

**AGENDA  
CITY OF FALLON – CITY COUNCIL  
55 West Williams Avenue  
Fallon, Nevada  
March 16, 2020 – 9:00 a.m.**

The Honorable City Council will meet in a regularly scheduled meeting on March 16, 2020 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 three 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 February 3, 2020, February 18, 2020, and March 2, 2020. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
  - A) Accounts Payable
  - B) Payroll
  - C) Customer Deposit
6. Recognition of 3A Nevada State Wrestling Champion Tommy McCormick. **(For discussion only)**
7. Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2020, for an estimated total fee not to exceed Eighty-Four Thousand Dollars (\$84,000.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(For possible action)**
8. Consideration and possible approval and adoption of Resolution No. 20-02: A resolution authorizing the execution and delivery of an installment purchase agreement in an amount not to exceed \$489,989 for the purpose of acquiring a vacuum truck to be used by the Electric, Water and Sewer Departments; authorizing the officers of the City to execute the installment purchase agreement and other documents related to the installment purchase

agreement; providing the effective date hereof; and for other matters properly related thereto. **(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 March 11, 2020 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.



March 16, 2020

## Agenda Item 4

Consideration and approval of Council meeting minutes for February 3, 2020, February 18, 2020, and March 2, 2020. **(For possible action)**



**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
February 3, 2020**

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 Pro Tem, Kelly Frost  
City Councilman, James D. Richardson  
City Councilwoman, Karla Kent  
City Clerk, Gary C. Cordes  
City Attorney, Michael F. Mackedon  
Emergency Management Coordinator, Steve Endacott  
Deputy Public Works Director, Ryan A. Swirczek  
Deputy Public Works Director, Adrian Noriega  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Deputy City Clerk, Elsie M. Lee  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Marketing & Communications Coordinator, Kaitlin Ritchie  
Deputy City Attorney, Trent deBraga  
City Engineer, Derek Zimney

The meeting was called to order by Mayor Pro Tem Frost at 9:00 a.m.

Mayor Pro Tem Frost led the Pledge of Allegiance.

Mayor Pro Tem Frost inquired if the agenda had been posted in compliance with NRS requirements.

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

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

**Public Comments**

Mayor Pro Tem Frost inquired if there were any public comments. She 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.

Mr. Geoff Knell of 261 Serpa Place stated that he understood there was a five-minute limit and he probably went over that last time. He welcomed everyone to the City Council meeting and stated that we would offer parts of God's Word. He stated these words are what the Council's constituents believe and read Romans 10:14-15. He then started reading Isaiah 3, beginning with verse 4. He began a prayer asking that today's session be touched with the Holy Spirit and know the difference between good and evil. He read parts of the Declaration of Independence. He asked where God was in government. He stated that the morality of Fallon and Churchill County had sharply fallen. He stated that he presented these truths to the Churchill County Commissioners and the Churchill County School Board and people were not understanding; children are being abused and people are dying more than ever before. He asked to be told if he went over five minutes. He returned to reading portions of the Declaration of Independence. He stated that the Pledge of Allegiance was just given and "under God" in the pledge appears to be hypocrisy. He thanked the Council.

Mayor Pro Tem Frost thanked Mr. Knell for his comments.

#### **Approval of Council meeting minutes for October 7, 2019 and January 21, 2020**

Mayor Pro Tem Frost inquired if there were any additions or corrections to the minutes for October 7, 2019 and January 21, 2020.

No additions or corrections were noted.

Councilwoman Kent motioned to approve the Council meeting minutes for October 7, 2019 and January 21, 2020 as submitted, seconded by Councilman Richardson and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

#### **Approval of Warrants**

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

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

No comments were noted.

Councilman Richardson motioned to approve the accounts payable, payroll and customer deposit warrants and authorize the Mayor Pro Tem to sign the same; seconded by Councilwoman Kent and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

#### **Consideration and possible approval and adoption of Resolution No. 20-03: A resolution providing for the deannexation of 11.51 acres, more or less, from the City of Fallon, located at 100 Airport Road, and owned by Greg and Eve Holmes, and other matters properly related thereto**

Legal and Administrative Director Erquiaga explained that this item is back before the Council after a request from Greg and Eve Holmes in late 2019 to consider the deannexation of their property. Upon receiving that request, City staff performed a survey that has been filed with the City Clerk and was completed by a competent surveyor and accurately describes the

property to be deannexed. At the November 2019 Council meeting, City staff was given direction by the Council to initiate the procedures that are required under NRS 268. That was completed by the City notifying Churchill County; they took the matter up at the Planning Commission and then ultimately at the Churchill County Commission. Both have approved the request and then the matter returned to the City for proper publication which we accomplished in the Lahontan Valley News on January 22, 2020 and now the matter is back before the Council for potential final action on the resolution. As we discussed in November 2019, the property was annexed in 1988 along with some larger parcels, with different intentions by the prior property owners. Mr. and Mrs. Holmes intend to build a single-family residence and want to put a well and septic tank in to accomplish that; and the only way to do that is to not be in the City of Fallon. So that is the purpose of their request. We have gone through all the required procedures which brought us to the Council's consideration of this resolution. If it is passed, the final steps would be for the City to publish it in City Hall and record it with the Churchill County Recorder; then that would be the end of the process.

Mayor Pro Tem Frost inquired if any public comments were received after the first posting.

Legal and Administrative Director Erquiaga stated that no comments had been received.

Mayor Pro Tem Frost inquired if the Council had any comments or questions.

No comments were noted.

Mayor Pro Tem Frost inquired if there were any public comments or questions.

Mr. Geoff Knell of 261 Serpa Place stated that he attended the Churchill County Commission meeting and he advised his representative to vote for this. He stated the United Nations are sticking their noses in our business. He stated the government is taking away our property rights and water rights. He stated they want to put meters on our wells to take control of our water; it is our liberty and freedom to use that resource and that is pitiful. He stated he wanted this to be passed unanimously.

No further comments were noted.

Councilwoman Kent motioned to adopt Resolution No. 20-03: A resolution providing for the deannexation of 11.51 acres, more or less, from the City of Fallon, located at 100 Airport Road, and owned by Greg and Eve Holmes, and other matters properly related thereto; seconded by Councilman Richardson and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

### **Presentation of the Police Department Report for December 2019**

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

- Staff participated in multiple hours of training.
- Officers and volunteers have been very active in the community.
- A school resource officer was introduced into the Churchill County Middle School and another officer is expected to enter the school system in the coming months.
- The citizen survey comments were mostly positive.

Mayor Pro Tem Frost asked Chief Gehman if he commended Officer Itskin for going above and beyond the call of duty with the CVS incident that was identified in the survey comments.

Chief Gehman stated that they are hung in the squad room and then there is some communication with the staff after that; everything positive that is said is posted down there.

Mayor Pro Tem Frost inquired if the Council had any comments or questions.

No comments were noted.

Mayor Pro Tem Frost thanked Chief Gehman for the report.

### **Public Comments**

Mayor Pro Tem Frost inquired if there were any public comments.

Mr. Geoff Knell of 261 Serpa Place addressed the Council and stated that the Bible says he is to be a thorn in their side to make them accountable to the people. He stated the problem with capitalism is greed and power; the moral state of the country and the world has been degraded. He stated capitalism is the freedom to decide our future for ourselves. He stated the City of Fallon has vape stores and tattoo parlors and more bars than ever before. He stated the laws have prevented preachers from coming outside the four walls and giving advice to say stop; people become drunk, violent, break things, and throw up on the street. He stated the City is corrupt by allowing these things; the good is being held back and evil is moving forward. He stated that an eleven-year-old says she is bisexual because she is persuaded, and the government lets it happen. He stated God must be brought back into government. He read Acts 17:30 and stated that he hoped it shook everyone in their boots.

Mayor Pro Tem Frost advised Mr. Knell that it had been five minutes.

Mr. Knell thanked Mayor Pro Tem Frost.

### **Council and Staff Reports**

Mayor Pro Tem Frost inquired if there were any Council or staff reports.

No Council or staff reports were noted.

### **Executive Session**

Mayor Pro Tem Frost tabled the executive session, as it was not needed at this time.

### **Adjournment**

There being no further business to come before the Council, Mayor Pro Tem Frost adjourned the meeting at 9:21 a.m.

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Mayor Pro Tem Kelly Frost

Attest: \_\_\_\_\_

Gary C. Cordes, City Clerk/Treasurer

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
February 18, 2020**

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, James D. Richardson  
City Councilwoman, Kelly Frost  
City Councilwoman, Karla Kent  
City Clerk, Gary C. Cordes  
Emergency Management Coordinator, Steve Endacott  
Deputy Public Works Director, Ryan A. Swirczek  
Deputy Public Works Director, Adrian Noriega  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Deputy City Clerk, Elsie M. Lee  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Marketing & Communications Coordinator, Kaitlin Ritchie  
Deputy City Attorney, Trent deBraga  
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 Council meeting minutes for October 21, 2019, November 4, 2019, November 18, 2019, and December 2, 2019**

Mayor Tedford inquired if there were any additions or corrections to the minutes for October 21, 2019, November 4, 2019, November 18, 2019, and December 2, 2019.

No additions or corrections were noted.

Councilwoman Frost motioned to approve the Council meeting minutes for October 21, 2019, November 4, 2019, November 18, 2019, and December 2, 2019 as submitted, seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

**Approval of Warrants**

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

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

No comments were noted.

Councilwoman Kent motioned to approve the accounts payable, payroll and customer deposit warrants and authorize the Mayor to sign the same; seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

**Public 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.  
No Council or staff reports were noted.

**Executive Session**

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

**Adjournment**

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:04 a.m.

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

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

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
March 2, 2020**

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 Pro Tem, Kelly Frost  
City Councilman, James D. Richardson  
City Councilwoman, Karla Kent  
City Clerk, Gary C. Cordes  
City Attorney, Michael F. Mackedon  
Emergency Management Coordinator, Steve Endacott  
Deputy Public Works Director, Ryan A. Swirczek  
Deputy Public Works Director, Adrian Noriega  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Deputy City Clerk, Elsie M. Lee  
Director of Tourism & Special Events, Jane Moon  
Public Works Director, Brian A. Byrd  
Deputy City Attorney, Trent deBraga  
City Engineer, Derek Zimney

The meeting was called to order by Mayor Pro Tem Frost at 9:00 a.m.

Mayor Pro Tem Frost led the Pledge of Allegiance.

Mayor Pro Tem Frost inquired if the agenda had been posted in compliance with NRS requirements.

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

Mayor Pro Tem Frost noted for the record that Mayor Tedford was absent today, recovering from surgery.

**Public Comments**

Mayor Pro Tem Frost inquired if there were any public comments. She 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.

Mr. Geoff Knell of 261 Serpa Place referred to various Bible scriptures and his interpretations of each.

Mayor Pro Tem Frost inquired if there were any more public comments.

No further public comments were noted.

**Approval of Council meeting minutes for December 13, 2019, December 16, 2019, and January 6, 2020**

Mayor Pro Tem Frost inquired if there were any additions or corrections to the minutes for December 13, 2019, December 16, 2019, and January 6, 2020.

No additions or corrections were noted.

Councilwoman Kent motioned to approve the Council meeting minutes for December 13, 2019, December 16, 2019, and January 6, 2020 as submitted, seconded by Councilman Richardson and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

**Approval of Warrants**

A) Accounts Payable

B) Payroll

C) Customer Deposit

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

No comments were noted.

Councilman Richardson motioned to approve the accounts payable, payroll and customer deposit warrants and authorize the Mayor Pro Tem to sign the same; seconded by Councilwoman Kent and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

**Consideration and possible approval of an application by Taylor deBraga for a drinking establishment liquor license for Stone Cabin Coffee, LLC to be located at 480 East Williams Avenue**

Deputy City Clerk Lee explained that Taylor deBraga, owner of Stone Cabin Coffee, LLC, has made application for a drinking establishment liquor license for Stone Cabin Coffee, LLC to be located at 480 East Williams Avenue. 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 Chief Gehman, Deputy City Clerk Lee, City Engineer Zimney, and Legal and Administrative Director Erquiaga and has been recommended for approval.

Mayor Pro Tem Frost inquired if the Council had any comments or questions.

Councilwoman Kent asked if the liquor to be sold would be similar to what is currently sold at Stone Cabin – beer and wine.

Ms. deBraga replied affirmatively, beer and wine.

Councilman Richardson asked if the business would be run similar to the current Stone Cabin or were there different plans.

Ms. deBraga explained that she would continue serving beer and wine, but business hours would change, she planned to remain open until 9:00 p.m. on Fridays and Saturdays instead of the current 6:00 p.m.

Councilman Richardson asked if she planned to host events.

Ms. deBraga replied affirmatively, she has a couple planned in the future, they will be low key like bridal showers and baby showers.

Mayor Pro Tem Frost inquired if there were any public comments or questions.

Mr. Geoff Knell of 261 Serpa Place stated that he had been to the Stone Cabin and it is a nice atmosphere. Their employees seem to be cheerful and respectful. He spoke to the new owner and in this circumstance, it will not become like Leah's with vomit on the street and broken bottles. He encouraged the Council to approve this application.

Councilman Richardson motioned to approve the application by Taylor deBraga for a drinking establishment liquor license for Stone Cabin Coffee, LLC to be located at 480 East Williams Avenue; seconded by Councilwoman Kent and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.

**Consideration and possible approval of an application by Kathy Fouss for a drinking establishment liquor license for Memorie Boutique to be located at 31 South Maine Street**

Deputy City Clerk Lee explained that Kathy Fouss, owner of Memorie Boutique, has made application for a drinking establishment liquor license for Memorie Boutique to be located at 31 South Maine Street. 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 Chief Gehman, Deputy City Clerk Lee, City Engineer Zimney and Legal and Administrative Director Erquiaga and has been recommended for approval.

Mayor Pro Tem Frost inquired if the Council had any comments or questions.

Councilwoman Kent asked if liquor would be served for a special occasion event or daily offerings.

Ms. Fouss explained that her goal was not to sell alcohol, she planned to offer a sip and shop experience or if she hosted a small event in the back room, like a private shopping event, she would offer a glass of champagne but not sell alcohol.

Mayor Pro Tem Frost inquired if there were any public comments or questions.

Mr. Geoff Knell of 261 Serpa Place stated that he spoke with the owner and had been in the store. He added that the Bible says having a little wine for your digestive system is good but do not get intoxicated. Since it is in a controlled environment, he encouraged the Council to approve this application.

Councilwoman Kent motioned to approve the application by Kathy Fouss for a drinking establishment liquor license for Memorie Boutique to be located at 31 South Maine Street; seconded by Councilman Richardson and approved with a 2-0 vote by the Council with an abstention by Mayor Pro Tem Frost.



## **Presentation of the Police Department Report for January 2020**

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

- Officers and volunteers have been very active in the community.
- Detective Sergeant Frandsen provided the indoctrination lecture to newly stationed Navy personnel.
- Explorers assisted with meals at Fallon Daily Bread.
- VIPS assisted with Operation Juice Box, distributing them to kids as they leave school for the day.
- School Resource Officer Jacobs was active with additional security surveys of the schools and created trophies to award on a monthly basis.
- The citizen survey comments were positive.

Mayor Pro Tem Frost inquired if the Council had any comments or questions.

Councilman Richardson thanked the Police Department and other first responder agencies for the CCHS basketball team's escort out of town and again upon their return.

Mayor Pro Tem Frost thanked the officers for being present at the basketball regional games that were hosted at Churchill County High School to make sure tempers did not flare too much in that very competitive environment. She also inquired as to the increase in citations and traffic warnings. She asked if they were doing a special program for traffic enforcement.

Chief Gehman stated that they had a directed patrol but that did not result in too many additional stops. He thought they did 15 or 20; nothing special was going on outside of that causing the bump from the previous month.

Mayor Pro Tem Frost thanked Chief Gehman for the report.

## **Public Comments**

Mayor Pro Tem Frost inquired if there were any public comments.

No public comments were noted.

## **Council and Staff Reports**

Mayor Pro Tem Frost inquired if there were any Council or staff reports.

Tourism Director Moon thanked Mayor Pro Tem Frost for her remarks welcoming the Nevada Farms Conference back to Fallon during their conference luncheon.

Mayor Pro Tem Frost stated that we are happy to have that conference back in Fallon where it belongs.

City Attorney Mike Mackedon offered his congratulations to the CCHS Boys Basketball team for their great victory last Friday.

Councilman Richardson noted for the record that the CCHS Boys Basketball team won their second championship and it was the #1 play on ESPN and was also covered on Scott Van Pelt's show.

Mayor Pro Tem Frost stated that it was an amazing game and Fallon is very proud of our basketball team and they did a great job. We will be having a celebration in the future for them.

**Executive Session**

Mayor Pro Tem Frost tabled the executive session, as it was not needed at this time.

**Adjournment**

There being no further business to come before the Council, Mayor Pro Tem Frost adjourned the meeting at 9:17 a.m.

\_\_\_\_\_  
Mayor Pro Tem Kelly Frost

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

March 16, 2020

Agenda Item 6

Recognition of 3A Nevada State Wrestling Champion  
Tommy McCormick. **(For discussion only)**

Incorporated 1908



**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: March 9, 2020

AGENDA DATE REQUESTED: March 16, 2020

TO: The Honorable City Council

FROM: Callie Martinez, Pool, Parks, Gym and Events Coordinator

SUBJECT TITLE: Recognition of 3A Nevada State Wrestling Champion Tommy McCormick.  
**(For discussion only)**

TYPE OF ACTION REQUESTED: (Check One)

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

**DISCUSSION:** Senior Tommy McCormick won the 3A Nevada State Wrestling Championship in the 182-pound division at the State Tournament in Mesquite, Nevada on February 15, 2020, capping off a 43-6 season. This was Tommy's third straight Nevada State Wrestling Championship, having previously won in the 152-pound division in 2019 and the 132-pound division in 2018. Tommy finished his high school wrestling career with a 174-37 record. Tommy also won a state football title for the Greenwave in 2018 and carries a 4.0 (4.7 weighted) grade point average. Tommy has committed to the University of Idaho to play football next year for the Vandals. It is our pleasure to honor Tommy for his remarkable athletic and academic achievements.



March 16, 2020

## Agenda Item 7

Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2020, for an estimated total fee not to exceed Eighty-Four Thousand Dollars (\$84,000.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(For possible action)**



**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 7

DATE SUBMITTED: March 9, 2020

AGENDA DATE REQUESTED: March 16, 2020

TO: The Honorable City Council

FROM: The Audit Committee

SUBJECT TITLE: Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2020, for an estimated total fee not to exceed Eighty-Four Thousand Dollars (\$84,000.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(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 engagement letter and appoint Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2020, for an estimated total fee not to exceed Eighty-Four Thousand Dollars (\$84,000.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit.

DISCUSSION: Pursuant to NRS 354.624, the City must provide for an annual audit of all of its financial statements. NRS 354.624(3) requires the City to designate its auditors and provide notice of the designation to the Department of Taxation not later than three (3) months before the close of the fiscal year to be audited. The Audit Committee, which consists of Councilwoman Karla Kent, City Attorney Mike Mackendon, and Legal and Administrative Director Robert Erquiaga, has met and reviewed the attached proposal and recommends the appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2020. The quoted total fee covers the general audit and one major program audit and is the same total fee paid to Eide Bailly to complete last fiscal year's general audit and one major program audit.

FISCAL IMPACT: Eighty-Four Thousand Dollars (\$84,000.00)

FUNDING SOURCE: The General Fund

PREPARED BY: Robert Erquiaga, Legal and Administrative Director



March 9, 2020

City of Fallon Audit Committee  
City of Fallon, Nevada  
55 West Williams Avenue  
Fallon, NV 89406

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Fallon, Nevada (the City) as of June 30, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. In addition, we will audit the entity's compliance over major federal award programs for the period ended June 30, 2020. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. Additionally, our audit will be conducted with the understanding that the City will issue a Comprehensive Annual Financial Statement (CAFR).

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedules of Changes in the City Total OPEB Liability and Related Ratios
- Schedule of Proportionate Share of Net Pension Liability
- Schedule of Contribution

We will subject the following RSI to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the RSI to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following RSI in relation to the basic financial statements as a whole:

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – General Fund
- Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Schedule of Revenues, Expenditures and Changes in Fund Balances
- Notes to Required Supplementary Information

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- The combining and individual fund statements and schedules, including budgetary comparisons
- The schedule of fees imposed subject to the provisions of NRS 354.5989 – limitations of fees for business licenses

#### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

#### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan



along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### **Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, any state or regulatory audit requirements. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and/or state or regulatory audit requirements. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the governing body of the City. We cannot provide assurance that any unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

#### **Audit of Major Program Compliance**

Our audit of the City's major federal award program's compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will

report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For the design, implementation, and maintenance of internal control over federal awards;
7. For establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
8. For identifying and ensuring that the entity complies with federal statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
9. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- 17. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- 18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- 19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- 20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
- 21. For the accuracy and completeness of all information provided;
- 22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
- 23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With respect to any nonattest services we perform, we agree to perform the following:

- Assist with preparing financial statements and the schedule of expenditures of federal awards in conformity with U.S. generally accepted accounting principles and Uniform Guidance based on information provided by you.
- Completion of the auditee's portion of the Data Collection Form.
- Propose journal entries to be reviewed and approved by management.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial



statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Fees and Timing**

Teri Gage is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our audit in June 2020.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. Our fee for the audit will not exceed \$84,000 (which includes travel expenses). We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the City Council and management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

*Government Auditing Standards* require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

## **DISPUTE RESOLUTION**

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

### ***Mediation***

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Reno, Nevada.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

## **INDEMNITY**

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or

intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees, against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

#### **ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly LLP, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



---

Teri Gage  
Partner

\*\*\*\*\*

**RESPONSE:**

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Fallon, Nevada by:

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

CC: City of Fallon, Nevada Council Members



March 16, 2020

## Agenda Item 8

Consideration and possible approval and adoption of Resolution No. 20-02: A resolution authorizing the execution and delivery of an installment purchase agreement in an amount not to exceed \$489,989 for the purpose of acquiring a vacuum truck to be used by the Electric, Water and Sewer Departments; authorizing the officers of the City to execute the installment purchase agreement and other documents related to the installment purchase agreement; providing the effective date hereof; and for other matters properly related thereto. **(For possible action)**



**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 8

**Date Submitted:** February 26, 2020

**From:** City Clerk Treasurer Cordes

**Agenda Date Requested:** March 16, 2020

**To:** The Honorable City Council

**Subject Title:** Consideration and possible approval and adoption of Resolution No. 20-02: A resolution authorizing the execution and delivery of an installment purchase agreement in an amount not to exceed \$489,989 for the purpose of acquiring a vacuum truck to be used by the Electric, Water and Sewer Departments; authorizing the officers of the City to execute the installment purchase agreement and other documents related to the installment purchase agreement; providing the effective date hereof; and for other matters properly related thereto. **(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. 20-02: A resolution authorizing the execution and delivery of an installment purchase agreement in an amount not to exceed \$489,989 for the purpose of acquiring a vacuum truck to be used by the Electric, Water and Sewer Departments; authorizing the officers of the City to execute the installment purchase agreement and other documents related to the installment purchase agreement; providing the effective date hereof; and for other matters properly related thereto.

**Discussion:** This purchase is necessary to replace the vacuum truck utilized by the Electric, Water and Sewer Departments. The vacuum truck is essential to the efficient operation of the Electric, Water and Sewer Department, and is utilized during electric outages, water leaks and sewer leaks. The existing truck has exceeded its

useful life and can no longer be repaired economically. A new vacuum truck will allow for safer and more expedient responses to utility disruption.

The written approval of the Nevada Department of Taxation has been received and is incorporated into this resolution.

FISCAL IMPACT: \$489,989 in principal payments and \$89,106.64 in interest payments.

FUNDING SOURCE: Electric Enterprise Fund, Water Enterprise Fund, and Sewer Enterprise Fund

PREPARED BY: City Clerk & Treasurer Gary C Cordes  
Robert Erquiaga, Legal and Administrative Director

Presented By: Robert Erquiaga, Legal and Administrative Director

**Summary – a resolution authorizing the execution and delivery of an installment purchase agreement for a 2020 Vacuum Truck.**

**Resolution No. 20-2**

**Whereas, the City Council of the City of Fallon, Nevada (the “Council”, “City” and “State”, respectively) proposes to execute and deliver an installment purchase agreement under Chapter 350 of the Nevada Revised Statutes (“NRS”) in order to finance the cost of acquiring a vacuum truck to be used by the Electric, Water and Sewer Departments (the “Project”): and**

**Whereas, the Council has determined that legally available funds of the City will at least equal the amount required in each year for the payment of interest and principal on such installment purchase agreement; and**

**Whereas, NRS 350.087 requires that a notice of intention to authorize an installment purchase agreement be published not less than 10 days prior to the consideration of a resolution authorizing an installment purchase agreement; and**

**Whereas, a notice of intention to act upon the resolution authorizing such installment purchase agreement has been duly published in a newspaper of general circulation in the City not less than 10 days prior to the date of a public hearing thereon, and such public hearing was held and the Council adopted an authorization resolution relating to the proposed installment purchase agreement on January 21, 2020 (the “Authorization Resolution”) and**

**Whereas, the Authorization Resolution and the necessary documentation was submitted to the State of Nevada Department of Taxation (the “Department”) for approval as required by NRS 350.089 and said written approval was received as follows:**





STEVE SISOLAK  
*Governor*  
JAMES DEVOLLD  
*Chair, Nevada Tax Commission*  
MELANIE YOUNG  
*Executive Director*

STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>  
1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7937  
Phone: (775) 684-2000 Fax: (775) 684-2020

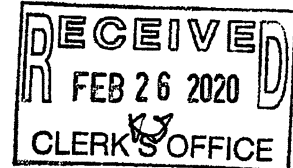
LAS VEGAS OFFICE  
Grant Sawyer Office Building, Suite 1300  
555 E. Washington Avenue  
Las Vegas, Nevada 89101  
Phone: (702) 486-2300 Fax: (702) 486-2373

RENO OFFICE  
4600 Kietzke Lane  
Building L, Suite 235  
Reno, Nevada 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

HENDERSON OFFICE  
2550 Paseo Verde Parkway, Suite 180  
Henderson, Nevada 89074  
Phone: (702) 486-2300  
Fax: (702) 486-3377

February 20, 2020

Mr. Gary C. Cordes  
City Clerk Treasurer  
City of Fallon  
55 West Williams Avenue  
Fallon, NV 89406



Re: City of Fallon  
MTO – Lease Installment Purchase  
\$489,989 for a Vacuum Truck

Dear Mr. Cordes:

The Department of Taxation has received a request from the City of Fallon for the approval of an Installment Purchase Agreement not to exceed \$489,989.00. This medium-term obligation will be used to finance the purchase of a Vacuum Truck to be used by the Electric, Water and Sewer Departments. The source of revenue that is anticipated to be used to repay the Obligation is the operating Revenues generated from the City's Electric, Water and Sewer Funds. The term for this obligation is not to exceed ten (10) years after the date of execution and delivery of the Obligation (which term does not exceed the useful life of the purchase), and the interest rate shall not exceed by more than 3 percent the "Index of Twenty Bonds" most recently published in The Bond Buyer before bids are received or negotiated offer is accepted. The annual interest rate is estimated to be 3.18%.

The request has been reviewed as required by NRS 350.089 and is APPROVED.

Pursuant to NRS 350.089, the approval must be recorded in the minutes of the governing board at the next meeting. You are reminded the financing must be secured within eighteen months of receipt of this approval.

If you have any questions regarding this matter, please contact Kellie Grahmann, Budget Analyst in the Local Government Finance Section at (775) 684-2065 or at [kgrahmann@tax.state.nv.us](mailto:kgrahmann@tax.state.nv.us).

Sincerely,

Melanie Young  
Executive Director  
Nevada Department of Taxation

Whereas, the written approval of the executive director of the Department of Taxation is hereby recorded in the minutes of the Council as required by NRS 350.089.

Now, therefore, be it resolved by the City Council of the City of Fallon, Nevada:

Section 1. This resolution is hereby designated by the short title of the "2020 Vacuum Truck" (the "Resolution").

Section 2. The Council hereby authorizes the Mayor and/or the City Clerk and Treasurer to execute an installment purchase agreement (the agreement) with Nevada State Bank (the "Purchaser") evidencing the financing for the Project in the maximum principal amount of \$489,989 in substantially the form currently on file with the City Clerk and Treasurer with such amendments as are deemed by the Mayor and/or the City Clerk and Treasurer to be necessary, in the best interest of the City, and not inconsistent with the provisions of this Resolution. The principal of the Agreement shall bear interest from the date of delivery of the Agreement at an annual interest rate not to exceed by more than 3 percent of the "index of Twenty Bonds" which is more recently published in The Bond Buyer before a negotiated offer is accepted, and shall be repaid over a period of not more than 10 years, which term shall not exceed the useful life of the Project. The Agreement must include a provision which, by its terms, shall extinguish by failure of the Council to appropriate money for the ensuing fiscal year for payment of the amounts then due.

Section 3. The Agreement shall not be paid in whole or in part from a levy of a special tax exempt from the limitations on the levy of ad valorem tax, but shall be paid from other legally available funds of the City.

Section 4. The officers of the City be and the same hereby are authorized and directed to take all action necessary to effectuate the provisions of this Resolution, including, without limitation, the execution of such documents required for the closing of the transaction evidenced by the Agreement.

Section 5. All consistent action taken by the Council and the officers of the City directed toward the project, and toward the execution and delivery of the Agreement is ratified, approved and confirmed.

Section 6. All resolutions, or parts thereof, in conflict with the provisions of this Resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore, repealed.

Section 7. If any section, paragraph, clause or other provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provisions shall be affect any of the remaining provisions of this Resolution.

Section 8. This Resolution is effective immediately upon passage and approval.

PASSED AND ADOPTED AND APPROVED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF  
THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF FALLON THIS \_\_\_\_\_, 2020.

\_\_\_\_\_  
Mayor

(Seal)

Attest:

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

Approved as to Form

By: \_\_\_\_\_  
City Attorney

STATE OF NEVADA

CHURCHILL COUNTY

CITY OF FALLON

I, Gary Cordes, the duly chosen and qualified City Clerk and Treasurer of the City of Fallon (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of the resolution adopted by the City Council of the City (the "Council") at a meeting held on March 16, 2020.
2. The adoption of the resolution was duly moved and seconded and the resolution was adopted by an affirmative vote of at least two-thirds majority of the members of the Council as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as City Clerk and Treasurer and has been recorded in the regular official record of the Council kept for that purpose in my office, which record has been duly signed by officers and properly sealed.
4. All members of the Council were given due and proper notice of the meeting. Pursuant to NRS 241.020, written notice of the meeting was given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:
  - (a) By posting a copy of the notice at least three working days before the meeting on the City's website; The State of Nevada Public Notice Website, the principal office of the City Council, or if there is no principal office, at the building in which the meeting is to be held; and at least three (3) other separate, prominent places within the jurisdiction of the City Council , to wit:
    - (i) City Hall  
55 West Williams Avenue  
Fallon, Nevada



- (ii) Churchill County Office Complex  
155 North Taylor Street  
Fallon, Nevada
- (iii) District Court Building  
73 North Maine Street  
Fallon, Nevada; and
- (iv) Churchill County Public Library  
553 South Maine Street  
Fallon, Nevada

And

- (b) By mailing a copy of the notice to each person, if any, who has requested notices of the meetings of the City Council in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.
5. Upon request, the City Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other support materials provided to the City Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided for by law.
  6. A copy such notice so given of the meeting of the City Council on March 16, 2020 is attached to this certificate as Exhibit "A."

IN WITNESS WHEREOF, I have hereunto set my hand on this March 16, 2020.

(SEAL)

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City Clerk and Treasurer

**EXHIBIT "A"**

**(Attach Copy of Notice of Meeting)**