

**AGENDA**  
**CITY OF FALLON – CITY COUNCIL**  
**55 West Williams Avenue**  
**Fallon, Nevada**  
**September 8, 2020 – 9:00 a.m.**

The Honorable City Council will meet in a regularly scheduled meeting on September 8, 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 July 20, 2020 and August 17, 2020. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
  - A) Accounts Payable
  - B) Payroll
  - C) Customer Deposit
6. Public Comments **(For discussion only)**
7. Council and Staff Reports **(For discussion only)**
8. 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)**

Pursuant to Governor Sisolak's Declaration of Emergency Directive 006 entered on March 22, 2020, and extended by Emergency Directive 016 entered on April 29, 2020, by Emergency

Directive 018 entered on May 7, 2020, by Emergency Directive 021 entered on May 28, 2020, by Emergency Directive 026 entered on June 29, 2020 and by Emergency Directive 029 entered on July 31, 2020, this agenda has been posted on or before 9:00 a.m. on September 2, 2020 at City Hall, to the City's website (<https://fallonnevada.gov>) and to 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, at (775) 423-5104 or [elee@fallonnevada.gov](mailto:elee@fallonnevada.gov). 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.

September 8, 2020

## Agenda Item 4

Consideration and approval of Council meeting minutes for July 20, 2020 and August 17, 2020.  
**(For possible action)**

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
July 20, 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  
Police Chief, Kevin Gehman  
Deputy City Attorney, Leonard E. Mackedon  
Legal & Administrative Director, Robert Erquiaga  
Public Works Director, Brian A. Byrd  
Deputy City Attorney, Trent deBraga  
City Engineer, Derek Zimney  
City Clerk-Treasurer, Sean C. Richardson

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.

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 July 15, 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.

## **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.

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

## **Consideration and possible approval and adoption of Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto**

Legal and Administrative Director Erquiaga explained this request was before the Council from Mr. William Brewer of the Nevada Rural Housing Authority (NRHA). They make an annual request to the City to transfer this bond volume cap to the NRHA in order for them to carry out their programs. Diane Arvizo of the NRHA is with us this morning via telephone; she has some documents to review and a little bit of follow up from last year's Council meeting.

Ms. Diane Arvizo, NRHA director of homeownership programs, advised that their office had not received clearance to travel yet so she was attending this meeting by telephone. She appreciated the opportunity to meet with the Council today, as Mr. Brewer was on vacation. She proceeded to review some highlights of the program:

"In 2006, Nevada Rural Housing Authority launched the Home At Last™ Down Payment Assistance program funded by Private Activity Bond Cap – and the City of Fallon was part of the successful launch by transferring \$408,215 in unused Private Activity Bond Cap.

That first homeownership program in 2006 helped 51 families.

Last month, the Home At Last™ program helped its 9,000<sup>th</sup> family.

Since 2006, NRHA provided over \$1.8B in affordable mortgages and \$52.1M in down payment assistance and \$27M in federal tax savings that is reinvested right back into local communities. That is money returned to a homeowner through the federal tax credit that they receive every year.

NRHA has assisted 109 homebuyers in the City of Fallon.

Today, NRHA is requesting Fallon's allocation of unused Private Activity Bond Cap (PABC) in the amount of \$477,082.89 which we will use to continue funding the Home At Last single-family homeownership programs.

NRHA pools the PABC allocations received from counties and cities across Nevada to fund the Home At Last™ Single Family Programs – like the Mortgage Credit Certificate program. A Mortgage Credit Certificate, called "The MCC" for short, allows a qualified first-time home buyer or veteran to claim a federal tax credit equal to 20% of the mortgage interest they pay on their mortgage – every year for the life of the loan, as long as they live in the home as their primary residence.

The home buyer can also use the MCC tax credit to help qualify for a mortgage – because the IRS allows the credit to be treated as additional income when applying for the mortgage loan, which also helps to reduce debt-to-income ratios – which is especially helpful for borrowers with student loan debt.

To provide a general overview of PABC, when the federal government issues the PABC allocation to Nevada each year, 50% is retained by the Nevada Department of Business & Industry and the other 50% is allocated to the local jurisdictions based on population.

The PABC that is allocated to the City of Fallon for 2020 must be designated for a “qualified purpose” by September 1<sup>st</sup> of this year, or the unused PABC will revert back to the Nevada Department of Business & Industry, where it will ultimately be used somewhere else in the state for undefined purposes, not yet determined by the Director of the Department of Business & Industry. “Qualified purposes” include such things as manufacturing plants, single-family home mortgages or multi-family rental projects – and other such purposes the government considers “a public good;” and the purpose of providing the Private Activity Bonds is to ensure one can benefit from the tax-exempt financing.

Often, the PABC allocated to local jurisdictions is too small an amount to be used by itself for the qualified purposes mentioned above.

The NRHA can pool the unused PABC from cities and counties to create a substantial single-family homeownership program, which they have done since 2006.

The transfer of PABC to the Nevada Rural Housing Authority does not create any obligation or debt for the City of Fallon. As you know, PABC is not actual money, or a subsidy, or a line item on your budget.

By transferring the unused 2020 PABC to the Nevada Rural Housing Authority today, you will know that this year’s allocation of PABC will be used to continue funding the Home At Last program, which opens the door to affordable homeownership for Fallon residents and in other rural communities across Nevada.

Nevada Rural Housing Authority’s area of operation is defined as communities with population under 150,000. This includes the entire City of Fallon and Churchill County.

The City of Fallon has transferred a total of \$4.4M in unused allocation of PABC to the Nevada Rural Housing Authority. The return on your investment is \$18.5M in affordable mortgages to residents of the City of Fallon.”

Ms. Arvizo again thanked the Council for the opportunity to speak today and addressed some questions that the Council had last year. Before that, she wanted to advise the Council that the Cares Housing Assistance Program for rental assistance is available in Churchill County for those that have been impacted by COVID and details are on their website, [nvrural.org](http://nvrural.org). Some of the inquiries made by the Council last year were about advertising and promoting programs in Fallon and Churchill County. She provided some information earlier this morning for the meeting that the Council could refer to. Their fiscal year 2021 budget includes increased rural ad budget, radio advertising in Fallon is part of this, and radio ads will soon be heard in Fallon and Churchill County in the coming months. There was also a question as to why local banks do not participate in offering our programs. The reality is that banks prefer not to offer assistance programs – they offer multiple products and services to earn their revenue and that is how they conduct their business model. They make quite a lot of money based on the products that they sell and they have quotas that they have to meet and their employees that work there are typically required to meet certain quotas on how many products and services they deliver to their customers. Much of their business model is based on customer loyalty and brand recognition. A

Home At Last Program, or any down payment assistance program, is typically going to have a flat fee that is paid to the provider of the assistance and that does not pair well with a corporate model where they get to control their revenue. For example, NRHA pays a total of 2.75% of the loan amount to a participating lender for providing down payment assistance to the borrower and a bank typically makes 2-3 times that, or more in some cases, on a loan product that they may sell in-house directly to a borrower and they get to control their interest rate that is based on a risk model per borrower. Meaning that, depending on who is applying for the loan, the bank gets to set the rate and they get to set the terms based on that borrower's unique profile; whereas, NRHA borrowers are all going to have the same rate and terms as long as they meet the program qualifications. It is a very different program and mortgage companies such as Prime Lending, iServe Residential, and Guild Mortgage are in the business to only do mortgage lending – to only provide home loans – so they really have to compete for the borrower's business. They have to offer a more competitive buffet of options, so they are always going to be open to offering assistance programs. Usually when you walk in the door of a mortgage company and ask for a down payment assistance program, they are not inclined to tell you that they do not offer those because they want to earn your business and they need to have your repeat business. You will see down payment assistance programs offered mostly through mortgage companies and not through banks. It is not usually a branch manager's decision at a bank as to whether they can offer down payment assistance programs, that is usually a corporate level decision. She would love to talk to banks and get the opportunity to open that door, but they have exhausted most of those conversations at Nevada banks.

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

Councilwoman Frost thanked Ms. Arvizo for answering the questions from the Council meeting last year. She appreciated the in-depth report on that.

Ms. Arvizo thanked Councilwoman Frost for her comment.

Mayor Tedford advised Ms. Arvizo that we would follow up on some of those banks and see if we could create interest. We know of one person in Fallon – not a bank – that has shown some interest in trying to help us with young people that are interested in these loans so maybe we can work somehow with some banks. We need to do something to make them more available to the local people who want to use this program. This is one of his favorite programs, but it is hard to put these brochures with information on the counter in the City Clerk's Office and then not have someone local they can work with. He appreciated this advertising in Fallon, but the handout showed 2019-2020 advertising; he asked what the 2020-2021 program looked like or was it similar.

Ms. Arvizo welcomed any opportunity to expand local presence for their programs. She will send an email with the advertising plan for 2020-2021. Last week, they posted for a lender that focuses and targets Fallon residents and does a good job reaching those folks and specializes in VA Lending, as that lender was a veteran herself. They do posts like that when they can, depending on who was participating.

Councilwoman Kent noted that it sounds like they do a lot of wonderful work for a lot of people. She asked if the need out there is far greater than the funds they have.

Ms. Arvizo stated that they cannot help every person who needs assistance in terms of housing. The Home At Last program specifically helps low to moderate income borrowers that deserve to be homebuyers but basically have an obstacle to getting into home ownership, maybe by saving up enough money for a down payment, they are typically people who pay their rent on time, they have acceptable credit history – the average FICO score in Fallon is upwards of high

600s almost to 700 – but in terms of housing, when you have people that are paying more than 30% of their take home on rent, it is going to get increasingly difficult. We are grateful that we get to be an administrator of the Cares Housing Assistance Program but that is temporary, there is always going to be a greater need. She hoped the PABC continues to be an available source because the MCC program, which is what they use it for, has been an incredible help for taxpayers to get into affordable financing. These are people that are raising families and paying taxes, only earning about \$70,000 per year. They are getting 20%, or more depending on what their tax percentage is, of the interest that they pay on their mortgage returned to them every year so they can either pay off their mortgage earlier or use that to pay off debt or make improvements on their home. Those kinds of programs really help people succeed and they really help people have sustainable homeownership that is affordable to them. Those are things that they focus on, of course people who have long-term successful rental history and just cannot get out of the cycle but want to be homeowners – they want to bridge that gap, so the down payment assistance program can provide that source of assistance. Income limits for the down payment assistance program for borrowers getting an FHA or VA loan – they can earn up to \$116,000 for the person applying for the loan and for conventional lending they can earn up to \$135,000 so it does help quite a lot of people with low to moderate income.

Mayor Tedford noted that is really not low income, you are trying to bridge people out of apartments and into homes and that income level like you just mentioned is around \$70,000 or even above. This helps first-time home buyers and he wanted to make it clear that this is not just for low income. This is available to many more people than only low income; it reaches more people and that is what is so nice about this program.

Ms. Arvizo confirmed that they have helped people that have earned as little as \$30,000 buy a home that was affordable to them in a rural area to people earning the maximum of \$135,000, being able to help a wide array of people, depending on where they live and what they need, and the size of their family. There is a diverse population in Nevada, and we have a responsibility to cover the entire state. She added that Mayor Tedford was correct; it is important that they be able to cover that very broad scope of people earning different incomes.

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

No comments were noted.

Councilwoman Frost motioned to adopt Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

**Consideration and possible approval of an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada**

Legal and Administrative Director Erquiaga explained Maverik submitted an application to vacate a 15' wide power utility easement on property they own located at 870 West Williams Avenue. The easement had previously been utilized to provide sewer service and it also has electric infrastructure of the City's. Maverik had scheduled the old Blockbuster building for demolition at the time of this agenda posting and it has now been demolished and they intend to make further improvements to this parcel which will be a nice benefit to the citizens of Fallon. Following the statute, the City provided public notice in the form of a publication one time in the

Lahontan Valley News on July 1, 2020. The statute also required that notices be sent to the abutting property owners and that has also been done. Letters were also sent to the public utilities that signed off on the parcel map just to make sure everyone had notice of what was being requested. The City has worked with Maverik for many months on a number of topics relating to this item and to the improvement of both this property and their existing property. It has been a good process in working with them. The fact that this easement is essentially no longer needed since the building has been demolished and sewer service or electric infrastructure does not meet Maverik's demands in their plan to proceed, staff recommends the Council approve the request and if approved, an order would be issued that reflects the vacation of the easement and that would be properly recorded. He noted that City Engineer Zimney and Public Works Director Byrd were present in the audience if the Council had any questions about the ongoing permit and process that was occurring out in the field.

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

Councilman Richardson asked if this had been reviewed for engineering standards; we do not really know what they are doing over there and, as far as adding to the existing sewer and electricity and all that on the other property.

Legal and Administrative Director Erquiaga noted that it has been an interesting process and they were pretty well aware of what Maverik was doing. They have submitted plans and the engineering department has had the opportunity to review the additional improvement. We felt that it made sense to separate the two items, one being a demolition, or site improvement permit, to address the Blockbuster building and this easement was wrapped up in that process, and we are close to issuing a permit for those improvements. Those have both gone through review in the engineering department and WC3, our third-party code consultant. We are well aware of what is going to happen and we are comfortable with the progress that is being made and we have a few outstanding items that are very minimal and will be required before the actual improvement permit is issued. Also, through this process with the electrical infrastructure, we were able to review internally and with our consultant, and in relocating the infrastructure that was in place, we made some nice improvements to the facilities that are served including the bank. We rerouted some electrical infrastructure and have made nice improvement in doing that. We have reviewed, from all our utility standpoints and felt comfortable getting to this point and very soon we will be comfortable moving forward with the actual permit for site improvements.

Councilman Richardson asked if it would be treated as one property, as far as billing for utilities.

Legal and Administrative Director Erquiaga advised that it would be one property but will remain two parcels as it is kind of a unique spot as there are a couple of City alleys, one runs north-south that kind of splits Maverik's two parcels and an alley to the north of the existing Maverik parcels. It will always remain two parcels, but yes, it will be treated as one and a majority of the utilities will be on the existing parcel where the building is – there will certainly be lighting and some other things that go along with the additional improvements that they make on this new parcel, but Councilman Richardson's statement is accurate.

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

No comments were noted.

Councilman Richardson motioned to approve an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

**Introduction of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto**

Mayor Tedford noted that the next three agenda items were all tied together. Item 7 is the introduction of Bill No. 784, item 8 is the public hearing, and item 9 will come back to the Council for their consideration, discussion, and possible adoption.

City Clerk Richardson explained that this was a team effort and he wanted to recognize the individuals involved with this whole process. The first person was Marty Johnson of JNA Consulting Group, we relied on his expertise and he spearheaded this process from the beginning. He has a lot of experience and has assisted the City many times in the past. The second person was Scott Shaver of Stradling Attorneys at Law, he was the bond counsel in this process, and he was involved with the writing of the actual bond ordinance. Mayor Tedford, Legal and Administrative Director Erquiaga, City Attorney Mike Mackedon, and Bob Erickson also were heavily involved with this ordinance. This ordinance will allow for an early redemption of the 2017 Electric Revenue Bond to a refunding bond at current interest rates which are significantly lower than what it was in 2017. With the lower interest rates, the City would see substantial savings over the life of this loan. He had further details on the loans but was going to defer to the next agenda items.

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 introduced Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto.

**Public Hearing of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto**

City Clerk Richardson explained that last Tuesday was the deadline for the bids from banks and we received three bids from three different banks: BB&T was our existing bank that holds the bond right now, and Nevada State Bank/Zions Bank, and JP Morgan Chase. The rates came in at the following:

BB&T	1.89%
Nevada State Bank	2.33%
JP Morgan Chase	1.14% for Option A or 1.33% for Option B

City Clerk Richardson further explained that Option A, the lower rate at 1.14%, is noncallable, which means we cannot repay it for the life of the bond. Option B, at 1.33%, allows for prepayment in three years. We are looking at the two options offered by JP Morgan Chase. There is no wrong answer or bad decision on this, it is a matter of flexibility in the prepayment process. Either way, we would not be able to prepay either option in the next three years; then Option B would allow for a prepayment. Both rates offer substantial savings with just the lower interest rate. Our current interest rate is 2.7% so it is a savings either way. At a minimum, Option B is almost cutting it in half. Based on analysis by Marty Johnson, estimated total savings for Option A is around \$495,000 over the life of this bond. And around \$421,000 for the Option B rate. This is if we do not provide any redemption for Option B, this is over the life of the loan. He reiterated that these are two good options, there is not a bad option. It is how the Council feels about being more flexible down the road if something were to come up. But both rates are good, there is about a \$74,000 difference over the life of the loan.

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

Councilman Richardson asked if the life of the loan would be extended.

City Clerk Richardson noted that the length of the bond is not changing.

Councilman Richardson confirmed that we are not adding any years to this loan.

City Clerk Richardson replied affirmatively, adding that all these loans are set to mature on November 1, 2032.

Mayor Tedford clarified that, if we do nothing between the two, if we stayed with what we have, there is quite a difference.

City Clerk Richardson replied affirmatively; there is a cost to put this new bond together and those costs are already included in the total savings, so they have been accounted for.

Councilman Richardson asked why flexibility would be so important.

Mayor Tedford noted that if we did not have flexibility, we would not be able to do what we are doing right now. We have a higher interest rate now and we have flexibility, so we are able to try to redo this bond. The philosophy under his term as Mayor and previously with Bob Erickson was Mayor, was to always keep the flexibility so in the future if something happened in the substation or something and we needed extra money, we could open up a bond or try to increase it to handle the emergency that happened in the electric system. To his knowledge, we have always done these bonds as callable. The difference now is that it seems to be a unique time, where we used to only offer the flexible rate but, with the period we are in, this 1.14% is the lowest rate he had ever seen and it threw us for a loop. He has spent a lot of time with the finance team at the City looking at this and he has gone back and forth – should we lock in because it is so low and forget about the flexibility or do what we have always done and keep the flexibility; the \$74,000 difference is spread over 12 more years. He spent all weekend going back and forth on this since it is so important to our future for the next 12 years and knowing that

sometimes we have tried to get private money because we did not want to open up a bond. Sometimes that worked and sometimes that did not work. City Clerk Richardson gives us the facts of the work, and there is some public policy of the Council that comes into play that they feel most comfortable with. He believed he would take the flexible way with Option B at 1.33% because he has always done it that way and it worked; he also added that he is more conservative. We did ask a couple questions of Marty Johnson about getting another bond.

City Clerk Richardson expanded on that and stated that one of our questions was if there was anything in this bond ordinance that would prevent us from getting an additional bond on top of this bond if we chose the noncallable route. Scott Shaver replied back to us that there is nothing in the bond ordinance that would prevent us from getting another bond. The other technical question was if there was anything financially that would not allow us to have another bond and there was not a clear issue but there could be an issue down the line if it was based on cash available and the current operation of the electrical fund.

Mr. Marty Johnson of JNA Consulting offered his thoughts on this issue. In terms of the flexibility on the ability to pay the bonds off early, there are really only three reasons bonds are paid off early: A lot of cash laying around and you want to get rid of the debt, you want to refinance the bond, or you want to restructure the bond to lower your payment over a longer period of time. With Option B, at 1.33%, odds are that any cash you have would likely be earning a higher interest rate than what you are paying on the bonds. In terms of refinancing like we are doing today, he did not want to think what the economic conditions of this country would be where the interest rates would make it an option to refinance a loan that is already at 1.33%. We would need to have rates down close to zero and if rates get to that point, you would have other issues to deal with and not necessarily trying to refinance debt. In terms of adding another bond on top of this, this has an additional bond test just like the outstanding bonds do that allow you to issue additional bonds, so nothing is stopping that from a covenant perspective. But the two limitations on issuing bonds are the additional bond test where the pledged revenues need to exceed debt service by a factor of 1.25 and right now we are up around .75 so we have plenty of room to issue additional bonds under that additional bond test. What is more likely to be the limitation is the amount of debt service that we can add to what is already being paid out in the electric fund. That is something the Council decides on an annual basis as they put their budget together. So, there is flexibility, we can issue additional bonds and those are some thoughts on terms of the prepayment versus non-prepayment options. But as City Clerk Richardson commented earlier, there is not a bad choice here, either option will provide considerable savings to the City in terms of the annual debt service paid on these and we are not extending the term.

Councilwoman Frost asked if there were additional costs associated with issuing additional bonds if we took Option A.

Mr. Johnson advised that if noncallable was selected, any future bond issue is a new transaction, much like refinancing a house requires you to sign a lot of documents and pay fees, bonds are the exact same way so there would be costs to do another bond issue. On this one, we have factored those costs into what the savings are in terms of showing the Council how much money is actually saved.

Councilwoman Kent asked for clarification of bond requirements if we chose to issue another bond with our current debt ratio.

Mr. Johnson advised that the additional bond test is that we would have pledged revenues equal to 125% of what we expect debt service to be. Pledged revenues are defined as the revenues from the electric system less the operating costs, not including transfers made to the

General Fund, essentially the purchase of the electricity and the services and supplies, salaries, wages and benefits, that are strictly 100% tied to the electric. Then there are the other costs that you pay, those all get paid out of the electric fund but they kind of get paid after the bonds get paid, so in that sense we can add another \$1 million or more of debt service and still comply with that test. What is more likely going to be the issue, as you look at all of the revenues and all of the expenses, including debt service and the things that happen after that, is how much money remains there that you can use to pay a new bond.

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

No comments were noted.

**Consideration and possible adoption of Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto**

Mayor Tedford noted that the record should reflect that there was much discussion in the public hearing that just occurred. He asked if City staff had anything further to add.

Legal and Administrative Director Erquiaga stated that it seemed well covered. This is an odd time in our history and an odd circumstance. He thought Mayor Tedford teed up the decision very well and described his struggle over the weekend and the discussion of the group. As a City, we have always erred on the side of flexibility and have done our best to manage and plan in a way that does not bind future Mayors or Councils or future City staff in a way that would either harm or make their jobs more difficult. But, as also pointed out, it is such an odd time, and that interest rate is so low that it is something that the City had never seen before, so presenting both options was important. That was what the group really focused on, that the Council should be presented with both options and they really cannot lose. A savings of \$432,000 with Option B is significant, and if we go that route it will be a great benefit to the City. If the Council goes the other route, the savings would be a little higher, but in either case, we have definitely improved the situation of the City in the electric utility.

City Clerk Richardson reiterated his earlier points; there was no bad decision, they are both very good decisions. There are significant savings in both.

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.

Mayor Tedford appreciated the work of Mr. Johnson, Mr. Shaver, Mr. Erickson, and City staff including City Attorney Mike Mackedon, Legal and Administrative Director Erquiaga and City Clerk Richardson. This was a difficult thing to work through. The Council received his comments during the public hearing, it was really up to them to decide. It was a policy decision of what they think would be in the best interest of the City going forward for the next 12 years. It was always a hard decision to make when it affects future Councils.

Councilwoman Frost noted that she had struggled with this. She liked to save the most money and make the best deal, but on the other hand, her conservative nature also wants to allow for flexibility. She wanted to hear the thoughts of Councilwoman Kent and Councilman Richardson.

Councilwoman Kent stated that it seemed that cities do not usually pay bonds ahead of time and it is not really in our best interest to pay ahead unless we have tons of money and that rarely happens. So, our biggest savings is going with the callable rate so it would be easier to refinance if we wanted to.

Mayor Tedford noted that the only reason we would go with Option B is if you have an emergency come up; we are not going to prepay either one of these, that is not the goal of why we do it. This one worked out because of the interest dropping so much. Normally, it is important to have the flexibility to do something with the bond if an emergency came up in the electric system; it is our biggest enterprise.

Councilman Richardson noted that, over the 12-year period, the \$74,000 savings is not that significant so flexibility would probably be the way to go, he would go with Option B.

Councilwoman Frost motioned to adopt Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance" using JP Morgan Chase, Option B at 1.33% interest to allow for flexibility; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto; seconded by Councilman Richardson and approved with a 3-0 vote by the Council.

Mayor Tedford again thanked everyone for their efforts on this bond.

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

Chief Gehman presented the June monthly report.

- Staff participated in some hours of training.
- Volunteers returned to the department in June. They have been active in community outreach.
- Detective Decker provided the indoctrination lecture to newly stationed Navy personnel.

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

Councilman Richardson asked how training had changed due to mask and distancing requirements, particularly defensive tactics.

Chief Gehman stated that they have not done that yet this year. They are hoping to do it in the Fall of this year. The training that was attended in June was at the POST Academy, so they are holding in-person training there, but we have not done any training as far as defensive tactics this year.

Mayor Tedford thanked Chief Gehman for the report.

### **Public Comments**

Mayor Tedford inquired if there were any public comments.

No public comments were noted.

## **Council and Staff Reports**

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

Legal and Administrative Director Erquiaga noted that the Special Legislative Session wrapped up over the weekend and we will be speaking with our lobbyist Lisa Foster this week. She was able to monitor it as best she could. It was obviously a different experience in that you could not be in the building. The meetings were a bit hard to follow and were quite bogged down with public comment; they allowed two minutes each and there was a lot of public comment that was really hard to listen to and stick with. It appears like the Governor will wait to call another special session, so we have some work to do on the interim to make sure that we are protecting our interests. We will get a much more detailed rundown from Lisa Foster and be able to provide that possibly at our next Council meeting.

## **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 10:15 a.m.

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Mayor Ken Tedford

Attest:

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Sean C. Richardson, City Clerk-Treasurer



A Program of  
**Nevada Rural  
Housing Authority**  
HomeAtLastNV.org

## 2019/2020 Home At Last Advertising in Fallon

Prepared by Katie Coleman, NRHA Communications Director

7.14.2020

### Overview

This report outlines the advertising that has taken place in Fallon to build awareness among its citizens about Home At Last, a program of the Nevada Rural Housing Authority. Using data and research, we build out multi-channel campaigns that aim to reach potential homebuyers at the right place and time. We aim to deliver a “drumbeat” of messages, ensuring multiple touchpoints among homebuyers in rural areas of Nevada.

Over the past year, the Home At Last message has been placed in the following marketing channels reaching Fallon:

- Fallon Chamber Guide (by Winnemucca Publishing group) – two ads from NRHA (one NRHA-focused and the other Home At Last-focused; see artwork included in this report); \$950 campaign investment
- Fallon Post (online) – article about PABC and Fallon and digital ads linking to Home At Last information online (see article and artwork included in this report); \$1,200 campaign investment
- Digital – Google AdWords, Facebook Ads, Instagram Ads; \$8,000 statewide campaign investment
- Sinclair Broadcasting Campaign on NBC (KRNV), FOX 11, Nevada Sports Network (NSN), and streaming video advertising (regional campaign, including Fallon) – 30-second and 15-second spots run promoting down payment assistance and Home At Last University (our homebuyer education platform); \$48,000 statewide campaign investment

Ad Samples – Fallon Chamber Guide (2)

**We are HAL**

**Meet the Davis family!**  
Thanks to a little bit of down payment assistance, and a whole lot of love, they're proud, rural Nevada homeowners.

Visit [IamHAL.org](http://IamHAL.org) and join the 8,000+ families who have achieved their dreams of being Home At Last.

**HOME AT LAST**  
Getting You Home

A Program of  
Nevada Rural  
Housing Authority  
[HomeAtLastNV.org](http://HomeAtLastNV.org)

**#HALisHomeAtLast**

**Our mission.  
Their security.**

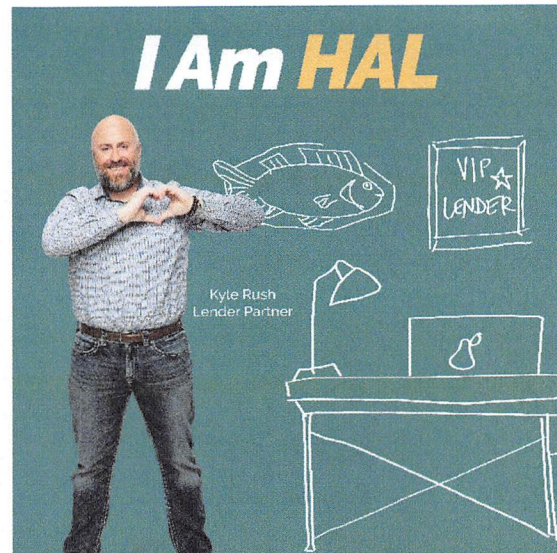
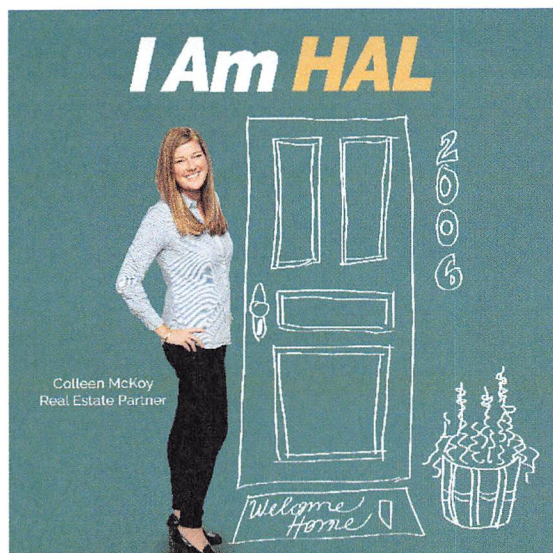
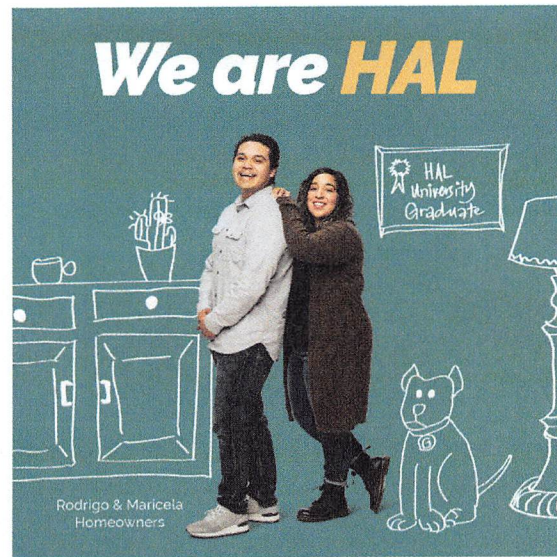
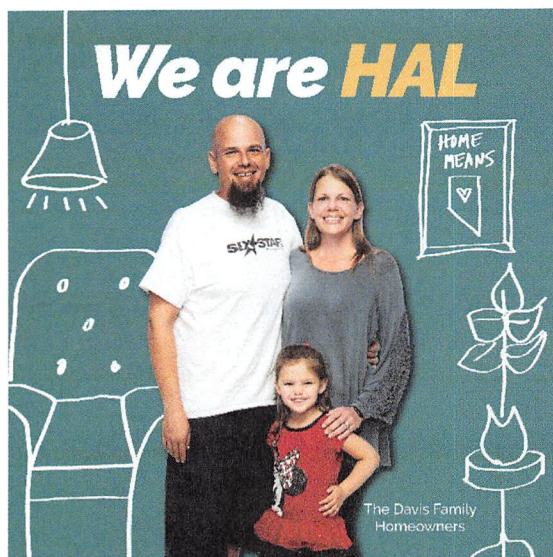
**GETTING YOU HOME** **NEVADA RURAL**  
HOUSING AUTHORITY

Rental Assistance | Down Payment Assistance  
Community & Real Estate Development  
Weatherization & Home Repairs

**NVRural.org**

## Digital Ads

Total Campaign Impressions (the number of unique people who see the ads): 549,284





Start > Articles > State of Nevada > Nevada Rural Housing Authority to Utilize Private

## Nevada Rural Housing Authority to Utilize Private Activity Bond Cap

2019-07-03, 04:01 AM Editor



### FULL TEXT:

Nevada Rural Housing Authority's mission is to promote, provide and finance affordable housing opportunities for all rural Nevadans. Each year, the City of Fallon and Churchill County have transferred their unused Private Activity Bond Cap (PABC) amounts to Nevada Rural Housing Authority (NRHA), resulting in its continued success operating the award-winning, single-family housing program, Home At Last™, and helping to fulfill NRHA's mission.

PABC, also referred to as "bond cap," is the opportunity to issue tax-exempt debt for certain purposes such as those relating to affordable housing. For developers, interest received by bondholders is tax exempt, which means they are incentivized to offer a lower interest rate on the debt. The bonds then become more attractive when financing a larger housing project or industrial development. The bonds are based on federal taxation, which means they are issued and overseen by the U.S. Treasury.

Nevada receives approximately \$300 million in private activity bond cap each year. Nevada is one of the few states that retains half of its private activity bond cap and distributes the other half to local government entities based on population. For the more rural areas that receive a respectively smaller amount (compared to more populated areas such as Clark County, which receives over \$50 million), it generally proves to be challenging to utilize the bond cap amounts. In 2019, Churchill County received \$859,836.30 and the City of Fallon received \$475,429.09. A

housing development project, as an example, can take upwards of \$10 million to complete, and while a smaller amount of bond cap could serve as one of many pieces of financing for a project, it generally can't fund a project on its own.

In order to put a small amount of bond cap to good use for the rural parts of Nevada, NRHA developed a "pooling" method through which the Authority requests any unused bond cap from rural counties and cities be transferred to NRHA. It's important to note that NRHA only requests bond cap that isn't designated to a project. Additionally, the transfer of PABC does not obligate the local government entities in any way and is not actual budget dollars on the county or city's books. Once pooled, the PABC gives NRHA the financing tools it needs to successfully offer its homeownership programs – such as the Mortgage Credit Certificate (the "MCC") – which, in turn, support communities through single-family home financing and tax credits to homeowners that are reinvested in your local economy.

What does that mean? It means 230 families in Churchill County have achieved their dream of affordable homeownership. It means \$528,000 in homeowner tax savings have been invested back into our community. It means \$1.3 million has been provided in down payment assistance to homebuyers in the area.

The Home At Last™ homeownership program provides pathways to rural Nevadans. From comprehensive homebuyer education to the Trio lease-to-own program launched this year, NRHA knows homeownership isn't only about getting approved and moving in. It's about building long-term success. It's about putting down roots and becoming engrained in a community. And it's what makes rural Nevada a great place to live and thrive.

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
August 17, 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  
Police Captain, Ron Wenger  
Deputy City Attorney, Leonard E. Mackendon  
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 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.

Legal and Administrative Director Erquiaga advised that the agenda was posted in compliance with Governor Sisolak's Emergency Directives, 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 August 12, 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.

**Approval of Council meeting minutes for June 30, 2020 and July 6, 2020**

Mayor Tedford inquired if there were any additions or corrections to the minutes for June 30, 2020 and July 6, 2020.

No additions or corrections were noted.

Councilwoman Frost motioned to approve the Council meeting minutes for June 30, 2020 and July 6, 2020 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 Councilwoman Frost and approved with a 3-0 vote by the Council.

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

Captain Wenger presented the July monthly report. He noted that the calls for service were down, related to COVID-19 protocol where officers are taking measures to make officer-observed stops for safety reasons only and not making contact for reasons other than safety.

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

Councilwoman Kent stated that she had not seen a speed survey attached to the report before and asked for clarification.

Captain Wenger explained that there was a request from a citizen to put up a radar trailer on Fifth Street at Laura Mills Park due to speeding. The trailer recorded the information and the average speed was close to the speed limit of 15 MPH. A few were in excess, but the majority of citizens are complying with the posted speed limit.

Mayor Tedford advised that the average was 15.9 MPH and the speed limit at the park is 15 MPH.

Councilwoman Kent noted that the indicator really helps – it keeps you in line.

Captain Wenger concurred.

Mayor Tedford noted that there must be more than just four citizen survey comments. He knew many more than that were sent out, but even with a conservative return rate it should be more than four.

Captain Wenger advised that they send out a certain amount per day and these are the ones they get back, certainly not close to what they send out.

Mayor Tedford thought the average return rate was around 5% and even at that rate it would be more than four per month; perhaps the process of sending them out needs to be revisited. We used to get about 10-12 per month in this report.

Captain Wenger advised that he and Captain Alexander would reassess the survey process.

Mayor Tedford noted that he usually sees a monthly indoctrination lecture for newly stationed Navy personnel included in this report. That was an important function for us to keep up on.

Captain Wenger advised that he was unsure if the department provided a lecture last month, he would check. He did not think the Navy was moving a lot of personnel right now; his son-in-law is on hold in Jacksonville, FL right now and has not returned home to Lemoore, CA.

Mayor Tedford thanked Captain Wenger for the report.

### **Public Comments**

Mayor Tedford inquired if there were any public comments.

Mr. Jim Hunt of 510 Rachel Court inquired as to the reason the speed limit was raised on Highway 50, heading east from the center of town.

Mayor Tedford advised that the City had several meetings with the Nevada Department of Transportation (NDOT); it was 35 MPH to Fallon Auto Mall and then it dropped to 25 MPH east from there. Since it dropped like that, maybe people were speeding the rest of the way through town from Fallon Auto Mall so maybe it was worth looking at something closer to that speed limit. We met with NDOT quite a few times to discuss 30 MPH through town. They did several studies and it met NDOT's parameters for 35 MPH through town and through our discussions, it was decided to proceed with 30 MPH and leave everywhere else in town at 25 MPH. NDOT did many studies, this decision was not made overnight, it took about 18 months to come to a final decision. We have not had any accidents since then, which was a good thing, and we have been monitoring that. We believe it was a good decision.

Mr. Hunt advised that many trucks do not observe the 25 MPH speed limit on Highway 95.

Mayor Tedford advised that was a Police Department issue and he could talk to Captain Wenger.

Mr. Hunt added that many trucks roll right through stop lights in town too.

Mayor Tedford advised that it was an issue that there is not a stop light east of town on Highway 50, which we have asked NDOT to install on Sherman Street and East Williams Avenue. That has been a discussion with NDOT in time. A light would slow that traffic coming into town. There is not a stop light from Austin until right here at the corner of Maine Street and Williams Avenue. He hears the trucks hit their J-brakes at his business on East Williams Avenue, so he knows how fast they are going.

Mr. Hunt thanked the Mayor and Council.

No further 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 9:16 a.m.

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

Attest: \_\_\_\_\_  
Sean C. Richardson, City Clerk-Treasurer

DRAFT