

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
June 30, 2020**

The Honorable City Council met in a special 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
Deputy City Attorney, Leonard E. Mackedon
Legal & Administrative Director, Robert Erquiaga
Deputy City Attorney, Trent deBraga
City Clerk-Treasurer, Sean C. Richardson

The meeting was called to order by Mayor Tedford at 10:00 a.m.

Mayor Tedford led the Pledge of Allegiance.

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

Legal and Administrative Director Erquiaga advised that the agenda was posted in compliance with Governor Sisolak's Declaration of Emergency Directive 006, and as extended by Directives 016, 018, and 021, the agenda and the supporting materials were posted on the City's website and the State of Nevada's public notice website on or before 9:00 a.m. on June 25, 2020.

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.

Recognition of Churchill County's 2020 FFA Poultry Judging Team State Championship

Mayor Tedford stated that now was the time to recognize the 2020 First Place FFA Poultry Judging Team for their State Team Championship title. He noted that they usually present the awards, shake hands, and pose for photos together but in these current times, these well-earned

awards would be presented from a distance. As he calls names, they will come up and stand near their award and after the team is in place and spaced properly, we will have photographs taken.

Awards were presented to the following:

McKay Winder, also First in High Placing Individual
Savana Manha, also Second in High Placing Individual
Marie Lawson, also Third in High Placing Individual
Natasha Emke
John Schoenmeier, Coach
Tamra Herschbach, Advisor
Team member Avery Wood was absent

Mayor Tedford applauded their efforts and noted how well they represented Fallon through the FFA program. He also wanted them to thank their parents when they go home because it takes a lot of parent involvement in helping them reach this goal that they have achieved. He thanked them for coming today. Photographs were taken for the newspaper.

Report on transfers of appropriations between functions or programs within the General Fund during fiscal year 2019-2020 as required by NRS 354.598005(5)(b)

City Clerk Richardson explained that statute allows City management to make appropriate budget transfers – appropriation-type transfers – within a single fund. It could be within the same function or amongst different types of functions. In this case, we have done transfers among several different functions within the General Fund. To be compliant, we need to advise the Council that we are doing this in the Council meeting and then it would be recorded in the official minutes. When we do these appropriation transfers there is no increase in the total appropriation in the General Fund. The submitted schedule shows the detail of the transfers. The first column is the original final budget that was approved last April, the middle column shows the increase or decrease individually and note it zeros out on the bottom, and in the far column is the amended budget. He noted that there is no Council action needed for this agenda item, it is for discussion only. We are advising the Council that this has been done.

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

No comments were noted.

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

No comments were noted.

Consideration and possible approval and adoption of Resolution No. 20-04: A resolution augmenting the fiscal year 2019-2020 budget of the General Fund in the amount of One Hundred Fifty Thousand Five Hundred Fifty-Eight Dollars (\$150,558.00) and the Airport Fund in the amount of Seven Hundred Twenty-Seven Thousand Seven Hundred Sixty-Nine Dollars (\$727,769.00), and other matters properly related thereto

City Clerk Richardson explained that this is an augmentation to the General Fund and an augmentation to the Airport Fund. There were revenues that were unanticipated, so we were

allowed to increase our revenues, thus increasing our appropriations. Statute requires publication in the newspaper, and it was published June 24, 2020. If approved, this resolution would be forwarded to the Nevada Department of Taxation and it would become effective once they receive it.

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

No comments were noted.

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

No comments were noted.

Councilwoman Kent motioned to adopt Resolution No. 20-04: A resolution augmenting the fiscal year 2019-2020 budget of the General Fund in the amount of One Hundred Fifty Thousand Five Hundred Fifty-Eight Dollars (\$150,558.00) and the Airport Fund in the amount of Seven Hundred Twenty-Seven Thousand Seven Hundred Sixty-Nine Dollars (\$727,769.00), and other matters properly related thereto; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Consideration and possible approval and adoption of Resolution No. 20-05: A resolution authorizing a temporary interfund loan from the Water Treatment Enterprise Fund to the Sanitation Enterprise Fund in the amount of Three Hundred Sixty-Five Thousand Dollars (\$365,000.00), and other matters properly related thereto

Legal and Administrative Director Erquiaga explained that on July 1, 2019 we came forward and asked for a temporary interfund loan from the Water Treatment Enterprise Fund to the Sanitation Enterprise Fund in the amount of \$165,000.00. That loan, by its terms, was to be repaid in full within a year which essentially meant by today. When the loan was taken and the planning was put in place, we fully intended to repay that temporary interfund loan, however, in this fiscal year the Sanitation Enterprise has faced some unexpected and unbudgeted increases in operations and maintenance expenses. As a result, the Sanitation Enterprise Fund is unable to repay the loan and it is in need of further financial assistance. We are asking the Council to consider a temporary interfund loan in the total amount of \$365,000.00 from the Water Treatment Enterprise Fund. If approved, it will allow the Sanitation Enterprise to meet its financial obligations for this fiscal year. We also plan to analyze the fund in its entirety, including looking at our rates, which is necessary to maintain and provide for the long-term stability of the fund. Over time, costs have increased and the equipment we operate in the Sanitation Enterprise is expensive. Every time something breaks down or needs repair, it is quite costly. We have also fallen quite a bit behind the market, so we intend to complete a full analysis and come back before the Council soon with some recommendations as it relates to the rates in this fund. The resolution presented for consideration fully complies with the statute and the Nevada Administrative Code. If approved, the loan would be for one year, it would bear no interest, and City Clerk Richardson would forward it to the Nevada Department of Taxation and we would also agree in the resolution to notify the Nevada Department of Taxation when it is paid in full. It is our intention to pay it within the next fiscal year; if not all of it, a major portion of it, and that rate analysis and the action that comes out of that will help us do that.

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

Councilman Richardson inquired as to when the rate analysis would be complete and forwarded to the Council for consideration.

Legal and Administrative Director Erquiaga stated that he would like to do that within the next 30 days or so. This has been a pretty difficult time of the year, especially for City Clerk Richardson just coming on board. He has been doing an amazing job wrapping up the fiscal year and taking care of these augmentations. As he is able to close out June 30 as a month end and a fiscal year-end, it will be a priority to sit down and start to put those numbers together. We are fortunate in the fact that the analysis is not overly complicated and is something we can do in-house.

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

No comments were noted.

Councilman Richardson motioned to adopt Resolution No. 20-05: A resolution authorizing a temporary interfund loan from the Water Treatment Enterprise Fund to the Sanitation Enterprise Fund in the amount of Three Hundred Sixty-Five Thousand Dollars (\$365,000.00), and other matters properly related thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Consideration and possible approval and adoption of Resolution No. 20-06: A resolution augmenting the fiscal year 2019-2020 budget of the Electric Enterprise Fund in the amount of One Hundred Eight Thousand Five Hundred Seventy Dollars (\$108,570.00), the Sewer Enterprise Fund in the amount of Fifty-Two Thousand Eighty Dollars (\$52,080.00), and the Sanitation Enterprise Fund in the amount of Two Hundred Thousand Dollars (\$200,000.00), and other matters properly related thereto

City Clerk Richardson explained that this resolution would augment the budgets of the Electric Enterprise Fund, the Sewer Enterprise Fund, and the Sanitation Enterprise Fund. This would augment the operating expenses of these enterprise funds. He forecast to be close to coming in at budget, but these augmentations will provide a little bit of a cushion to be under it, especially in the Electric Enterprise Fund and the Sewer Enterprise Fund. The Sanitation Enterprise Fund had some expenses that are causing us to go over our operating expenses for the year but with that temporary interfund loan that was approved earlier in this meeting, it made \$200,000.00 available. We did not have to publish this in the newspaper. If approved, it will be forwarded to the Nevada Department of Taxation and it would become effective once they receive it.

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

No comments were noted.

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

No comments were noted.

Councilwoman Frost motioned to adopt Resolution No. 20-06: A resolution augmenting the fiscal year 2019-2020 budget of the Electric Enterprise Fund in the amount of One Hundred Eight Thousand Five Hundred Seventy Dollars (\$108,570.00), the Sewer Enterprise Fund in the amount of Fifty-Two Thousand Eighty Dollars (\$52,080.00), and the Sanitation Enterprise Fund in the amount of Two Hundred Thousand Dollars (\$200,000.00), and other matters properly related thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Public Comments

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

Council and Staff Reports

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

Legal and Administrative Director Erquiaga thanked Mayor Tedford and City Clerk Richardson for their efforts as we worked through the budget and augmentation process and spending time with the statutes and regulations to get to this point. It was a little different this year and what resulted was a much simpler meeting that was more straightforward. Again, it was not an easy time for City Clerk Richardson to begin his career with the City – budget year-end is always difficult – and those estimates are hard to follow and he is doing a good job.

Councilwoman Frost echoed Legal and Administrative Director Erquiaga's comments. She thanked Mayor Tedford and City Clerk Richardson for all their hard work.

Councilwoman Kent thanked City Clerk Richardson for his due diligence in learning the City financials and having them in the shape they are in for our year-end.

Mayor Tedford also thanked City Clerk Richardson for his efforts and working with Legal and Administrative Director Erquiaga and figuring out items quickly.

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 10:25 a.m.

Attest:



Sean C. Richardson, City Clerk-Treasurer



Mayor Ken Tedford