

**MINUTES  
CITY OF FALLON  
55 West Williams Ave  
Fallon, Nevada  
June 29, 2022**

The Honorable City Council met in a special meeting on the above date in the Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

**Present:**

Mayor Ken Tedford  
Councilwoman Kelly Frost  
Councilwoman Karla Kent  
Councilman James Richardson  
Chief of Staff Bob Erickson  
City Attorney Mike Mackedon  
Deputy City Attorney Trent deBraga  
Deputy City Attorney Sean Rowe  
City Clerk-Treasurer Sean Richardson  
City Engineer Derek Zimney  
Chief Kris Alexander  
Deputy City Clerk Elsie Lee

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.

Deputy City Clerk Elsie Lee advised that the agenda was posted in compliance with the NRS requirements.

**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 comments were noted.

**Possible Introduction of Bill No. 788: An Ordinance amending the City of Fallon Municipal Code, Title Five “Business Licenses and Regulations,” to add Chapter 5.56 entitled “Shopping Carts” which provides for the regulation of shopping carts within the City of Fallon; declares the presence of shopping carts to create a shopping cart retrieval procedure; provides for the retrieval and impounding by the City or its agents of shopping carts in certain situations.**

Mayor Tedford stated that this agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended. You all know the reason why we are introducing this because of the proliferation of shopping carts throughout the City and the lack of cooperation, from those who are doing so, to help us stop that problem.

Councilwoman Frost introduced Bill No. 788 an Ordinance amending the City of Fallon Municipal Code, Title Five “Business Licenses and Regulations,” to add Chapter 5.56 entitled “Shopping Carts” which provides for the regulation of shopping carts within the City of Fallon; declares the presence of shopping carts to create a shopping cart retrieval procedure; provides for the retrieval and impounding by the City or its agents of shopping carts in certain situations.

**Setting a public hearing date for Bill No. 788: An Ordinance amending the City of Fallon Municipal Code, Title Five “Business Licenses and Regulations,” to add Chapter 5.56 entitled “Shopping Carts” which provides for the regulation of shopping carts within the City of Fallon; declares the presence of shopping carts to create a shopping cart retrieval procedure; provides for the retrieval and impounding by the City or its agents of shopping carts in certain situations.**

The Mayor stated that the public hearing date for Bill No. 788 An Ordinance amending the City of Fallon Municipal Code, Title Five “Business Licenses and Regulation” as presented will be set for July 19, 2022, at 9:00 a.m.

**Consideration and possible approval and adoption of Resolution No. 22-02: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sanitation Enterprise Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), and other matters properly related thereto.**

Clerk-Treasurer Sean Richardson stated that the Sanitation Fund has experienced tight cash flows in the last several years. The Council authorized temporary interfund loans in a previous fiscal year to supplement this fund and it also had a rate change, effective November 2020. With this change, we also included that the rate would be adjusted based on the Consumer Price Index. That was also done July 1<sup>st</sup>, 2021, and we are planning on looking at the Consumer Price Index to be adjusted again, July 1<sup>st</sup>, 2022. With the rate increases, this fund was budgeted to have sufficient, positive cash flow to pay its Interfund Loan. However, emergency capital items were necessary to be purchased this past fiscal year due to a fire at the Transfer Station and heavy demand for roll-off bins, due to all the construction growth. The fire at the Transfer Station also created a loss of revenue, as we had to create temporary site, at a significantly discounted rate for the fiscal year. This interfund loan would not have been necessary if these extra unordinary events did not occur. City Staff fully anticipate for this loan to be paid off by June 30, 2023, and most likely even sooner.

Mayor Tedford inquired if there were any questions from the Council or public comment.

No comments were noted.

Councilwoman Karla Kent motioned to approve Resolution No. 22-02: A resolution authorizing a temporary interfund loan from the Landfill Enterprise Fund to the Sanitation Enterprise Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), and other matters properly related thereto; seconded by Councilman Richardson and approved on a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 22-03: A resolution augmenting the fiscal year 2021-2022 budget of the General Fund in the amount of Two Million One Hundred Thirteen Thousand Dollars (\$2,113,00.00), the Convention Center Fund in the amount of Sixty-Five Thousand Dollars (\$65,000.00), the Convention & Tourism Authority Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), the Mayor's Youth Fund in the amount of Twenty-Five Thousand Dollars (\$25,000.00) and other matters properly related thereto.**

Clerk-Treasurer Sean Richardson stated that this agenda item involves the augmentation of governmental funds. Annually, City staff estimates the actual expenditures by the end of the fiscal year, of all the governmental funds by function and compares it to the budget. In order to avoid a Note 2 violation in our audit, we have to be under budget by function, and that is why we look at everything by function. NRS 354.598-05 authorizes the City to augment a budget when anticipated resources actually available during a budget period exceed those estimated. In order to augment the City Council must adopt a resolution. The Council must publish notice of its intention to act on the resolution and must not take action until at least three (3) days after publication. The General Fund contains ad valorem taxes as a source of revenue which requires the publication of the notice. This was published in the LVN last Thursday in order to be in compliance with that requirement. Today, governmental funds included in the resolution, that City Staff is requesting augmentation is the General Fund, Convention Center Fund, Convention & Tourism Authority Fund, and Mayor's Youth Fund. The details of the revision of the budget are contained in the resolution and the forms as described by the Department of Taxation. If approved, I will be forwarding the augmentation authorization to the Department of Taxation. Once it is received by the Department of Taxation, the augmentation will go into effect.

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

Councilwoman Kent thanked Sean and Bob for going over agenda item #7 and #8 in great detail with her prior to the meeting.

No further comments were noted.

Councilwoman Kent motioned to approve Resolution No. 22-03: A resolution augmenting the fiscal year 2021-2022 budget of the General Fund in the amount of Two Million One Hundred Thirteen Thousand Dollars (\$2,113,00.00), the Convention Center Fund in the amount of Sixty-Five Thousand Dollars (\$65,000.00), the Convention & Tourism Authority Fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), the Mayor's Youth Fund in the amount of Twenty-Five Thousand Dollars (\$25,000.00) and other matters properly related thereto; seconded by Councilwoman Frost and approved on a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 22-04: A resolution augmenting the fiscal year 2021-2022 budget of the Electric Enterprise Fund in the amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00), the Water Enterprise Fund in the amount of One Hundred Fifteen Thousand Dollars (\$115,000), the Sewer Enterprise Fund in the amount of Ninety Thousand Dollars (\$90,000.00), the Sanitation Enterprise Fund in the amount of One Hundred Thousand Dollars (\$100,000.00), the Data Processing Internal Service Fund in the amount of Eighty-Five Thousand Dollars (\$85,000.00), the Public Works Internal Service Fund in the amount of One Hundred Thousand Dollars (\$100,000.00), and other matters properly related thereto.**

Clerk-Treasurer Sean Richardson stated that this agenda item involves the augmentation of Enterprise Funds and Internal Service Funds. City staff estimates the actual expenditures through end of fiscal year, and we are comparing it to the final budget. NRS 354.598-05 authorizes the City to augment a budget when anticipated resource available exceeds the budgeted amount. In addition, the City Council must adopt a resolution. As listed in Resolution 22-04, City staff is requesting augmentation in Electric Enterprise Fund, the Water Enterprise Fund, Sewer Enterprise Fund, Sanitation Enterprise Fund, Data Processing Internal Service Fund, and the Public Works Internal Service Fund. The details of the revision of the budget are contained in the Resolution and the forms from the Department of Taxation which is included in the agenda. If approved, I will be forwarding the Augmentation Authorization to the Department of Taxation.

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

No comments were noted.

Councilwoman Frost motioned to approve Resolution No. 22-04: A resolution augmenting the fiscal year 2021-2022 budget of the Electric Enterprise Fund in the amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00), the Water Enterprise Fund in the amount of One Hundred Fifteen Thousand Dollars (\$115,000), the Sewer Enterprise Fund in the amount of Ninety Thousand Dollars (\$90,000.00), the Sanitation Enterprise Fund in the amount of One Hundred Thousand Dollars (\$100,000.00), the Data Processing Internal Service Fund in the amount of Eighty-Five Thousand Dollars (\$85,000.00), the Public Works Internal Service Fund in the amount of One Hundred Thousand Dollars (\$100,000.00), and other matters properly related thereto; seconded by Councilman Richardson and approved on a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 22-05: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds’ Accounts Receivables.**

Clerk-Treasurer Sean Richardson stated that City staff is constantly working on the collection of our Enterprise Funds, Accounts Receivables, in other words, billings. Like all businesses, there is always a few customers that we have collecting on. Attached to the agenda is a list of outstanding/delinquent ARs prior to July 1, 2020. So, almost 2 years old, at this point. These customers are no longer City of Fallon customers and have been forwarded to a collection agency for additional collection efforts. It doesn’t mean that we are totally writing them off. They are sent to collections and whatever we are able to get from the collection agency will not be dollar for dollar, but there is still potential on

collecting on some of these accounts. The proposed adjustment of \$63,356.15 represents .3%. So, 3 tenths of 1% of the Enterprise Funds total operating record for the most recent fiscal year ending June 30, 2021. Essentially, we are collecting 99.7% of our billings, which is pretty good. The standard is .5% for our allowance that we have listed on our financial statement, we are well under that. If you look at the list, you will see almost half of it is related to an old landfill AR that occurred in 2018 and has been sitting on our Account Receivable books for a while. We have already accrued for that in the prior fiscal year. The expense has already been taken as bad debt. What we are asking for is an adjustment in our ledger of the Account Receivables to get off the books. Currently, at the Landfill, our allowance for doubtful accounts is the .5% plus this known bad debt that still reflects on the books. When this is written off, we would adjust it back to the .5% total revenues of the Landfill.

Mayor Tedford commented that Diversified Concrete is still there.

Clerk-Treasurer Sean Richardson stated that this was discussed and believe that it is a totally different company. This company is an old vendor that I believe was contracted with the Navy. I don't believe that it is related to the local company.

Mayor Tedford inquired if there were any comments.

Councilwoman Karla Kent asked if the collection agency has good results for collecting bad debt.

Clerk-Treasurer Sean Richardson stated that he doesn't know the actual nominal amount. I know that we do receive some collection.

Mayor Tedford stated that if these customers ever move back into the City, they are expected to pay these bills.

No further comments were noted.

Mayor Tedford stated that we could send the bill to Reno and see what happens.

Councilwoman Kent motioned to approve and adopt Resolution No. 22-05: Adjustment of Allowance for Doubtful Accounts – Enterprise Funds' Accounts Receivables; seconded by Councilman Richardson and approved on a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 22-06: A resolution to commit Four Million Five Hundred Thousand Dollars (\$4,500,000.00) of the General Fund Ending Fund Balance ending June 30, 2022, for improvements to various City capital projects including street, park, airport, utility infrastructure, and other matters properly related thereto.**

Clerk-Treasurer Sean Richardson stated that the Governmental Accounting Standards Board Statement No. 54 (GASB 54) authorizes the City Council to commit General Fund Ending Fund Balance for various purposes. The City received grant funding from the State & Local Fiscal Recovery Funds (SLFRF) in July 2021. The large portion of the SLFRF was reported as loss of revenue in the General Fund. City staff plan on using these funds for various capital projects including street, park, airport, and utility infrastructure. City staff recommends putting constraints on the use of these funds by committing the fund balance for these purposes. I think this is good fiscal management policy that we put a constraint on this because we are planning on using this significant amount of money and it is one-time money for long-term benefits for our citizens. That is what putting this committed fund balance would be doing.

Mayor Tedford inquired if there were any questions from the Council or public.

No comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution No. 22-06: A resolution to commit Four Million Five Hundred Thousand Dollars (\$4,500,000.00) of the General Fund Ending Fund Balance ending June 30, 2022, for improvements to various City capital projects including street, park, airport, utility infrastructure, and other matters properly related thereto; seconded by Councilwoman Frost and approved on a 3-0 vote by the Council.

**Consideration and possible approval and adoption of Resolution No. 22-07: A Resolution Permitting the City Attorney and the City Attorney's Deputies and/or Assistants to Defend Persons in Criminal Proceedings.**

Deputy City Attorney Trent deBraga stated that Nevada Revised Statute 7.1052 permits a City Attorney under his or her deputies and assistants to defend a person in a criminal proceeding with or without compensation if certain criteria are met. Part of that criteria requires the approval or authority from the City Council or the government body. In addition, there is some criteria where before a City Attorney or their deputies can take on the criminal representation, they would have to get the approval of the defendant and the City Attorney, or the Deputy cannot defend a person in a criminal proceeding in the same jurisdiction in which they prosecute. This Resolution, if adopted, would allow the City Attorney and his/her deputy to defend persons in a criminal proceeding with the consent of the Council, the defendant, and if it is a Deputy City Attorney they would also have to get the approval of the City Attorney. The statute doesn't require the Mayor to authorize the representation of a criminal defendant. However, in this Resolution, we have added an additional layer of approval which would require the City Attorney and/or the Deputies obtain the Mayor's approval as well to represent a criminal defendant.

Councilwoman Frost inquired if the Council would be giving a blanket approval and then the Mayor will approve each individual case.

Deputy City Attorney Trent deBraga stated that was correct. Essentially, if this Resolution is adopted, the Council would be giving the approval to allow the City Attorney or Deputies to represent a defendant in a criminal proceeding. Additionally, it will require the Mayor's authorization and from the client's side of things it will require the defendant to give their consent as well.

Councilwoman Frost stated that if approved, the Council will not look at each individual situation. The approval would be given through the Resolution.

Deputy City Attorney stated that per this Resolution it is a general approval.

Councilwoman Frost inquired if the City Attorney would also have to abide by the Bar Association and their rules regarding conflicts of interest, or other conflicts that may arise.

Deputy City Attorney stated that absolutely with any representation that is always step 1. Is there any conflict? You always must abide and adhere to your ethical responsibilities and duties. So, yes that will certainly go into the consideration. That is usually, from the Attorney's side of thing, step 1 in the process. If you can't do it, you don't even begin the process of additional approval.

Councilwoman Frost thanked Deputy City Attorney deBraga.

Mayor Tedford inquired if there were any other questions or comments from the Council or public.

No further comments were noted.

Councilman Richardson motioned to approve and adopt Resolution No. 22-07: A Resolution Permitting the City Attorney and the City Attorney's Deputies and/or Assistants to Defend Persons in Criminal Proceedings; seconded by Councilwoman Kent and approved on a 3-0 vote by the Council.

**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 comments were noted.

**Council and Staff Reports**

Mayor Tedford inquired if there were any Council or staff reports. There were no reports.

**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 9:28 a.m.

Attest:

  
Sean C. Richardson, City Clerk-Treasurer

  
Mayor Ken Tedford