

**MINUTES  
CITY OF FALLON  
55 West Williams Avenue  
Fallon, Nevada  
December 7, 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, City Councilwoman Kelly Frost  
City Councilman James D. Richardson  
City Councilwoman Karla Kent  
Police Chief Kevin Gehman  
Chief of Staff Robert Erquiaga

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.

Chief of Staff Erquiaga advised that the agenda was posted in compliance with Governor Sisolak's Emergency Directives, the agenda and the supporting materials were posted at City Hall, on the City's website, and the State of Nevada's public notice website on or before 9:00 a.m. on December 2, 2020.

Mayor Pro Tem Frost noted for the record that Mayor Tedford was home ill this morning.

**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 read Psalm 3. He stated that we are in troubled times with the influence to persuade people to do things not of God. Satan's influence through his minions was the cause of where we are today. He stated that he had done a lot of research and the influence of Satan is through the tools of communism and telling people that LGBTQ is normal. It is not healthy; it is all psychological. There are communist procedures that are influenced through our State offices and then the City of Fallon. He did not want to be offensive, but it seemed like a robot operation. There was no critical thinking for decisions being made or identifying what should be done to rectify the irresponsibility of the leadership of a State government who does not care about human life. They allow curriculum in the schools that persuade them – we just re-

elected a lesbian to the school board and this individual does not understand how she herself has been influenced by the political movement of the lies. There is a continuance through our internet system to persuade the children who wake up in the morning and say they are the opposite sex. He walked the streets, and it is dead right now. He attended a rally in Carson City last week with over 300 people. They brought the boxes of affidavits of the corruption in the election. He added that he actually saw it but would not do an affidavit because no one would believe him. We are invaded by Californians from the liberal left in Sparks and Reno. He encouraged the Council to believe in Him to give them the strength they need to make competent decisions.

Mayor Pro Tem Frost thanked Mr. Knell and inquired if there were any other public comments.

No further public comments were noted.

### **Approval of Council meeting minutes for November 16, 2020**

Mayor Pro Tem Frost inquired if there were any additions or corrections to the minutes for November 16, 2020.

No additions or corrections were noted.

Councilwoman Kent motioned to approve the Council meeting minutes for November 16, 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 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 3-0 vote by the Council.

### **Introduction of Bill No. 785: An Ordinance of the City Council of the City of Fallon, Nevada, Designated as the “2020 Medium-Term Bond Ordinance;” Providing for the Issuance by the City of its General Obligation (Limited Tax) Medium-Term Bond, Series 2020; Providing Covenants, Conditions, and Other Details Concerning the Bond, the Project and General Tax Proceeds; Ratifying Action Previously Taken and Pertaining to the Foregoing by the City and its Officers and Employees; Providing for Adoption as if an Emergency Exists; and Providing Matters Relating Thereto**

Mayor Pro Tem Frost noted this item was for introduction by a Councilmember.

Chief of Staff Erquiaga concurred. We had previously discussed moving forward at the November 2, 2020 Council meeting. We will have further discussion on the actual item itself. This is the first in a series of three agenda items, so we are looking for introduction, the next item

is the public hearing, and the third item is an item for possible action. With these financial transactions, we treat them as if an emergency exists due to the timeline, so we are squeezing an ordinance all into one here. We are just looking for a Councilperson to introduce the ordinance and then we would proceed with the public hearing and then discussion on the actual agenda item.

Councilman Richardson introduced Bill No. 785.

Mayor Pro Tem Frost confirmed that Bill No. 785 has been introduced by Councilman Richardson.

**Public Hearing of Bill No. 785: An Ordinance of the City Council of the City of Fallon, Nevada, Designated as the “2020 Medium-Term Bond Ordinance;” Providing for the Issuance by the City of its General Obligation (Limited Tax) Medium-Term Bond, Series 2020; Providing Covenants, Conditions, and Other Details Concerning the Bond, the Project and General Tax Proceeds; Ratifying Action Previously Taken and Pertaining to the Foregoing by the City and its Officers and Employees; Providing for Adoption as if an Emergency Exists; and Providing Matters Relating Thereto**

Chief of Staff Erquiaga explained the purpose of this item is to clearly convene and allow public comment during a public hearing on this agenda item regarding the ordinance. At the conclusion of the public hearing, we will close the hearing and move on to the next agenda item. When we do a typical ordinance with the timelines involved it takes two meetings, here they get a little stacked up together, it feels a little odd to have the introduction, public hearing, and the actual consideration one right after the other. He was happy to answer any questions or discuss the matter, although he would hold most of his discussion for the next item where the Council could actually act. He encouraged Mayor Pro Tem Frost to convene the public hearing and allow any public comment on this matter.

Mayor Pro Tem Frost convened the public hearing and inquired if there were any public comments on Bill No. 785.

Mr. Geoff Knell of 261 Serpa Place stated that he was lost. He understood the background, and it appeared that this had been planned and this is another phase. When he spoke to the Churchill County Commissioners, he asked them when they would draw the line and get out of debt. Churchill County is buying an \$8 million building on credit. He asked when the City would be in the black. He asked when the City would handle situations without relying on more funds. Churchill County raised the diesel tax and he fought against it. He questioned the wisdom of putting ourselves into \$8 million more debt. He noted that the title refers to an emergency and asked for a definition of the emergency. He asked if it was for a flood, an earthquake, or a meteorite hit. He did not remember seeing the wording about emergency before. He stated that it was too confusing. He questioned the wisdom of going into further debt and asked why the City could not manage its own finances. He manages his own checkbook and online banking. He did not want to go into debt. Debt is slavery and puts you in a box where you cannot do much. We are still living in the freedom of choice. Thank you.

Mayor Pro Tem Frost thanked Mr. Knell for his comments and inquired if there were any further public comments as part of the public hearing.

No further public comments were noted.

**Consideration and possible adoption of Bill No. 785 as Ordinance No. 766: An Ordinance of the City Council of the City of Fallon, Nevada, Designated as the “2020**

**Medium-Term Bond Ordinance;” Providing for the Issuance by the City of its General Obligation (Limited Tax) Medium-Term Bond, Series 2020; Providing Covenants, Conditions, and Other Details Concerning the Bond, the Project and General Tax Proceeds; Ratifying Action Previously Taken and Pertaining to the Foregoing by the City and its Officers and Employees; Providing for Adoption as if an Emergency Exists; and Providing Matters Relating Thereto**

Chief of Staff Erquiaga stated that at the November 2, 2020 Council meeting, we moved forward with Resolution No. 20-09 which authorized medium-term obligations up to the amount of \$2 million to finance improvements to the public works building, City Hall, the construction of a new fixed-base operator building at the City’s airport, and the refinancing of an outstanding obligation which in this case was the vacuum truck lease. After that November 2, 2020 hearing, the City forwarded the materials to the Nevada Department of Taxation for their approval. We received that approval on November 25, 2020. Utilizing the services of our financial consultant Mr. Marty Johnson of JNA Consulting and our bond counsel Mr. Scott Shaver – they are on the telephone today to answer any questions the Council may have – the City put out a request for financing on November 4, 2020. We received multiple bids in response to that request and are back before the Council in due course of that process seeking approval of this ordinance. If the ordinance is approved, it allows us to move forward with both the financing and the proposed projects. If approved, it would be our intention to award the bid to Zions Bank-Nevada State Bank. They provided the best response – the interest rate is 1.19%, there were essentially no fees, and we would be able to prepay without penalty. It would be unlikely that we would prepay, but it is always a nice option to maintain our flexibility. We were very pleased with the response from Nevada State Bank. We have a growing relationship with them, as they financed the vacuum truck, so we would be refinancing through them. It is worth noting that the current interest rate on the vacuum truck lease is 2.98% so this represents a significant savings on that financing. Adoption of this ordinance will allow us to proceed with the transaction and begin these projects that we have identified. If we move forward, our tentative closing date would be December 23, 2020. He could answer any questions, as well as Mr. Johnson or Mr. Shaver, who have joined the meeting via telephone.

Mayor Pro Tem Frost stated that the interest rate of 1.19% was an amazing rate and it was important to act now to begin these important projects for our City and there is definitely a plan to pay off these medium-term bonds from the Enterprise Funds and from the General Fund.

Chief of Staff Erquiaga concurred that staff was pleased with the response; 1.19% is incredibly low, he was not sure that there were many deals made with an interest rate less than that. We were fortunate in that, working with both Mr. Johnson and Mr. Shaver, we have done our due diligence in taking advantage of our current situation in a positive way. We did this with the electric bonds and refinanced those and saw a significant savings. This allows us to refinance that vacuum truck lease and see savings and, like Mayor Pro Tem Frost noted, allows us to move forward on those projects at an incredibly low interest rate. We will be able to maintain some reserves in some emergency dollars in the enterprise accounts that those projects will positively impact by doing this. The payoff is very low and spreads it out over a term that allows us to do that without necessarily raising rates or doing other action that would stockpile the funds to undertake these projects.

Mayor Pro Tem Frost confirmed that we received approval from the Nevada Department of Taxation.

Chief of Staff Erquiaga concurred; everything was in order and we received the approval very quickly. They gave us a quick turnaround which we appreciate, especially as they struggle during COVID times, working remotely and otherwise.

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

Councilwoman Kent referred to the wording in the bill title stating, "adoption as if an emergency exists" and confirmed that we are doing that so we can speed through the process to ensure we capture the 1.19% interest rate.

Chief of Staff Erquiaga concurred. A typical ordinance process takes a month to six weeks to accomplish so the statute allows for financial transactions like this to occur. He wished they did not use the term emergency but that is the language in the statute, but really it is a reflection of what it takes in order to get a financial transaction done, which is to act very quickly. Interest rates typically are not held for four or six weeks or even longer depending on an ordinance timeline.

Councilman Richardson asked if we were locked in on the 1.19% interest rate.

Chief of Staff Erquiaga replied affirmatively.

Mayor Pro Tem Frost asked if there would be a chance to refinance, if the interest rates go even lower, though she doubted they would.

Chief of Staff Erquiaga stated that it would be hard to find a rate lower than 1.19%, but there is not a prepayment penalty.

Councilman Richardson asked if interest rates were at historic lows.

Mr. Marty Johnson of JNA Consulting Group advised that he had been doing this for over 30 years and he could not remember rates lower than this. He might have seen something in the 1.10 range recently, but these rates are as low as he has seen. This 1.19% is an excellent result for the City. He did not want to think about what the economic conditions might be that could result in interest rates that would allow us to refinance this transaction.

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

No public comments were noted.

Councilman Richardson motioned to adopt Bill No. 785 as Ordinance No. 766: An Ordinance of the City Council of the City of Fallon, Nevada, Designated as the "2020 Medium-Term Bond Ordinance;" Providing for the Issuance by the City of its General Obligation (Limited Tax) Medium-Term Bond, Series 2020; Providing Covenants, Conditions, and Other Details Concerning the Bond, the Project and General Tax Proceeds; Ratifying Action Previously Taken and Pertaining to the Foregoing by the City and its Officers and Employees; Providing for Adoption as if an Emergency Exists; and Providing Matters Relating Thereto; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Mayor Pro Tem Frost thanked Mayor Tedford, Chief of Staff Erquiaga, Mr. Johnson, and Mr. Shaver for all their hard work on this. It will be an excellent deal for the City and a smart use of our funds.

### **Public Comments**

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

Mr. Geoff Knell of 261 Serpa Place stated that the dollar has become the penny and the twenty-dollar bill has become the five-dollar bill. We are being set up and he did not understand how the Council could go with the flow. The banking system dominates the Federal Reserve, and they print money out of thin air. It is a domino effect down the chain of command down to the local governments. You do not stand up to this. Churchill County raised the diesel tax and they

put us into \$8 million debt for a building that we do not need. He understood that we need to fix the lights at the end of the runway and upgrade some buildings for ADA requirements, but we should not be in debt for it. Churchill County cannot get enough money for the road department, so they are taking it out of our pockets a different way. Now he is seeing it here. You are taking money that does not belong to you, it belongs to the people. You have local funding right here, he suggested not giving money to the State of Nevada anymore. This is the most populous City in the region, and we have the power. Our State government is perverting our children, taking monies and fraud voting. Wake up. It is frustrating. What you have done sounds good but to me it is fiscally irresponsible.

Mayor Pro Tem Frost thanked Mr. Knell and inquired if there were any other public comments.

No further public comments were noted.

### **Council and Staff Reports**

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

No Council or staff reports were noted.

Mayor Pro Tem Frost advised that the Fallon Police Department participated in the Annual First Responders Food Drive. She thanked them for volunteering their time. They collected 8,800 pounds of food. They finished second to the Fallon Churchill Fire Department, but it was a win for the community because they collected a total of 27,700 pounds of food for the local food bank. That will help a lot of people. She also thanked City staff and crews for their efforts during the Christmas Tree lighting. She heard many positive comments about the fireworks and how we chose to celebrate. Even though we could not do our traditional Christmas Tree lighting, it went very well. She knew our City crews had worked hard the last month getting everything ready. Lastly, she wished Mayor Tedford a speedy recovery and hopefully he would be able to return for our next Council meeting.

### **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 9:25 a.m.

Attest:



Sean C. Richardson, City Clerk-Treasurer

  
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Mayor Pro Tem Kelly Frost