	\$ -	\$ -
	Skid Steer & Attachments	\$ -	\$ 75,000	\$ -	\$ -	\$ -
	Allocation of Repeaters	\$ -	\$ 14,285	\$ -	\$ -	\$ -
	Radio Read Meters	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Maine Street Phase IV	\$ -	\$ 70,000	\$ -	\$ -	\$ -
	Work Truck	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -
	Trench Roller	\$ -	\$ 35,000	\$ -	\$ -	\$ -
	Mud/Sludge Pump	\$ -	\$ 80,000	\$ -	\$ -	\$ -
	Loader	\$ -	\$ -	\$ -	\$ 200,000	\$ -
<b>Source of Funding:</b>	Revenues, Grants, Medium Term Financing					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ 450,000	\$ 644,285	\$ 100,000	\$ 300,000	\$ 50,000

FIVE YEAR CAPITAL IMPROVEMENT PLAN  
(Per NRS 354.5945)



FUND:	Sewer Enterprise Fund	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Maine Street Access Project	\$ 585,000	\$ -	\$ -	\$ -	\$ -
	Sewer Projects	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
	Maine Street Phase IV	\$ -	\$ 60,000	\$ -	\$ -	\$ -
	Sewer Rod Cart	\$ -	\$ 75,000	\$ -	\$ -	\$ -
	Work Truck	\$ -	\$ 35,000	\$ -	\$ -	\$ -
	SBR Additional Capacity	\$ -	\$ -	\$ 700,000	\$ -	\$ -
	Sewer Camera Upgrade	\$ -	\$ -	\$ 40,000	\$ -	\$ -
	Overlay of road surface around facility	\$ -	\$ 12,000	\$ -	\$ -	\$ -
Source of Funding:	Revenues, Grants, Medium Term Financing					
Completion Date:	Annually					
Fund Total		\$ 835,000	\$ 432,000	\$ 990,000	\$ 250,000	\$ 250,000



**FIVE YEAR CAPITAL IMPROVEMENT PLAN**  
(Per NRS 354.5945)



<b>FUND:</b>	<b>Sanitation Enterprise Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Automated Garbage Truck	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	Rear Load Garbage Truck	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	2 yard dumpsters	\$ -	\$ -	\$ -	\$ -	\$ 10,000
	95 Gallon Waste Wheeler Totes	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	Alley Truck	\$ -	\$ -	\$ -	\$ 45,000	\$ -
	Scale Truck at Transfer Station	\$ -	\$ 25,000	\$ -	\$ -	\$ -
	4 in 1 Bucket	\$ -	\$ -	\$ 15,000	\$ -	\$ -
	Automated Gate and Scale	\$ -	\$ 25,000	\$ -	\$ -	\$ -
	Allocate Repeaters	\$ -	\$ 14,285	\$ -	\$ -	\$ -
	Pad Mounted Material Handler	\$ -	\$ -	\$ 80,000	\$ -	\$ -
<b>Source of Funding:</b>	Revenues					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ -	\$ 64,285	\$ 95,000	\$ 45,000	\$ 260,000

<b>FUND:</b>	<b>Landfill Enterprise Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	10,000 gallon water tank	\$ -	\$ 45,000	\$ -	\$ -	\$ -
	Allocate repeaters	\$ -	\$ 14,285	\$ -	\$ -	\$ -
	Landfill Expansion	\$ -	\$ 88,000	\$ -	\$ -	\$ -
	Litter Control Fences	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
	Work Truck	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
	Rebuild Scale House	\$ -	\$ -	\$ -	\$ 60,000	\$ -
<b>Source of Funding:</b>	Revenues					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ -	\$ 247,285	\$ 100,000	\$ 60,000	\$ -

<b>FUND:</b>	<b>Water Treatment Enterprise Fund</b>	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
<b>Capital Improvement:</b>	Water Treatment Projects	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
	Work Truck	\$ -	\$ -	\$ 32,000	\$ -	\$ 32,000
<b>Source of Funding:</b>	Revenues					
<b>Completion Date:</b>	Annually					
<b>Fund Total</b>		\$ 50,000	\$ 150,000	\$ 182,000	\$ 150,000	\$ 182,000

FIVE YEAR CAPITAL IMPROVEMENT PLAN  
(Per NRS 354.5945)

FUND:	Water Treatment AB 198 Replacement Fund	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Water and Water Treatment Projects	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Source of Funding:	Revenues					
Completion Date:	Annually					
Fund Total		\$ 500,000	\$ -	\$ -	\$ -	\$ -

FUND:	Public Works Internal Service Fund	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Capital Improvement:	Work Truck	\$ 37,753	\$ -	\$ 35,000	\$ -	\$ 35,000
Source of Funding:	Revenues					
Completion Date:	Annually					
Fund Total		\$ 37,753	\$ -	\$ 35,000	\$ -	\$ 35,000

**List of Funding Sources:**

Property Tax - Gen. Revenues  
 Charges for Services  
 Debt  
 Grants  
 Other ( Please Describe)

FIVE YEAR CAPITAL IMPROVEMENT PLAN  
(Per NRS 354.5945)



Minimum level of expenditure for items classified as capital assets		\$				
Minimum level of expenditure for items classified as capital projects		\$				
		Entity: City of Fallon				
		Date: July 29, 2019				
<b>FUND:</b>		<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>
Capital Improvement:	n/a					
Capital Tax Rate:						
Operating Tax Rate:						
Duration of Tax Rate:						
Source of Funding:						
Completion Date:						
Summary :						
Fund Total						

**\*\*Include any other information pertinent to the project, funding, and tax rate. If more space is needed attach an additional sheet.\*\***

Entity: City of Fallon Date: June 13, 2019

**INDEBTEDNESS REPORT**

**DEBT MANAGEMENT COMMISSION ACT (NRS 350.013)**

1. Has your local government issued any new General Obligation Bond issues since **July 1, 2018?** Yes ( ) No ( X )  
If so, amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_
2. Has your local government approved any new Medium-Term Obligation issues since **July 1, 2018?** Yes ( ) No ( X )  
If so, amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_
3. Has your local government updated its debt management policy? (Per NRS 350.013) Yes ( X ) No ( ) N/A ( )  
**(Submit updated policy with Indebtedness Report.)** If Yes, submit updated policy with Indebtedness Report or prepare a statement discussing the following areas:
  - A. Discuss the ability of your entity to afford existing and future general obligation debt.
  - B. Discuss your entity's capacity to incur future general obligation debt without exceeding the applicable debt limit.
  - C. Discuss the general obligation debt per capita of your entity as compared with the average for such debt of local governments in Nevada.
  - D. Discuss general obligation debt of your entity as a percentage of **assessed valuation** of all taxable property within the boundaries of your entity. **(REDBOOK FY 2018-2019)**
  - E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
  - F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
  - G. Discuss the operating costs and revenue sources with each project.
4. Has your local government updated its five-year capital improvement plan? Yes ( X ) No ( )  
**(Required pursuant to NRS 350.013, 354.5945 & NRS 354.5947)**

Submitted By: Gary Cordes (prepared by JNA Consulting Group, LLC)  
(signature)

Entity: City of Fallon

**SCHEDULE OF INDEBTEDNESS AS OF JUNE 30, 2019**

**CHECK HERE IF YOUR ENTITY HAS NO OUTSTANDING DEBT**



**GENERAL OBLIGATION BONDS**

1. General obligation	<u>\$0</u>	
2. General obligation/revenue	<u>\$8,060,377</u>	
3. General obligation special assessment	<u></u>	
Total general obligation bonded debt		<u>\$8,060,377</u>

**MEDIUM-TERM FINANCING**

1. General obligation bonds	<u>\$923,517</u>	
2. Negotiable notes or bonds	<u></u>	
3. Capital lease purchases	<u>\$0</u>	
Total medium-term obligation debt		<u>\$923,517</u>

**REVENUE BONDS**

\$6,234,000

**OTHER DEBT**

1. Capital lease purchases - MTO not required or prior to law change	<u>\$546,255</u>	
2. Mortgages	<u></u>	
3. Warrants	<u></u>	
4. Special assessment	<u></u>	
5. Other (specify) _____		
6. Other (specify) _____		
Total other debt		<u>\$546,255</u>

**TOTAL INDEBTEDNESS**

\$15,764,149

Authorized but unissued general obligation bonds \$0.00

Note: Please explain and provide documentation for any differences between the amounts reported on this **schedule** and those reported on **Schedule C-1** of your **Final Fiscal Year 2019-2020 budget**.

*The debt outstanding does not match the City's C-1 because the City listed proposed debt for fiscal year 2020 as outstanding as of July 1, 2019.*

Entity: City of Fallon

**SCHEDULE OF FIVE YEAR DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2019**

For the next five years, list the total dollar requirement for principal and interest broken down for each type of indebtedness the entity currently has outstanding.

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
G/O Bonds					
G/O Revenue	\$785,982	\$786,783	\$786,840	\$786,154	\$784,726
G/O Special Assessment					
Medium-term Financing					
G/O Bonds	\$240,253	\$171,127	\$170,087	\$116,622	\$116,622
Notes/Bonds					
Leases/Purchases					
Revenue Bonds	\$535,296	\$535,117	\$535,655	\$534,909	\$534,879
Other Lease Purchases	\$155,603	\$155,602	\$155,602	\$57,909	\$20,315
Mortgages					
Warrants					
Special Assessments					
Other Debt					
<b>TOTAL</b>	<b>\$1,717,134</b>	<b>\$1,648,629</b>	<b>\$1,648,184</b>	<b>\$1,495,594</b>	<b>\$1,456,542</b>



**SCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2019**

The repayment schedules should start with the payment of principal and interest due **after June 30, 2019** and continue until any particular issue is retired.

**Sewer Revenue Secured Bonds  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$290,000	\$260,413	\$550,413
2021	305,000	245,913	550,913
2022	320,000	230,663	550,663
2023	335,000	214,663	549,663
2024	350,000	197,913	547,913
2025	365,000	187,413	552,413
2026	375,000	176,463	551,463
2027	395,000	157,713	552,713
2028	410,000	137,963	547,963
2029	430,000	121,563	551,563
2030	445,000	104,363	549,363
2031	460,000	91,013	551,013
2032	475,000	76,638	551,638
2033	490,000	61,200	551,200
2034	510,000	41,600	551,600
2035	<u>530,000</u>	<u>21,200</u>	<u>551,200</u>
<b>TOTAL</b>	<b>\$6,485,000</b>	<b>\$2,326,688</b>	<b>\$8,811,688</b>

**Water Revenue Secured Bonds  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$201,556	\$34,013	\$235,569
2021	206,378	29,492	235,870
2022	211,314	24,863	236,177
2023	216,369	20,122	236,491
2024	221,545	15,268	236,813
2025	226,844	10,299	237,143
2026	173,391	5,210	178,601
2027	<u>117,980</u>	<u>1,977</u>	<u>119,957</u>
<b>TOTAL</b>	<b>\$1,575,377</b>	<b>\$141,243</b>	<b>\$1,716,620</b>

Entity: City of Fallon

**Medium-Term General Obligation Debt  
Outstanding Debt Service**

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest<sup>1</sup></b>	<b>Total</b>
2019	\$257,198	\$10,341	\$267,539
2020	239,158	4,665	243,823
2021	172,601	2,097	174,698
2022	172,606	1,052	173,658
2023	120,193	0	120,193
2024	120,193	0	120,193
2025	<u>120,193</u>	<u>0</u>	<u>120,193</u>
<b>TOTAL</b>	<b>\$1,202,145</b>	<b>\$18,155</b>	<b>\$1,220,300</b>

<sup>1</sup> Most interfund loans are at 0%

**Debt Service Summary  
\$405,763 2016 Equipment Lease**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
08/15/2019	\$33,362	2.750%	\$3,347	\$36,708	
02/15/2020	33,820	2.750%	2,888	36,708	\$73,417
08/15/2020	34,285	2.750%	2,423	36,708	
02/15/2021	34,757	2.750%	1,951	36,708	73,417
08/15/2021	35,235	2.750%	1,474	36,708	
02/15/2022	35,719	2.750%	989	36,708	73,417
08/15/2026	<u>36,210</u>	2.750%	<u>498</u>	<u>36,707</u>	<u>36,707</u>
<b>TOTAL</b>	<b>\$243,388</b>		<b>\$13,569</b>	<b>\$256,957</b>	<b>\$256,957</b>

Entity: City of Fallon

**Debt Service Summary**  
**\$172,735 2016 Equipment Lease**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
08/15/2019	\$7,929	3.330%	\$2,229	\$10,158	
02/15/2020	8,061	3.330%	2,097	10,158	\$20,316
08/15/2020	8,195	3.330%	1,962	10,158	
02/15/2021	8,332	3.330%	1,826	10,158	20,315
08/15/2021	8,470	3.330%	1,687	10,158	
02/15/2022	8,611	3.330%	1,546	10,158	20,315
08/15/2022	8,755	3.330%	1,403	10,158	
02/15/2023	8,901	3.330%	1,257	10,158	20,315
08/15/2023	9,046	3.330%	1,109	10,155	
02/15/2024	9,199	3.330%	958	10,158	20,312
08/15/2024	9,353	3.330%	805	10,158	
02/15/2025	9,507	3.330%	649	10,156	20,314
08/15/2025	9,666	3.330%	491	10,157	
02/15/2026	9,827	3.330%	330	10,157	20,314
08/15/2026	<u>9,891</u>	3.330%	<u>166</u>	<u>10,057</u>	<u>10,057</u>
TOTAL	\$133,743		\$18,515	\$152,258	\$152,258

Entity: City of Fallon

**Debt Service Summary**  
**\$265,792 2017 Equipment Lease**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
07/01/2019	\$4,269	6.500%	\$887	\$5,156	
08/01/2019	4,290	6.500%	865	5,156	
09/01/2019	4,312	6.500%	843	5,156	
10/01/2019	4,334	6.500%	821	5,156	
11/01/2019	4,357	6.500%	799	5,156	
12/01/2019	4,379	6.500%	777	5,156	
01/01/2020	4,401	6.500%	754	5,156	
02/01/2020	4,424	6.500%	732	5,156	
03/01/2020	4,447	6.500%	709	5,156	
04/01/2020	4,469	6.500%	687	5,156	
05/01/2020	4,492	6.500%	663	5,156	
06/01/2020	4,515	6.500%	641	5,156	\$61,870
07/01/2020	4,538	6.500%	618	5,156	
08/01/2020	4,561	6.500%	594	5,156	
09/01/2020	4,585	6.500%	571	5,156	
10/01/2020	4,608	6.500%	548	5,156	
11/01/2020	4,632	6.500%	524	5,156	
12/01/2020	4,656	6.500%	500	5,156	
01/01/2021	4,679	6.500%	476	5,156	
02/01/2020	4,703	6.500%	453	5,156	
03/01/2021	4,727	6.500%	428	5,156	
04/01/2021	4,752	6.500%	404	5,156	
05/01/2021	4,776	6.500%	380	5,156	
06/01/2021	4,800	6.500%	356	5,156	61,870
07/01/2021	4,825	6.500%	331	5,156	
08/01/2021	4,850	6.500%	306	5,156	
09/01/2021	4,874	6.500%	281	5,156	
10/01/2021	4,899	6.500%	257	5,156	
11/01/2021	4,924	6.500%	231	5,156	
12/01/2021	4,950	6.500%	206	5,156	
01/01/2022	4,975	6.500%	181	5,156	
02/01/2022	5,000	6.500%	155	5,156	
03/01/2022	5,026	6.500%	130	5,156	
04/01/2022	5,052	6.500%	104	5,156	
05/01/2022	5,077	6.500%	78	5,156	
06/01/2022	5,103	6.500%	52	5,156	61,870
07/01/2022	<u>861</u>	6.500%	<u>26</u>	<u>887</u>	<u>887</u>
TOTAL	\$169,124		\$17,372	\$186,496	\$186,496

**Debt Service Summary**  
**\$6,333,000 2017 Revenue Bonds**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Annual Payment</b>
11/01/2019	\$372,000	2.700%	\$84,159	\$456,159	
05/01/2020			79,137	79,137	\$535,296
11/01/2020	382,000	2.700%	79,137	461,137	
05/01/2021			73,980	73,980	535,117
11/01/2021	393,000	2.700%	73,980	466,980	
05/01/2022			68,675	68,675	535,655
11/01/2022	403,000	2.700%	68,675	471,675	
05/01/2023			63,234	63,234	534,909
11/01/2023	414,000	2.700%	63,234	477,234	
05/01/2024			57,645	57,645	534,879
11/01/2024	425,000	2.700%	57,645	482,645	
05/01/2025			51,908	51,908	534,553
11/01/2025	437,000	2.700%	51,908	488,908	
05/01/2026			46,008	46,008	534,916
11/01/2026	449,000	2.700%	46,008	495,008	
05/01/2027			39,947	39,947	534,955
11/01/2027	461,000	2.700%	39,947	500,947	
05/01/2028			33,723	33,723	534,670
11/01/2028	473,000	2.700%	33,723	506,723	
05/01/2029			27,338	27,338	534,061
11/01/2029	486,000	2.700%	27,338	513,338	
05/01/2030			20,777	20,777	534,114
11/01/2030	499,000	2.700%	20,777	519,777	
05/01/2031			14,040	14,040	533,817
11/01/2031	513,000	2.700%	14,040	527,040	
05/01/2032			7,115	7,115	534,155
11/01/2032	<u>527,000</u>	2.700%	<u>7,115</u>	<u>534,115</u>	<u>534,115</u>
<b>TOTAL</b>	<b>\$6,234,000</b>		<b>\$1,251,207</b>	<b>\$7,485,207</b>	<b>\$7,485,207</b>

Entity: City of Fallon

(1) CONTEMPLATED GENERAL OBLIGATION DEBT PURPOSE	(2) TYPE	(3) AMOUNT	(4) TERM	(5) FINAL PYMT DATE	(6) INTEREST RATE
Medium-Term General Obligation Bonds	MT GO	\$1,500,000	10 yrs	tbd	tbd

SPECIAL ELECTIVE TAX PURPOSE	TYPE	RATE	ELECTION DATE	EXPIRATION DATE	IMPLEMENTATION DATE
NONE					



August 5, 2019

Agenda Item 8

Consideration and possible adoption of Resolution No. 19-21, a Resolution authorizing the Red Mesa Tapaha Solar Project Transaction Schedule under the Power Supply Agreement with Utah Associated Municipal Power Systems; and related matters. **(For possible action)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 8

DATE SUBMITTED: July 23, 2019

AGENDA DATE REQUESTED: August 5, 2019

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director

SUBJECT TITLE: Consideration and possible adoption of Resolution No. 19-21, a Resolution authorizing the Red Mesa Tapaha Solar Project Transaction Schedule under the Power Supply Agreement with Utah Associated Municipal Power Systems; and related matters. **(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. 19-21, a Resolution authorizing the Red Mesa Tapaha Solar Project Transaction Schedule under the Power Supply Agreement with Utah Associated Municipal Power Systems; and related matters.

DISCUSSION: UAMPS, on behalf of its members, has investigated the Red Mesa Tapaha Solar Project, a sixty-six (66) megawatt solar photovoltaic generation facility to be located on the Navajo Nation reservation in southeastern Utah. UAMPS is now prepared to enter into a twenty-five (25) year Power Purchase Agreement with Navajo Tribal Utility Authority Generation – Utah, LLC on behalf of UAMPS members electing to participate in the project. The PPA has a price of \$23.15/MW with an escalator of 2% per year, which includes the associated Renewable Energy Credits. The facility is scheduled to become operational in June 2022. If approved, the attached Red Mesa Tapaha Solar Firm Power Supply Agreement Transaction Schedule would give Fallon an entitlement share of 1 MW.

FISCAL IMPACT: \$23.15/MW with an escalator of 2% per year (includes the associated Renewable Energy Credits)

FUNDING SOURCE: The Electric Enterprise Fund

PREPARED BY: Robert Erquiaga, Legal and Administrative Director

RESOLUTION No. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE RED MESA TAPAHA SOLAR PROJECT TRANSACTION SCHEDULE UNDER THE POWER SUPPLY AGREEMENT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

\*\*\*\*\*

WHEREAS, the City of Fallon, Nevada (the "*Member*") owns and operates a utility system for the provision of electric energy to its residents and businesses (the "*System*") and is a member of Utah Associated Municipal Power Systems ("*UAMPS*") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended (the "*Joint Action Agreement*");

WHEREAS, the Member desires to purchase all or a portion of its requirements for electric power and energy from or through UAMPS and has entered into a Power Pooling Agreement with UAMPS to provide for the efficient and economic utilization of its power supply resources;

WHEREAS, the Member has previously entered into the Master Firm Power Supply Agreement with UAMPS in order to allow for UAMPS entering into various firm transactions for the purchase and sale of firm supplies of electric power and energy;

WHEREAS, UAMPS has investigated the Red Mesa Tapaha Solar Project, a sixty-six (66) megawatt (MW) solar photovoltaic generation facility to be located on the Navajo Nation, on behalf of its members and is now prepared to enter into a twenty-five (25) year power purchase agreement with Navajo Generation LLC to secure the delivery of all the energy from the Project and associated environmental attributes; and

WHEREAS, the Member now desires to authorize and approve the Red Mesa Tapaha Transaction Schedule ("*Transaction Schedule*") attached hereto as Exhibit A for the Project subject to the parameters set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fallon, Nevada as follows:

*Section 1. Authorization of Red Mesa Tapaha Transaction Schedule.* The Transaction Schedule, in substantially the form presented at the meeting at which this resolution is adopted, is hereby authorized and approved, and the Member Representative is hereby authorized, empowered and directed to execute and deliver the Transaction Schedule on behalf of the Member. Promptly upon its execution, the Transaction Schedule shall be filed in the official records of the Member.

*Section 2. Other Actions with Respect to the Joint Action Agreement.* The Mayor, City Clerk, the Member Representative and other officers and employees of the Member shall take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions

contemplated hereby and shall take all actions necessary to carry out the execution and delivery of the Transaction Schedule and the performance thereof.

*Section 3. Miscellaneous; Effective Date.* (a) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF FALLON

\_\_\_\_\_  
Mayor

ATTEST AND COUNTERSIGN:

\_\_\_\_\_  
City Clerk

[SEAL].

**EXHIBIT A**  
**RED MESA TAPAHA SOLAR TRANSACTION SCHEDULE**

**RED MESA TAPAHA SOLAR  
FIRM POWER SUPPLY AGREEMENT  
TRANSACTION SCHEDULE**

This Transaction Schedule to the Master Firm Power Supply Agreement to which all Parties to this Transaction Schedule are signatories provide for the following transactions. The Parties to this Transaction Schedule agree to the following provisions and agree to pay all costs of this transaction through the Firm Power Supply Project.

PURCHASER: City of Fallon

ENTITLEMENT SHARE: 1.5152%

SUPPLIER: NTUA Generation – Utah, LLC (the “Red Mesa Tapaha Solar Project”)

EFFECTIVE DATE: The Power Purchase Agreement by and between UAMPS and NGI Generation-Utah, LLC for the Red Mesa Tapaha Solar Resource (the “PPA”) was executed on July 17, 2019. The PPA becomes effective upon UAMPS obtaining member governing body approvals and completing transmission arrangements with PacifiCorp; UAMPS anticipates satisfying these two conditions by the end of September 2019. The Scheduled Commercial Operation Date (“COD”) is June 1, 2022. The COD may not occur earlier than April 1, 2022 but not later than December 1, 2022.

TERM: A 25-year delivery term commencing on COD. The PPA will become effective upon UAMPS satisfying the two conditions precedent identified above.

AMOUNT: 1,000 kW and associated Environmental Attributes

PRICE: \$23.15/MWH with an annual 2% escalator.

OTHER  
PROVISIONS:

***Energy:*** UAMPS will schedule all energy pursuant to the terms and conditions of the PPA and will delivery to the Purchaser its Entitlement Share of the Red Mesa Tapaha Solar Resource. The Red Mesa Tapaha Solar Resource is to be constructed as a 66 MW from solar photovoltaic generation facility located on the Navajo Reservation.

***Transmission:*** UAMPS will charge and the Purchaser will pay transmission charges as adopted by the UAMPS Board of Directors from time to time.



***Administration:*** UAMPS will charge and Purchasers will pay the scheduling fee and reserve fee as adopted by the UAMPS Board of Directors from time to time.

***Buyout Options:*** Under the PPA, UAMPS has the ability to buy the Red Mesa Tapaha Solar Resource from NGI at specified buyout dates pursuant to a fair market value appraisal. If UAMPS is directed to pursue one of its buyout options, then UAMPS will in parallel develop new contracts or amend the Firm Power Supply Agreement with the Purchasers to provide UAMPS with the ability to finance the buyout of the Red Mesa Tapaha Solar Resource.

***Other:*** Any costs incurred by UAMPS due solely to this Transaction Schedule, including but not limited to PPA costs, transmission costs, scheduling costs, administrative costs and legal costs will be the responsibility of Purchasers invoiced through the UAMPS Power Bills.

This Transaction Schedule may be signed in counterpart.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF FALLON

By: \_\_\_\_\_

Title: \_\_\_\_\_

UTAH ASSOCIATED MUNICIPAL POWER  
SYSTEMS

By: \_\_\_\_\_

Title: \_\_\_\_\_

