

**MINUTES
CITY OF FALLON
55 West Williams Avenue
Fallon, Nevada
August 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 Ken Tedford
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 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 July 29, 2020.

Mayor Tedford noted for the record that Councilman Richardson is out of town.

Public Comments

Mayor Tedford inquired if there were any public comments. He noted that comments are to be general in nature, not relative to any agenda items. No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken.

No public comments were noted.

Approval of Warrants

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

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

No comments were noted.

Councilwoman 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 2-0 vote by the Council.

Consideration and possible action to amend a Notice of Award to A&K Earthmovers of Fallon, Nevada, in order to include Bid Option No. 2 of the Downtown Streetscape Phase IV Project, PWP-CH-2020-085, increasing the previously awarded amount by Two Hundred Ninety-Four Thousand Six Hundred Fifty Dollars and Thirty-Three Cents (\$294,650.33)

Public Works Director Byrd explained that, on July 6, 2020, the City Council awarded a construction contract with A&K Earthmovers in order to complete the Downtown Streetscape Improvements Phase IV Project in the amount of \$1,649,874.67. The City Council approved a staff recommendation to award only the Base Bid and Bid Option No. 1 as funding for this project was limited. On July 9, 2020, the Nevada Department of Transportation (NDOT) notified City staff that additional funding had been allocated for this project. NDOT has committed an additional \$280,000 of Federal TAP funds with a stipulation of the additional allocation being used exclusively to fund Bid Option No. 2 as described in the construction documents. The project was released for public bid on April 29, 2020 and was advertised in the Lahontan Valley News in accordance with NRS 338.1385. The project generally includes: Demolition and removal of the existing roadway, landscaping, paving, sanitary sewer, storm drains, and waterlines. Construction elements of the project include: The installation of curb, gutter, sidewalk, paving, sanitary sewer, street lighting, storm drain manholes, on-street parking, and landscaping improvements.

Mayor Tedford clarified that the reason we are here is because NDOT came up with more funding for us for this project, which is very nice.

Public Works Director Byrd noted that we have worked closely with their construction manager and their TAP manager and they definitely helped us out.

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

Councilwoman Frost agreed that this was good news. She asked what would now be added to this project to make it bigger and better.

Public Works Director Byrd explained that, with Bid Option No. 1, the eastern boundary of CC Communications property was not included, and it would now be a full construction on both sides of the roadway from Front Street to Tolas Place.

Mayor Tedford asked Legal and Administrative Director Erquiaga to explain the policy of why that portion was bid like it was.

Legal and Administrative Director Erquiaga explained that the portion that would be picked up in Bid Option No. 2 is actually property located in Churchill County, it has not been annexed to the City, which the City typically does not improve properties in the county with curb, gutter, and sidewalk so it was important to keep that as a separate component of the project right from the start. We were fortunate in that NDOT came up with essentially all of the funding for Bid Option No. 2, so we did not have to come back and think about our policy not to improve properties that are not in the City. It really is a great benefit; the William N. Pennington Life Center would have a full construction roadway with parking on both sides and will certainly benefit that property. Again, we

were really lucky and fortunate and owe a lot of thanks to Phillip at NDOT for his dedication to this project and going back and finding us more money once we told him that our budget was limited.

Mayor Tedford wanted to extend our thanks to NDOT and Philip personally for working so hard on this for us, it is very much appreciated. This is the last phase of the entire streetscape project that started many years ago at Williams Avenue and Maine Street.

Legal and Administrative Director Erquiaga advised that he would convey our appreciation to NDOT and Philip.

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

No comments were noted.

Councilwoman Frost motioned to amend a Notice of Award to A&K Earthmovers of Fallon, Nevada, in order to include Bid Option No. 2 of the Downtown Streetscape Phase IV Project, PWP-CH-2020-085, increasing the previously awarded amount by Two Hundred Ninety-Four Thousand Six Hundred Fifty Dollars and Thirty-Three Cents (\$294,650.33); seconded by Councilwoman Kent and approved with a 2-0 vote by the Council.

Consideration and possible approval of Fiscal Year 2021 Debt Management Policy, Indebtedness Report and Capital Improvement Plan

Mayor Tedford advised that this is required by the Nevada Department of Taxation every year. This is City Clerk Richardson's first year completing it and he knew it was hard work and that he also worked with Legal and Administrative Director Erquiaga and our consultant Bob Erickson to get this report completed. He appreciated how hard this was during his first year, especially with the added challenge of the COVID-19 pandemic.

City Clerk Richardson advised that Marty Johnson of JNA Consulting Group compiled both the Indebtedness Report and the Debt Management Policy. He worked with JNA on compiling all the numbers and then double-checked each other to create both reports. The Capital Improvement Plan was compiled by City management with several members of the management team. The Debt Management Policy was created to fulfill the requirements of NRS 350.013. The policy discusses the outstanding and proposed debt of the City, its ability to afford such debt, and other items related to issuance of the bonds of the City. As of June 30, 2020, the City had \$662,928 of medium-term obligation general debt outstanding, which is all of our interfund loans amongst all our different funds, so it is considered general obligation because each fund is supposed to stand alone so those funds owe somebody, but we owe each other. We also have \$7,568,000 in general obligation revenue supported bonds which includes \$6,195,000 outstanding from our sewer bonds. We have two water fund bonds and they total \$1,373,800. Altogether, with the medium-term obligation bonds, we have a total of \$8,231,728 of general obligation debt in the City as of June 30, 2020. That is the number you will see when compared to other cities. In addition to the general obligation debt, we also have other debt. That other debt is \$5,862,000 of outstanding debt from the electric system revenue bonds and that is what we recently refinanced this last Council meeting. Lastly, we have \$900,219 of lease purchase obligations and those are pretty much equipment purchases. The most recent one was the vac-truck from earlier this year and that total was \$489,989. That was our only new debt obligation this past year. The landfill tipper was paid off this year so that fell off from last year's report. Included in the Debt Management Policy is a Five-Year Capital Improvement Plan. The first year matches the capital outlays we submitted to the State in our last final budget. We are required to make sure our Capital Improvement Plan matches our actual budget that we submit and then the next four years are projections of what our capital outlays would be. If approved, he would forward the Debt Management Policy, which includes the Capital Improvement Plan, and the Indebtedness Report to the Nevada Department of Taxation as required

annually per statute. In addition, he would also present the Debt Management Policy to the Churchill County Debt Management Commission. He added that Councilwoman Frost was on the Churchill County Debt Management Commission.

Mayor Tedford conveyed his apologies to Marty Johnson for not including him in his comments at the beginning of this agenda item discussion. He inquired if the Council had any comments or questions.

Councilwoman Frost referred to the Capital Improvement Plan and inquired about the completion date requirement by the Nevada Department of Taxation.

City Clerk Richardson advised that he had reviewed the last few years of our Capital Improvement Plans and what the State wants is each and every year, and in the past we had put the first year but the State prefers to have it all so he chose the last fiscal day of the year. Again, those are projections, they are not set in stone, so he chose the last day of the fiscal year for estimation purposes for all those programs.

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

No comments were noted.

Councilwoman Kent motioned to approve the Fiscal Year 2021 Debt Management Policy, Indebtedness Report and Capital Improvement Plan as submitted; seconded by Councilwoman Frost and approved with a 2-0 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

At 9:20 a.m., Mayor Tedford closed the meeting to an executive session.

At 9:54 a.m., Mayor Tedford returned the meeting to an open session.

Adjournment

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 9:55 a.m.

Attest:



Sean C. Richardson, City Clerk-Treasurer



Mayor Ken Tedford