

AGENDA
CITY OF FALLON – CITY COUNCIL
55 West Williams Avenue
Fallon, Nevada
March 21, 2023 – 9:00 a.m.

The Honorable City Council will meet in a regularly scheduled meeting on March 21, 2023 at 9:00 a.m. in the City Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

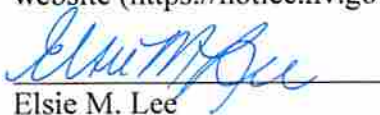
Items on the agenda may be taken out of order. The Council may combine two or more agenda items for consideration. The Council may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. Unless otherwise allowed by the City Council, public comments by an individual 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 possible approval of Council Meeting Minutes for February 21, 2023. **(For possible action)**
5. Approval of Warrants: **(For possible action)**
 - A) Accounts Payable
 - B) Payroll
 - C) Customer Deposit
6. Public Hearing for Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.**(For discussion only)**
7. Consideration and possible adoption of Bill No 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto. **(For possible action)**
8. Possible introduction of Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto. **(For possible action) (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.)

9. Setting of public hearing date for Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto. **(For possible action)**
10. Possible adoption of Resolution No. 23-02: A resolution adjusting the electric utility rates. **(For possible action)**
11. Possible adoption of Resolution No. 23-03: A resolution adjusting the water utility rates. **(For possible action)**
12. Possible adoption of Resolution No. 23-04: A resolution adjusting the sewer utility rates. **(For possible action)**
13. Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(For possible action)**
14. Public Comments **(For discussion only)**
15. Council and Staff Reports **(For discussion only)**
16. 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)**

This agenda has been posted on or before 9:00 a.m. on March 16, 2023 at City Hall, District Court Building, Churchill County Office Complex, Churchill County Public Library and posted to the City's website (<https://fallonnevada.gov>) and 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, City Clerk's Office, City Hall, 55 West Williams Avenue, Fallon, Nevada, 775-423-5104. 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 775-423-5104 in advance so that arrangements may be conveniently made.

March 21, 2023

Agenda Item 4

Consideration and possible approval of Council Meeting Minutes for February 21, 2023. **(For possible action)**

FALLON

Incorporated 1908

**MINUTES
CITY OF FALLON
55 West Williams Ave
Fallon, Nevada
February 21, 2023**

The Honorable City Council met in a regular 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 Paul Harmon
Chief of Staff Bob Erickson
Deputy City Attorney Trent deBraga
Deputy City Attorney Sean Rowe
Public Works Director Brian Byrd
Deputy Public Works Ryan Swirczek
Deputy Public Works Adrian Noriega
Deputy Public Works Kevin Gulley
Deputy City Clerk Elsie Lee
Captain Ron Wenger
Captain John Riley
City Engineer Derek Zimney
Emergency Manager Steve Endacott
Director of Tourism Jane Moon

The meeting was called to order by Mayor Ken Tedford at 9:00 a.m.

Mayor Ken Tedford led the Pledge of Allegiance.

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

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

Public Comments

Mayor Ken 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.

Consideration and possible approval of Council meeting minutes for February 7, 2023.

Councilwoman Frost motioned to approve the Council meeting minutes for February 7, 2023 with no corrections noted; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

Approval of Warrants

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

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

Consideration of application by Paramjit Singh for a retail liquor license for Fallon Station and Food Mart to be located at 1325 South Taylor Street.

Deputy City Clerk Elsie Lee addressed the Council. Paramjit Singh, partner of Fallon Station and Food Mart has made application for a retail liquor license for Fallon Station and Food Mart to be located at 1325 South Taylor Street. A Retail Liquor License is a privileged license that allows the licensee to sell alcoholic beverages from a fixed and definite place of business for consumption off of the premises only. The application has been reviewed by Police Chief Kris Alexander, Deputy City Clerk Elsie Lee, City Engineer Derek Zimney, and Deputy City Attorney Trent deBraga.

Councilwoman Frost asked for clarification that this was a current business.

Deputy City Clerk Elsie Lee confirmed that this was a current business, and it was a change of the holder of the liquor license.

Mayor Tedford stated that he believed that Paramjit Singh was on the license before and now someone is coming off the license.

Deputy City Clerk Elsie stated that Mr. Singh's partner was named on the license previously.

Mayor Tedford inquired if there were any public comments.

No further comments were noted.

Councilwoman Kent motioned to approve the application by Paramjit Singh, partner of Fallon Station and Food Mart for a retail liquor license for Fallon Station and Food Mart to be located at 1325 South Taylor Street; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Consideration of application by Johan Luis Vera Resendiz for a Cabaret License for Greenwave Sports Bar, to be located at 2155 West Williams Avenue.

Deputy City Clerk Elsie Lee addressed the Council. Johan Luis Vera Resendiz, Owner of the Greenwave Sports Bar has made an application for a Cabaret License for the Greenwave Sports Bar, to be located at 2155 West Williams Avenue. A Cabaret License is a privileged license that allows the licensee to provide live entertainment or dancing at the establishment.

The application has been reviewed by Chief of Police Kris Alexander, Deputy City Clerk Elsie Lee, City Engineer Derek Zimney, and Deputy City Attorney Trent deBraga.

Mayor Tedford inquired if there were any questions from the Council for Deputy City Clerk Elsie Lee or Mr. Resendiz. Mayor Tedford reminded the Council, that this was discussions from the previous meeting. We have a letter from Johan that states that he is only going to have patrons 21 years of age and older from now on. There would be no need for a discussion regarding a partition, per our ordinance. The last paragraph in the handwritten letter, reflects the patrons being 21 years of age and older, and you also have a map that is attached to the agenda. Additionally, the letter states there will be, "Live music, dancing, karaoke, DJ's, bands, trivia, mechanical bull, corn hole, dart competitions and a pool league. For me, the dart, and the pool league, that are in that map, are just something that you do within a bar and doesn't probably have anything to do with the Cabaret license, and I think the Council would agree with me. The other things you list are cabaret type activities. Now would probably be the time you would want to let us know that those are the things you would be allowed to do under the cabaret license and nothing else. If you think of something additionally, you might want to do, you probably want to tell us know now because we don't want to have you come back here again.

Johan Luis Vera Resendiz said that he had put down the midget wrestling which is included in the cabaret license.

Mayor Tedford stated that that is not listed on the application and would be something that should probably be mentioned at this time.

Johan Luis Vera Resendiz stated that he thought it was on the application.

Mayor Tedford stated that if the Council was agreeable, if okay by the City Attorney's perspective, have Elsie add that to the list.

Deputy City Attorney Trent deBraga stated that this is a continuation of discussion from the last meeting. I know the last time Mr. Resendiz appeared before Council, midget wrestling was included in the application, and it doesn't appear to be listed now. This was included in the initial application as an attachment. I believe it was listed as, "dwarf wrestling."

Mayor Tedford stated that he did not see it on the current application. This application states, "The bar has a stage, dance floor to use for live entertainment also, we have cameras and security. Description of live entertainment, DJ, karaoke, live band, etc.", which etcetera doesn't work because...

Johan Luis Vera Resendiz interjected that he wanted to clarify that he had included another page.

Mayor Tedford stated that the letter states to see attached, and there is no attachment included.

Deputy City Clerk Elsie Lee stated she believed that there may have been a separate attachment to the first application.

Mayor Tedford stated that we will look it up and include it with this application because it was not included on the application today.

Johan Luis Vera Resendiz stated that he brought it, in person, and I gave it to the Clerk.

Mayor Tedford said that we will make sure that it is included. You don't want to have to keep coming back here, you just want to come one time, believe me. I think I speak for you, in that regard. To me, everything looks okay with what this letter is and what I told you, when I had those two flyers, there were some things on those flyers that you wouldn't get approval to do. I am sure those are not on that attachment.

Deputy City Clerk Elsie Lee asked Mayor Tedford if he would like her to get the attachment, for the record.

Mayor Tedford concurred and asked to take a couple minutes so that we don't end up back here again.

Mayor called for a short recess at 9:08 a.m.

The meeting was called back to order by Mayor Tedford 9:10 a.m.

Mayor Tedford stated the attachment came in an email back on January 30, 2023.

Mayor Tedford read from the email, "It has live music, including bands and group performances, DJ, and karaoke. Contests, including dancing and mechanical bull riding, corn hole and pool table and dart competition, dwarf wrestling and arm wrestling. I don't know what the Council's thoughts are on all that. So, it is up to you about all these different activities.

Councilwoman Frost inquired if he wanted to include arm wrestling included on the current application, like the previous email request.

Johan Luis Vera Resendiz stated that sometimes local people from here, they use the bar for training. So, that is why I added it there.

Councilwoman Frost inquired if he would like it added.

Johan Luis Vera Resendiz stated that he didn't know if it was considered live entertainment, but they are using it to just practice.

Mayor Tedford stated that if you turn it into a contest, it is going to be entertainment.

Councilwoman Frost stated that it should probably be included, for the record.

Councilwoman Kent asked if he had already converted to only having patrons 21 years and older for their bar.

Johan Luis Vera Resendiz stated that was correct.

Mayor Tedford asked for an explanation of the type of dancing contests that would be taking place.

Johan Luis Vera Resendiz explained that it would be a country dance contest and whoever wins the best, they win \$20.00 which is like the DJ trivia. Whoever takes the first place, they take \$20.00. It's not like people taking off clothes, or nothing like that.

Mayor Tedford said that would certainly not be allowed.

Councilman Harmon asked for confirmation regarding the line dancing being the only type of dancing competitions that would be taking place.

Johan Luis Vera Resendiz stated that was correct.

Councilman Harmon asked if there were plans for events to have extra security on top of what normally is there.

Johan Luis Vera Resendiz stated that they have extra security on those nights. They are checking at the door with a metal detector and there are two on the floor working security.

Mayor Tedford said that contests can bring out the real competitor in people and then you add in some alcohol, and you will find, that they don't always mix. That is why Councilman Harmon asked about the extra security. It could be a lightweight competition, where you think that one has the propensity to have violence and the other one might have more violence in it. The competition and the alcohol usually bring out the worst in someone.

Johan Luis Vera Resendiz said that they have never had any issues with people trying to have fun and we're not allowed to have weapons. Security is there checking on everybody and we have never had any issues there.

Mayor Tedford stated that one of the issues is that your map reflects a maximum capacity of 200 people.

Johan Luis Vera Resendiz stated their maximum capacity is 150 people.

Mayor Tedford stated that 150 people, is a lot of people. Your goal is to bring the people to your bar. When you have contest competitions, with alcohol, with a whole lot of

people, in a small density space, it usually brings Fallon PD there. We don't want them to have to go there. That's why Councilman Harmon talked about your own security and there are some events, even at our Convention Center, that we require people to have their own security because of those three factors.

Johan Luis Vera Resendiz agreed.

Mayor Tedford stated that sometimes, it isn't even competition, it's just a huge event, that has alcohol, and a lot of people, which can cause issues. This is why we require them to have their own security. You're throwing in a third factor of competition. So, we just know you need your own security because of those factors. That is good to know. I have it written down that you are going have extra security on those competition events.

Johan Luis Vera Resendiz reiterated that there is one at the door, and he is asking for ID, checking for weapons, and inside, my bartenders are checking for ID's too, and the other security they are checking on the floor.

Councilman Harmon asked for clarification on the security and if it was employees of yours or if that was being subcontracted out. If so, does the company have training in that kind of stuff?

Johan Luis Vera Resendiz confirmed that the security guy used to work for a company and now he is running his own business. He brings his own employees and I pay him for that. He is only there on Friday and Saturday nights. When we get busier, we will bring them in for more days in the week.

Councilwoman Frost stated that she is more comfortable knowing that the age limit for patrons has been raised to 21 years of age and older. That makes me much more comfortable in looking at this Cabaret license. So, thank you.

No further comments were noted.

Councilwoman Kent motioned to approve the application by Johan Luis Vera Resendiz for a Cabaret license for Greenwave Sports Bar, to be located at 2155 West Williams Ave, with the attached activities and with the understanding that they will provide additional security; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Fallon Police Department Monthly Report for January 2023.

Captain Ron Wenger presented the January monthly report. The report will compare 2023 crime, traffic stop, and traffic accidents statistics to 2022. He added that calls were down this year with a total of 669 calls-for-service compared to 794 last year.

- Crime Summary: Domestic battery down by 3; Battery down by 4
- Arrest Summary: 35 for 2022 and 23 in 2023 – down
- Theft calls: 1 report of stolen tools, 1 report of stolen packages from a porch, 1 report of a stolen chainsaw, 2 reports of shoplifting from CVS, 4 reports of stolen cell phones, 1 report of a stolen wheelchair platform from a vehicle.
- Moving Citations/Traffic Warnings: 14 citations and 102 warnings
- Public Property Accidents: Kudos to the public for safe driving, down 17 public property reports and up 5 on private property reports, little fender benders.
- Animal Shelter Services: Churchill County – down 3 dogs from January last year; City – +13 dogs; Tribal entities – +4 dogs
- Department Citizen Surveys: 6 total surveys were returned; 5 were Very Satisfied and 1 Satisfied

Captain Wenger read the comments; 'I would like to thank you for a great morning when

I needed a little extra care.’ ‘Concern was handled by officer and issue was resolved. Thank you!’ ‘Thank you for the quick response and excellent follow up. Officer Montgomery’s conduct and professionalism were outstanding!’

- Assistance: 1 bus ticket and 1 hotel room were provided
- No indoctrination training was done at NAS Fallon
- Volunteers in Police Services: Contributed 137 hours to the agency through Helping Hands and the Oxygen Survey.
- Public Relations: Fountain Dye and a tour of City Hall to a group of kids
- Breakdown of Arrests: 5 felony arrests; 4 were warrants, 1 was Parole & Probation, 4 misdemeanor which were all warrant arrests.

Captain Wenger stated that the number of misdemeanors that went down, were more likely due to the fact that traffic warrants are no longer criminal, they are civil in nature. We won’t show them as a statistic for a crime report.

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

Councilwoman Frost thanked the PD for their quick and professional response to the Swatting incident and the hoax at the High School.

No further comments were noted.

Public Comments

Mayor Tedford inquired if there were any public comments.

No comments were noted.

Council and Staff Reports

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

Councilwoman Frost stated that on Monday, February 13th she and Jane Moon attended the Tourism Day and visit the Legislature. Jane had an awesome booth set up with Fallon Swag for people to stop by and see what Fallon has to offer. It was a good day for us to talk with our Legislators and let them know that tourism is very important to our entire State as well, and especially, to the rural communities.

Mayor Tedford stated that was good to hear.

No further 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 9:25 a.m.

Mayor Ken Tedford

Attest: _____
Sean C. Richardson, City Clerk-Treasurer

DRAFT

March 21, 2023

Agenda Item 6

Public Hearing for Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto. **(For discussion only)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Public Hearing for Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.**(For discussion only)**

Resolution Ordinance
 Formal Action/Motion Other

POSSIBLE COUNCIL ACTION: None in this agenda item, it is for public hearing for Bill No. 792 only.

DISCUSSION: Bill No. 792 was introduced at the City Council's properly noticed regular meeting on March 7, 2023. Notice of the deposit of copies of the proposed ordinance and the public hearing date was duly published in The Fallon Post on March 10, 2023. The proposed ordinance, as introduced, and Proof and Statement of Publication of the Notice of Deposit of Copies and Public Hearing to Adopt Bill No. 792 are attached to this coversheet. This agenda item represents the public's opportunity to comment on the proposed ordinance and to present relevant information and materials to the Council.

PREPARED BY: Trent deBraga, Deputy City Attorney

THE FALLON POST



Legal Notice Account
Nicole Dooley
City of Fallon
55 W. Williams Ave.
Fallon, Nevada 89406

Rachel Dahl says:
That she is the legal clerk of
The Fallon Post, a newspaper published
Friday in Fallon, in the State of Nevada

Copy Line:
**NOTICE OF DEPOSIT OF COPIES AND
PUBLIC HEARING TO ADOPT BILL 792**

Ad #: 6061
of which a copy is hereto attached, was
published in said newspaper for the full
required period, on March 10, 2023, all
days inclusive.

A handwritten signature in red ink, appearing to read "Ra", is positioned below the text.

Signed: _____
Date: March 14, 2023 State of Nevada,
Fallon

This is an original electronic affidavit.
Price: \$48.00

Legal Notices

NOTICE OF DEPOSIT OF COPIES AND PUBLIC HEARING TO ADOPT BILL NO. 792

City of Fallon

Notice is hereby given that the Honorable City Council of the City of Fallon will hold a Public Hearing on Tuesday, March 21, 2023 at 9:00 a.m. in the City Council Chambers, City Hall, 55 West Williams Avenue, Fallon, Nevada 89406, to consider possible adoption of Bill No. 792.

Bill No. 792, if adopted as an Ordinance, will accomplish the following: An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

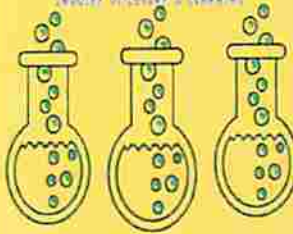
Notice is hereby further given that copies of Bill No. 792 have been deposited with the City Clerk, City Hall, 55 West Williams Avenue, Fallon, Nevada 89406, for public examination and distribution upon request. Members of the public may request a copy of the Bill by contacting Elsie Lee, Deputy City Clerk, at (775) 423-5104 or elisee@fallonnevada.gov.

Published in The Fallon Post on March 10, 2023.
A1 #6066


PARENTS & STUDENTS SAVE THE DATE
MARCH 23, 2023
TIME 5:30 P.M. - 7:00 P.M.

BUBBLING UP: CCMS SCIENCE NIGHT

450 THE BAY & (3346) TOWN
WITH SPECIAL PERMIT OF
INDUSTRY STORES & LABORERS



THERE WILL BE HANDS-ON ACTIVITIES!



FALLON • NEVADA

FIND US
ONLINE AT: RATTLESNAKERACEWAY.ORG
FACEBOOK GROUP: RATTLESNAKE RACEWAY FORUM
INSTAGRAM: RSRSETBIT

April
Friday 6th 7pm
SATURDAY 7th 10pm
SUNDAY 8th 10pm
KID'S RACE GIVEAWAY

May
Friday 11th 7pm
SATURDAY 12th 10pm
SUNDAY 13th 10pm
KID'S RACE GIVEAWAY

June
OCEANE FEST
Friday 9th 7pm
Saturday 10th 10pm
SUNDAY 11th 10pm

July
Friday 14th 7pm
SATURDAY 15th 10pm
SUNDAY 16th 10pm
KID'S RACE GIVEAWAY

July
Friday 14th 7pm
SATURDAY 15th 10pm
SUNDAY 16th 10pm
KID'S RACE GIVEAWAY

August
Friday 18th 7pm
SATURDAY 19th 10pm
SUNDAY 20th 10pm
KID'S RACE GIVEAWAY

September
Friday 22nd 7pm
SATURDAY 23rd 10pm
SUNDAY 24th 10pm
KID'S RACE GIVEAWAY

October
37th ANNUAL DIRT TRACK CHAMPIONSHIP
Friday 27th 7pm & Saturday 28th 10pm

Awards Banquet - Saturday, November 11th 5pm for cocktails 6pm Dinner

Racer Admission:
IMCA - \$50
All Other Classes - \$40

General Admission: \$10
Kids 10 & under - \$5
Military with ID - \$5
Seniors 65+ - \$5
Students - \$5
Non-Profit with ID - \$5

Food and drinks with paying adult
Non-Profit with ID - \$5

Tailgate Section Vehicle and driver - \$20

Bi-weekly Auctions Online

WeatherVane Auction House

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An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

WHEREAS, the City Council of the City of Fallon does ordain as follows:

SECTION ONE: that Title Five, "Business Licenses and Regulations," be amended, adding Chapter 5.60 which shall read as follows:

Chapter 5.60-"Mobile Food Vendors"

5.60.010 -Statement of Purpose and Intent-Regulation.

It is found and declared that the public health, safety, morals, good order and general welfare of the residents of the City of Fallon require the regulation and control of all mobile food vendors. All mobile food vendors shall be licensed and regulated so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the City and to safeguard the public. It is further found and declared that the right to obtain such a license is a privilege and that the license may be suspended, limited or revoked for violation of the conditions of this chapter. In conformity with the policy of this chapter, the following persons are declared not to be qualified to hold a license under the provisions of this chapter:

- A. A person who violates, or has violated, the provisions of this chapter despite notice by the City;**
- B. A person who has been convicted of a crime involving theft, fraud, dishonesty, receiving or possessing stolen property, any controlled substance violation or any sex offense;**
- C. A person whose license, issued under the provisions of this chapter, or those ordinances or statutes of any other agency lawfully engaged in the licensing or regulation of business as defined in this chapter, has been denied, suspended or revoked for cause;**
- D. A person who, at the time of renewal of any license issued under this chapter, would not be eligible for such license upon a first application;**
- E. A partnership, limited partnership association, limited liability company, or other business entity unless all of the members of such partnership, limited partnership association, limited liability company, or other business entity are qualified to obtain a license;**

- F. A corporation, unless it is incorporated in the State of Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada; or**
- G. A corporation, if an officer or director thereof would not be eligible to receive a license for any reason which would disqualify an individual applicant.**

5.60.020- Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- A. "City" means the City of Fallon.**
- B. "Mobile food vendor" means, but is not limited to, any person or employee or agent thereof carrying on or conducting the business of selling ice cream, fruit, candy, vegetables, meats or any other edible foods, whether raw, prepared, loose or packaged, from a motor vehicle, or other type of food service conveyance, for human consumption and which is used to sell and dispense food or beverages to customers.**
- C. "Employee" means a person who works for or under the direction of, on behalf of, or as an agent of a licensee.**
- D. "Licensee" means the holder of a mobile food vendor license.**
- E. "Vehicle" means a motorized vehicle, as well as a trailer or other portable unit that can be drawn by a motorized vehicle and is intended for use in vending.**
- F. "Vend or Vending" means to sell or offer to sell food products or beverages from a vehicle.**
- G. "Premises" means the interior of a business establishment, and all exterior landscaped areas, pedestrian areas and sidewalks adjacent to a business establishment, and the designated parking lot area provided by a business establishment for its customers to park their vehicle. The premises includes the entire parking area used by a multi-store complex or shopping center wherein such business establishment is located.**
- H. "Private property" means all real property in the City, but excluding public property.**

- I. "Public property" means all real property owned, leased or occupied by the City, all real property in which the City has a possessory interest, and any easement granted to the City for public purposes, including, without limitation, public streets, parks, alleys, sidewalks, flood control channels, and any other real property within the City owned, leased or occupied by any governmental entity.
- J. "Health District" means the Central Nevada Health District.
- K. "Nevada State Division" means the Nevada Division of Public and Behavioral Health or other state agency responsible for regulating mobile food vendors or mobile units.

5.60.030-License Required.

It is unlawful for any mobile food vendor to engage in the business of mobile food vending within the City without first obtaining a license therefor in compliance with the provisions of this chapter. As a prerequisite to obtaining a license pursuant to this chapter, a licensee shall first have a City business license issued pursuant to FMC 5.04.

5.60.040-License-Application.

An application for a mobile food vendor license must be made upon forms provided by the City Clerk's Office. The applicant shall provide the following:

- (A) A description of the selling methods to be used and the nature of the products or services to be offered;
- (B) Proof of filing with the State of Nevada Department of Taxation;
- (C) A health permit for each vehicle;
- (D) A copy of a valid, unexpired Nevada vehicle registration, if applicable, for each vehicle;
- (E) Such other information or documentation as the City or any of the City's departments may require in order to establish the applicant's suitability and fitness for approval; and
- (F) By submitting an application, an applicant consents to a background investigation, including the applicant's criminal history to determine if the applicant is suitable for approval.

5.60.050-Compliance with Health Regulations.

Each mobile food vendor shall:

(A) Comply with all Nevada State Division regulations, or, if at the time of application the Health District is regulating mobile food vendors then each mobile food vendor shall comply with all Health District regulations.

(B) Prominently display on all vehicles all health permits issued to the vendor by the Nevada State Division or Health District.

5.60.060-License Fee.

Each mobile vendor shall pay an annual fee that shall be established and amended from time to time by resolution of the City Council. The annual license fee shall be due on the first day of January of each year. There shall be no pro rata computation for the license fee for any license issued after the first day of January of each calendar year.

5.60.070-License-Display-Nontransferable.

(A) Any person required to have a mobile food vendor license must display in a conspicuous manner of each vehicle to be used for vending, the license associated with that vehicle. The display shall be of such color, size and placement that the license can be easily read at a distance of ten feet.

(B) No license granted or issued under any provision of this chapter shall be in any manner assignable or transferable.

5.60.080- Further Regulations.

(A) No licensee hereunder may lease, rent, or otherwise hire a vehicle to another for use as a mobile food vendor. Every driver shall be a licensee hereunder, or the direct employee of such licensee.

(B) No mobile food vendor shall enter on private property, knock on doors, ring any bells, or otherwise disturb persons in their residences. This section shall not apply, however, when the mobile food vendor has been specifically invited by the owner, resident, occupant or person legally in charge of the premises.

(C) Every mobile food vendor's vehicle must be equipped with a trash receptacle and shall keep setup sites free from trash, garbage or other refuse. Each mobile food vendor shall be held responsible for littering in the vicinity of their vehicle.

(D) Mobile food vendors shall provide a venue free from excessive noise. Mobile food vendors shall not broadcast any music while stopped or parked.

(E) Use of strobe lights or other similar devices aimed at directing attention to the mobile vending business is prohibited.

(F) Mobile food vendors shall not interfere with the safe and convenient passage of pedestrians, obstruct any pedestrian walkway or reduce its clear width to less than four feet.

(G) The licensee shall maintain a vehicle to be used for vending in such a condition that all doors, windows, hoods and trunks open and close securely; ensure the exterior of the vehicle is clean and in good repair; and ensure any windows on the vehicle are clear of signs and other obstructions.

5.60.090-Location Restrictions.

(A) Except as otherwise provided in subsection (B) of this section, no mobile food vendor shall:

(1) Conduct business on Public Property.

(2) Conduct business on Private Property unless written permission is received from the owner of record and the mobile food vendor can provide satisfactory evidence of the same.

(3) Vend in any congested area where the operation will impede pedestrian or vehicle traffic.

(B) The provisions of subsection (A)(1) of this section do not apply to the operations of a mobile food vendor at a particular location if and to the extent the vendor is operating at that location pursuant to a contractual arrangement with the City or authorization from the City.

5.60.110- Hours of Operation- Restrictions.

It is unlawful for a mobile food vendor to operate within the corporate limits of the City between the times of 8:00 p.m. and 8:00 a.m.; provided, however, that the provisions of this section shall not apply to mobile food vendors who receives approval from the City to conduct business at different hours.

5.60.120- Unlawful Operations.

It shall be unlawful for any mobile food vendor to:

(A) Sale, offer, or provide alcohol or alcoholic beverages as those terms are defined in FMC 5.08.010, unless the mobile food vendor has been issued a liquor license pursuant to FMC 5.08 and the City Clerk, in the promotion of public events within the City, allows a licensee, for the duration of the public event only, to sell alcoholic beverages at such public event.

- (B) Vend or park a vehicle to be used for vending within five hundred (500) feet of the outside perimeter of school property:**
- 1. During the hours the school is in session;**
 - 2. During the one-hour period preceding the start of the first session of the day;
or**
 - 3. During the one-hour period after the final session has ended;**
- (C) Consume alcoholic beverages while vending;**
- (D) Vend within five hundred (500) feet of a licensed concession stand located within a City park when the concession stand is open for business, unless otherwise permitted under a contractual arrangement with the City or authorization from the City regarding a specific location;**
- (E) Vend in any residential neighborhood unless the vendor is operating as a caterer for a specific event at a specific location;**
- (F) Vend within two hundred (200) feet of the primary public entrance of a licensed restaurant during the hours the restaurant is open for business, unless the vendor:**
- 1. Is located on the same premises as the licensed restaurant and is operating either on behalf of or with the written consent of the restaurant licensee and with the written permission of all other licensed restaurants within two hundred (200) feet of where the vending will take place; or**
 - 2. Is operating at a location which such vending has been specifically approved by means of a special event permit issued by the City;**
- (G) Operate or park a vehicle to be used in vending in violation of applicable traffic and parking laws and ordinances;**
- (H) Place tables, chairs or similar items in the public right-of-way in connection with a vending operation;**
- (I) Vend on any one parcel, lot or commercial subdivision for more than four (4) hours within any twenty-four hour period;**
- (J) Vend on the same premises where the licensee operates any licensed business, including a restaurant establishment, unless the food and beverages to be prepared, offered or sold from the vehicle could be prepared, sold, and disposed of on the premises in compliance with all City codes and regulations.**

5.60.130-License-Suspension-Revocation-Limitation.

Any license issued under this chapter may be revoked, limited, or suspended by the City Council for any of the reasons set forth in Sections 5.60.030 through 5.60.130, inclusive.

5.60.140- Licensee Responsible for Acts of Employees.

Every licensee shall be responsible for the acts of their employees and agents committed during the course of employment or licensed activity. In any license suspension, limitation or revocation proceedings, the fact that the licensee did not have actual knowledge of the events complained of shall be no defense, and every licensee hereunder accepts their license subject to said condition.

5.60.150- Licensee's Agreement to Conform to Law.

Acceptance of a license constitutes an agreement on the part of such licensee to be bound by all of the regulations of the City as the same now are, or may hereafter be amended or promulgated. It is the sole responsibility of the licensee to keep themselves informed of the content of all such rules and regulations, and ignorance thereof shall not excuse violations.

5.60.160 - Procedure for suspension or revocation of license.

(A) Any license issued pursuant to the provisions of this chapter may be suspended or revoked in the manner provided in this section.

(B) The City Council may, on its own motion or initiative, or upon the complaint of any person, initiate proceedings to suspend or revoke a license by serving a complaint upon the licensee setting forth the alleged reason for the proceeding;

(C) The licensee shall within five days of the date of service of the complaint, file with the City Clerk a written answer to the complaint, under oath;

(D) The City Council shall set a date and time for a hearing with notice of said hearing to be served upon the licensee;

(E) If the licensee fails to file a written answer within the time required or fails to appear at the place and time designated for the hearing, the City Council shall order the license revoked;

(F) The City Council shall within ten days from the date of the hearing enter its order suspending, revoking or sustaining the license;

(G) There shall be no reopening, appeal or review of the proceedings before the City Council, except when it shall subsequently appear to the satisfaction of the City Council that the licensee's failure to answer or appear was due to matters beyond the licensee's control and not through negligence on the part of the licensee.

5.60.170 - Emergency Suspension.

Notwithstanding any provision of this chapter, the licensee accepts their license, subject to suspension by the Mayor, Chief of Police or City Council without notice following a determination that continued operation by the licensee constitutes a clear and immediate threat to the safety and peace of the citizens of the City of Fallon. Where suspension is by the Mayor or Chief of Police, it shall remain in effect until the next regular meeting of the City Council, at which time the City Council may continue the suspension until a hearing can be held in accordance with this chapter. Upon an emergency suspension by the City Council, the suspension shall remain in effect until the hearing has been held in accordance with this chapter or the suspension is rescinded by order of the City Council.

SECTION TWO: If any section, article, paragraph, sentence, clause, phrase or word in this ordinance, or application thereto, of any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by: Councilwoman Frost

Passed and adopted this ____ day of _____, 2023.

Those voting "aye": _____

Those voting "nay": _____

Those absent: _____

Those abstaining: _____

KEN TEDFORD
Mayor

ATTEST: _____
SEAN RICHARDSON
City Clerk-Treasurer

March 21, 2023

Agenda Item 7

Consideration and possible adoption of Bill No 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto. **(For possible action)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 7

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Consideration and possible adoption of Bill No 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto. (For possible action)

Resolution Ordinance
 Formal Action/Motion Other

POSSIBLE COUNCIL ACTION: Motion to adopt Bill No 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto

DISCUSSION: This agenda item represents the Council's opportunity to consider the proposed ordinance as they see fit. The Council is free to adopt Bill No. 792 as introduced or amend it, in any respect, prior to its adoption. The proposed ordinance, as introduced, is attached to this coversheet.

PREPARED BY: Trent deBraga, Deputy City Attorney

FISCAL IMPACT: Mobile Vendor License Fee to be determined

An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

WHEREAS, the City Council of the City of Fallon does ordain as follows:

SECTION ONE: that Title Five, "Business Licenses and Regulations," be amended, adding Chapter 5.60 which shall read as follows:

Chapter 5.60-"Mobile Food Vendors"

5.60.010 -Statement of Purpose and Intent-Regulation.

It is found and declared that the public health, safety, morals, good order and general welfare of the residents of the City of Fallon require the regulation and control of all mobile food vendors. All mobile food vendors shall be licensed and regulated so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the City and to safeguard the public. It is further found and declared that the right to obtain such a license is a privilege and that the license may be suspended, limited or revoked for violation of the conditions of this chapter. In conformity with the policy of this chapter, the following persons are declared not to be qualified to hold a license under the provisions of this chapter:

- A. A person who violates, or has violated, the provisions of this chapter despite notice by the City;**
- B. A person who has been convicted of a crime involving theft, fraud, dishonesty, receiving or possessing stolen property, any controlled substance violation or any sex offense;**
- C. A person whose license, issued under the provisions of this chapter, or those ordinances or statutes of any other agency lawfully engaged in the licensing or regulation of business as defined in this chapter, has been denied, suspended or revoked for cause;**
- D. A person who, at the time of renewal of any license issued under this chapter, would not be eligible for such license upon a first application;**
- E. A partnership, limited partnership association, limited liability company, or other business entity unless all of the members of such partnership, limited partnership association, limited liability company, or other business entity are qualified to obtain a license;**

- F. A corporation, unless it is incorporated in the State of Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada; or
- G. A corporation, if an officer or director thereof would not be eligible to receive a license for any reason which would disqualify an individual applicant.

5.60.020- Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- A. "City" means the City of Fallon.
- B. "Mobile food vendor" means, but is not limited to, any person or employee or agent thereof carrying on or conducting the business of selling ice cream, fruit, candy, vegetables, meats or any other edible foods, whether raw, prepared, loose or packaged, from a motor vehicle, or other type of food service conveyance, for human consumption and which is used to sell and dispense food or beverages to customers.
- C. "Employee" means a person who works for or under the direction of, on behalf of, or as an agent of a licensee.
- D. "Licensee" means the holder of a mobile food vendor license.
- E. "Vehicle" means a motorized vehicle, as well as a trailer or other portable unit that can be drawn by a motorized vehicle and is intended for use in vending.
- F. "Vend or Vending" means to sell or offer to sell food products or beverages from a vehicle.
- G. "Premises" means the interior of a business establishment, and all exterior landscaped areas, pedestrian areas and sidewalks adjacent to a business establishment, and the designated parking lot area provided by a business establishment for its customers to park their vehicle. The premises includes the entire parking area used by a multi-store complex or shopping center wherein such business establishment is located.
- H. "Private property" means all real property in the City, but excluding public property.

- I. "Public property" means all real property owned, leased or occupied by the City, all real property in which the City has a possessory interest, and any easement granted to the City for public purposes, including, without limitation, public streets, parks, alleys, sidewalks, flood control channels, and any other real property within the City owned, leased or occupied by any governmental entity.
- J. "Health District" means the Central Nevada Health District.
- K. "Nevada State Division" means the Nevada Division of Public and Behavioral Health or other state agency responsible for regulating mobile food vendors or mobile units.

5.60.030-License Required.

It is unlawful for any mobile food vendor to engage in the business of mobile food vending within the City without first obtaining a license therefor in compliance with the provisions of this chapter. As a prerequisite to obtaining a license pursuant to this chapter, a licensee shall first have a City business license issued pursuant to FMC 5.04.

5.60.040-License-Application.

An application for a mobile food vendor license must be made upon forms provided by the City Clerk's Office. The applicant shall provide the following:

- (A) A description of the selling methods to be used and the nature of the products or services to be offered;
- (B) Proof of filing with the State of Nevada Department of Taxation;
- (C) A health permit for each vehicle;
- (D) A copy of a valid, unexpired Nevada vehicle registration, if applicable, for each vehicle;
- (E) Such other information or documentation as the City or any of the City's departments may require in order to establish the applicant's suitability and fitness for approval; and
- (F) By submitting an application, an applicant consents to a background investigation, including the applicant's criminal history to determine if the applicant is suitable for approval.

5.60.050-Compliance with Health Regulations.

Each mobile food vendor shall:

- (A) Comply with all Nevada State Division regulations, or, if at the time of application the Health District is regulating mobile food vendors then each mobile food vendor shall comply with all Health District regulations.**
- (B) Prominently display on all vehicles all health permits issued to the vendor by the Nevada State Division or Health District.**

5.60.060-License Fee.

Each mobile vendor shall pay an annual fee that shall be established and amended from time to time by resolution of the City Council. The annual license fee shall be due on the first day of January of each year. There shall be no pro rata computation for the license fee for any license issued after the first day of January of each calendar year.

5.60.070-License-Display-Nontransferable.

- (A) Any person required to have a mobile food vendor license must display in a conspicuous manner of each vehicle to be used for vending, the license associated with that vehicle. The display shall be of such color, size and placement that the license can be easily read at a distance of ten feet.**
- (B) No license granted or issued under any provision of this chapter shall be in any manner assignable or transferable.**

5.60.080- Further Regulations.

- (A) No licensee hereunder may lease, rent, or otherwise hire a vehicle to another for use as a mobile food vendor. Every driver shall be a licensee hereunder, or the direct employee of such licensee.**
- (B) No mobile food vendor shall enter on private property, knock on doors, ring any bells, or otherwise disturb persons in their residences. This section shall not apply, however, when the mobile food vendor has been specifically invited by the owner, resident, occupant or person legally in charge of the premises.**
- (C) Every mobile food vendor's vehicle must be equipped with a trash receptacle and shall keep setup sites free from trash, garbage or other refuse. Each mobile food vendor shall be held responsible for littering in the vicinity of their vehicle.**
- (D) Mobile food vendors shall provide a venue free from excessive noise. Mobile food vendors shall not broadcast any music while stopped or parked.**
- (E) Use of strobe lights or other similar devices aimed at directing attention to the mobile vending business is prohibited.**

(F) Mobile food vendors shall not interfere with the safe and convenient passage of pedestrians, obstruct any pedestrian walkway or reduce its clear width to less than four feet.

(G) The licensee shall maintain a vehicle to be used for vending in such a condition that all doors, windows, hoods and trunks open and close securely; ensure the exterior of the vehicle is clean and in good repair; and ensure any windows on the vehicle are clear of signs and other obstructions.

5.60.090-Location Restrictions.

(A) Except as otherwise provided in subsection (B) of this section, no mobile food vendor shall:

(1) Conduct business on Public Property.

(2) Conduct business on Private Property unless written permission is received from the owner of record and the mobile food vendor can provide satisfactory evidence of the same.

(3) Vend in any congested area where the operation will impede pedestrian or vehicle traffic.

(B) The provisions of subsection (A)(1) of this section do not apply to the operations of a mobile food vendor at a particular location if and to the extent the vendor is operating at that location pursuant to a contractual arrangement with the City or authorization from the City.

5.60.110- Hours of Operation- Restrictions.

It is unlawful for a mobile food vendor to operate within the corporate limits of the City between the times of 8:00 p.m. and 8:00 a.m.; provided, however, that the provisions of this section shall not apply to mobile food vendors who receives approval from the City to conduct business at different hours.

5.60.120- Unlawful Operations.

It shall be unlawful for any mobile food vendor to:

(A) Sale, offer, or provide alcohol or alcoholic beverages as those terms are defined in FMC 5.08.010, unless the mobile food vendor has been issued a liquor license pursuant to FMC 5.08 and the City Clerk, in the promotion of public events within the City, allows a licensee, for the duration of the public event only, to sell alcoholic beverages at such public event.

(B) Vend or park a vehicle to be used for vending within five hundred (500) feet of the outside perimeter of school property:

- 1. During the hours the school is in session;**
- 2. During the one-hour period preceding the start of the first session of the day;
or**
- 3. During the one-hour period after the final session has ended;**

(C) Consume alcoholic beverages while vending;

(D) Vend within five hundred (500) feet of a licensed concession stand located within a City park when the concession stand is open for business, unless otherwise permitted under a contractual arrangement with the City or authorization from the City regarding a specific location;

(E) Vend in any residential neighborhood unless the vendor is operating as a caterer for a specific event at a specific location;

(F) Vend within two hundred (200) feet of the primary public entrance of a licensed restaurant during the hours the restaurant is open for business, unless the vendor:

- 1. Is located on the same premises as the licensed restaurant and is operating either on behalf of or with the written consent of the restaurant licensee and with the written permission of all other licensed restaurants within two hundred (200) feet of where the vending will take place; or**
- 2. Is operating at a location which such vending has been specifically approved by means of a special event permit issued by the City;**

(G) Operate or park a vehicle to be used in vending in violation of applicable traffic and parking laws and ordinances;

(H) Place tables, chairs or similar items in the public right-of-way in connection with a vending operation;

(I) Vend on any one parcel, lot or commercial subdivision for more than four (4) hours within any twenty-four hour period;

(J) Vend on the same premises where the licensee operates any licensed business, including a restaurant establishment, unless the food and beverages to be prepared, offered or sold from the vehicle could be prepared, sold, and disposed of on the premises in compliance with all City codes and regulations.

5.60.130-License-Suspension-Revocation-Limitation.

Any license issued under this chapter may be revoked, limited, or suspended by the City Council for any of the reasons set forth in Sections 5.60.030 through 5.60.130, inclusive.

5.60.140- Licensee Responsible for Acts of Employees.

Every licensee shall be responsible for the acts of their employees and agents committed during the course of employment or licensed activity. In any license suspension, limitation or revocation proceedings, the fact that the licensee did not have actual knowledge of the events complained of shall be no defense, and every licensee hereunder accepts their license subject to said condition.

5.60.150- Licensee's Agreement to Conform to Law.

Acceptance of a license constitutes an agreement on the part of such licensee to be bound by all of the regulations of the City as the same now are, or may hereafter be amended or promulgated. It is the sole responsibility of the licensee to keep themselves informed of the content of all such rules and regulations, and ignorance thereof shall not excuse violations.

5.60.160 - Procedure for suspension or revocation of license.

(A) Any license issued pursuant to the provisions of this chapter may be suspended or revoked in the manner provided in this section.

(B) The City Council may, on its own motion or initiative, or upon the complaint of any person, initiate proceedings to suspend or revoke a license by serving a complaint upon the licensee setting forth the alleged reason for the proceeding;

(C) The licensee shall within five days of the date of service of the complaint, file with the City Clerk a written answer to the complaint, under oath;

(D) The City Council shall set a date and time for a hearing with notice of said hearing to be served upon the licensee;

(E) If the licensee fails to file a written answer within the time required or fails to appear at the place and time designated for the hearing, the City Council shall order the license revoked;

(F) The City Council shall within ten days from the date of the hearing enter its order suspending, revoking or sustaining the license;

(G) There shall be no reopening, appeal or review of the proceedings before the City Council, except when it shall subsequently appear to the satisfaction of the City Council that the licensee's failure to answer or appear was due to matters beyond the licensee's control and not through negligence on the part of the licensee.

5.60.170 - Emergency Suspension.

Notwithstanding any provision of this chapter, the licensee accepts their license, subject to suspension by the Mayor, Chief of Police or City Council without notice following a determination that continued operation by the licensee constitutes a clear and immediate threat to the safety and peace of the citizens of the City of Fallon. Where suspension is by the Mayor or Chief of Police, it shall remain in effect until the next regular meeting of the City Council, at which time the City Council may continue the suspension until a hearing can be held in accordance with this chapter. Upon an emergency suspension by the City Council, the suspension shall remain in effect until the hearing has been held in accordance with this chapter or the suspension is rescinded by order of the City Council.

SECTION TWO: If any section, article, paragraph, sentence, clause, phrase or word in this ordinance, or application thereto, of any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by: Councilwoman Frost

Passed and adopted this ____ day of _____, 2023.

Those voting "aye": _____

Those voting "nay": _____

Those absent: _____

Those abstaining: _____

KEN TEDFORD
Mayor

ATTEST: _____
SEAN RICHARDSON
City Clerk-Treasurer

March 21, 2023

Agenda Item 8

Possible introduction of Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto. **(For possible action) (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.)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 8

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Possible introduction of Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto. (For possible action) (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.)

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|---|---|
| <input type="checkbox"/> Resolution | <input checked="" type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |

RECOMMENDED COUNCIL ACTION: Introduction of Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto.

DISCUSSION: The proposed ordinance will be read by title to the City Council. If introduced by a City Councilmember, 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.

PREPARED BY: Trent deBraga, Deputy City Attorney



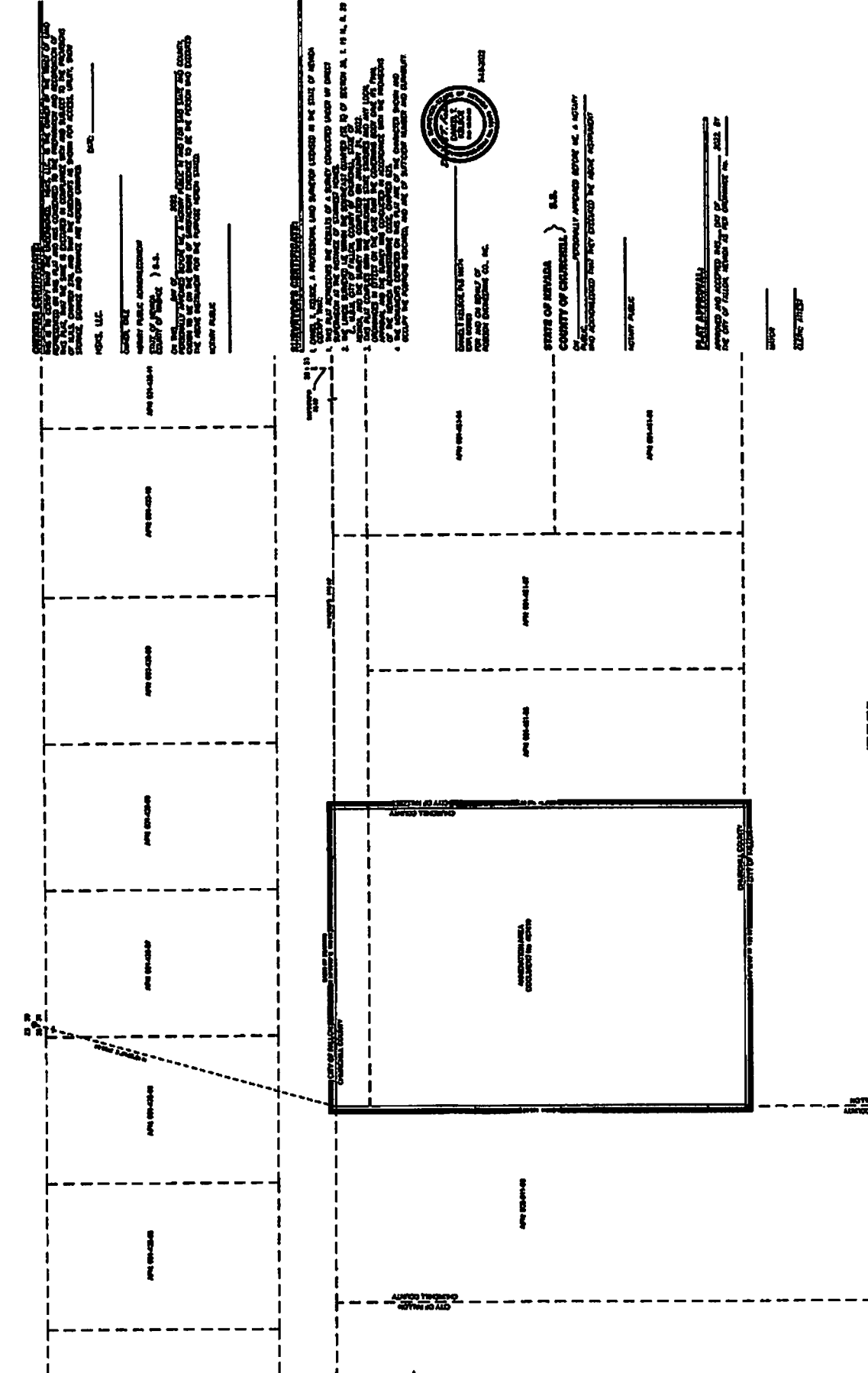
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STAR WEST HOMES
PLANNED AND
DEVELOPED BY
STAR WEST HOMES

**MAP TO SUPPORT PETITION
FOR ANNOTATION OF LAND TO THE
CITY OF FALLON, NEVADA**
PROJECT UNDER PROVISIONS OF THE REVISED NEVADA
PROPERTY CODE



NOTARY PUBLIC
STATE OF NEVADA
COUNTY OF CHURCHILL
I, _____, a Notary Public in and for the State of Nevada, do hereby certify that the foregoing plat was filed for record this _____ day of _____, 20____.

PLAT APPROVAL:
I, _____, County Clerk of the County of Churchill, Nevada, do hereby approve this plat for recording.

DATE: _____
CLERK: _____

GENERAL NOTES:
1. ALL LOTS ARE 1/4 SECTION SIZES AND ARE BEING OFFERED FOR SALE IN ACCORDANCE WITH THE REVISED NEVADA PROPERTY CODE.
2. THE CITY OF FALLON HAS A GENERAL PLAN FOR THE DEVELOPMENT OF THIS AREA WHICH PROVIDES FOR A MIXED USE DEVELOPMENT.
3. THE CITY OF FALLON HAS A ZONING ORDINANCE WHICH PROVIDES FOR A MIXED USE ZONING DISTRICT.
4. THE CITY OF FALLON HAS A COMMUNITY DEVELOPMENT PLAN WHICH PROVIDES FOR A MIXED USE DEVELOPMENT.
5. THE CITY OF FALLON HAS A GENERAL PLAN FOR THE DEVELOPMENT OF THIS AREA WHICH PROVIDES FOR A MIXED USE DEVELOPMENT.
6. THE CITY OF FALLON HAS A ZONING ORDINANCE WHICH PROVIDES FOR A MIXED USE ZONING DISTRICT.
7. THE CITY OF FALLON HAS A COMMUNITY DEVELOPMENT PLAN WHICH PROVIDES FOR A MIXED USE DEVELOPMENT.

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF 0.54 ACRES, MORE OR LESS, LOCATED AT 575 BABB PLACE, OWNED BY HSKS LLC, AND CONTIGUOUS TO THE CORPORATE LIMITS OF THE CITY OF FALLON, NEVADA, AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, NRS 268.670 provides authority for the City Council, subject to the provisions of NRS 268.663, and after notifying the Board of County Commissioners of its intention, to annex contiguous territory if 100 percent of the owners of record of individual parcels of land sign a petition requesting the City Council to annex such area to the City; and

WHEREAS, HSKS LLC, the owner of record of 575 Babb Place, a parcel of land consisting of 0.54 acres, more or less, has presented a signed Petition requesting the City Council to annex such parcel to the City; and

WHEREAS, HSKS LLC, has caused an accurate map of said 0.54 acres, more or less, to be made under the supervision of a licensed surveyor and has filed a copy of said map with the City of Fallon; and

WHEREAS, the City of Fallon has provided notice to the Board of Churchill County Commissioners of its intention to annex such parcel; and

WHEREAS, 575 Babb Place is contiguous to the existing corporate limits of the City of Fallon as the parcel is conterminous with the boundary of the City of Fallon; and

WHEREAS, HSKS LLC has requested that, upon annexation, zoning of the annexed parcel be set as R-1 Single Family Residence District as set forth in the Fallon Municipal Code; and

WHEREAS, HSKS LLC has entered into an Annexation Agreement with the City of Fallon; and

WHEREAS, the proposed annexation and the terms and conditions of the Annexation Agreement are in the best interests of the citizens of the City of Fallon.

NOW, THEREFORE, the City Council of the City of Fallon do ordain as follows:

Section 1

All that certain real property situate in the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section 36, Township 19 North, Range 28 East, M.D.M., County of Churchill, State of Nevada, as described in Document No.

487410, being more particularly described as follows:

Commencing at the East Quarter (E¼) corner of Section 36; thence S02°26'00"W, a distance of 25.00 feet; thence S89°52'00"W, a distance of 606.00 feet, to the Point of Beginning and the Northeast corner of said Parcel, said point also being on the South Right-of-Way line of Babb Place; thence leaving said South Right-of-Way line, S00°00'00"W, a distance of 180.00 feet; thence S89°52'00"W, a distance of 130.00 feet; thence N00°00'00"E, a distance of 180.00 feet, to said South Right-of-Way line; thence along said South Right-of-Way line, N89°52'00"E, a distance of 130.00 feet, to the Point of Beginning;

Said Annexation Parcel contains 0.54 acres of land, more or less

Note: The above description is based on document number 487410, recorded April 16, 2021, Official Records of Churchill County, Nevada.

is hereby annexed to the City of Fallon, and the said territory hereinbefore described shall be deemed and held to be a part of said City of Fallon and the inhabitants thereof shall hereafter enjoy the privileges and benefits of such annexation and be subject to the ordinances and regulations of the City of Fallon.

SECTION III

That zoning for the annexed parcel is hereby set as R-1 Single Family Residence District as set forth in the Fallon Municipal Code.

SECTION III

That this ordinance shall be in full force and effect from and after passage, approval and publication as required by law.

Proposed by:

Passed and adopted this _____ day of _____, 2023.

Ayes: _____

Nays: _____

Absent: _____

KEN TEDFORD
Mayor

ATTEST: _____
SEAN RICHARDSON
City Clerk/Treasurer

I hereby affirm that this document submitted for recording does not contain a social security number.

Signed: _____
Derek Zimney, City Engineer

Assessor's Parcel #: 008-911-07

RECORDING REQUESTED BY AND RETURN TO:
City of Fallon
55 West Williams Avenue
Fallon, Nevada 89406

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT is made and entered into this _____ day of _____, 2023, by and between the CITY OF FALLON, a Municipal Corporation of the State of Nevada ("the City"), and HSKS, LLC, a Nevada limited-liability company ("the Owner").

WITNESSETH

WHEREAS, the Owner is desirous of annexing a certain parcel of land ("the Property") into the City of Fallon, more particularly described as follows:

All that certain real property situate in the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section 36, Township 19 North, Range 28 East, M.D.M., County of Churchill, State of Nevada, as described in Document No. 487410, being more particularly described as follows:

Commencing at the East Quarter (E¼) corner of Section 36; thence S02°26'00"W, a distance of 25.00 feet; thence S89°52'00"W, a distance of 606.00 feet, to the Point of Beginning and the Northeast corner of said Parcel, said point also being on the South Right-of-Way line of Babb Place; thence leaving said South Right-of-Way line, S00°00'00"W, a distance of 180.00 feet; thence S89°52'00"W, a distance of 130.00 feet; thence N00°00'00"E, a distance of 180.00 feet, to said South Right-of-Way line; thence along the South Right-of-Way line, N89°52'00"E, a distance of 130.00 feet, to the Point of Beginning;

Said Annexation Parcel contains 0.54 acres of land, more or less

Note: The above description is based on document number 487410, recorded April 16, 2021, Official Records of Churchill County, Nevada.

WHEREAS, the City operates water, sewer and electric utility systems and the Property is contiguous to the existing boundaries of the corporate limits of the City, and otherwise a

proper subject of annexation in accordance with the provisions of Nevada law; and

WHEREAS, the City has adequate utility system capacity to connect the Owner's property to the City's water, sewer and electric utility systems subject to certain extensions of water, sewer and electric lines; and

WHEREAS, the Fallon Municipal Code of Fallon, Nevada, 1977, as amended ("FMC") provides for certain improvements to be made by an applicant upon annexation of properties into the City, including, but not limited to, improvements relating to water lines, sewer lines, electric lines, streets, street lights, curbs, gutters, sidewalks and storm drains; and

WHEREAS, the FMC provides that upon annexation of properties into the City, all buildings and facilities constructed therefore must be served with City utilities including, but not limited to, water (including water treatment), sewer, electric, garbage collection and landfill services; and

WHEREAS, the Owner hereby requests that upon annexation the zoning of the Property be set as R-1 Single Family Residence District as set forth in the Fallon Municipal Code.

NOW, THEREFORE, in consideration of the premises, including the herein stated financial obligations and covenants of the Owner, together with the mutual promises of the parties hereinafter stated, it is understood and agreed as follows, to wit:

- 1. The City will initiate and accomplish the procedures required by law for the annexation of the Property, in accordance with the provisions of NRS 268.636 et. seq.**
- 2. The Owner agrees to connect all future improvements and buildings requiring water, sewer and electric service to City utilities, including payment of the utility connection fees in effect at the time of development of the Property.**
- 3. The Owner agrees to provide all necessary easements on the Property for such utility connections.**
- 4. The Owner shall pay to the City a fee of Three Thousand Dollars (\$3,000.00) at the time of annexation, said fee being the initial fee for one unit of water rights in lieu of the dedication of underground water rights. The Owner shall also pay such additional water right dedication fees as are required for future development of the Property that requires more than one unit of water rights or subsequent divisions or development of the Property as applicable.**
- 5. The Owner shall, upon development of the Property, pay to the City of Fallon all costs to install a streetlight along the frontage of the Property along Babb Place.**
- 6. The Owner shall, upon development of the Property and at no cost to the City, replace substandard sections of sidewalk along Babb Place that are identified in **EXHIBIT A****

which is attached hereto and incorporated into this Agreement.

7. The Owner shall install the improvements and connections required by this Annexation Agreement and the FMC in accordance with City of Fallon specifications at no cost to the City.

8. The Owner agrees that the zoning for the Property shall be set by the Fallon City Council and subject to the provisions of the FMC.

9. The Owner acknowledges and agrees that each of the aforesaid conditions imposed on Owner, whether of a financial or a performance nature, are conditions precedent to acceptance of the Property for annexation and to receipt of the above-described City municipal utility services.

10. In the event that Owner fails to fulfill the obligations and covenants as herein provided, the City shall have the right to take any action provided under law or equity to enforce the terms of this Annexation Agreement, including, but not limited to, completing and/or performing any of such obligations on its own and charging Owner the costs therefore with the right to levy a lien on the Property as may be proper to collect any such expenditures incurred by the City.

11. The validity, construction and enforceability of this Annexation Agreement shall be governed in all respects by the laws of the State of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents, whether one or more of the parties shall now be, or hereafter become, a resident of another state. In any action to enforce the terms of this Annexation Agreement, venue shall be exclusively in the Tenth Judicial District Court in and for Churchill County, Nevada.

12. The persons executing this Annexation Agreement below on behalf of the parties hereby represent and warrant that they have all requisite and necessary power and authority to execute and bind the parties, respectively.

THIS AGREEMENT shall be recorded in the Official Records of Churchill County, Nevada and shall constitute a covenant running with the land and shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year first written above.

OWNER

CITY OF FALLON

By: _____
Steve O'Brien, Managing Member
HSKS, LLC

By: _____
Ken Tedford, Mayor

Attest: _____
Sean Richardson, City Clerk/Treasurer

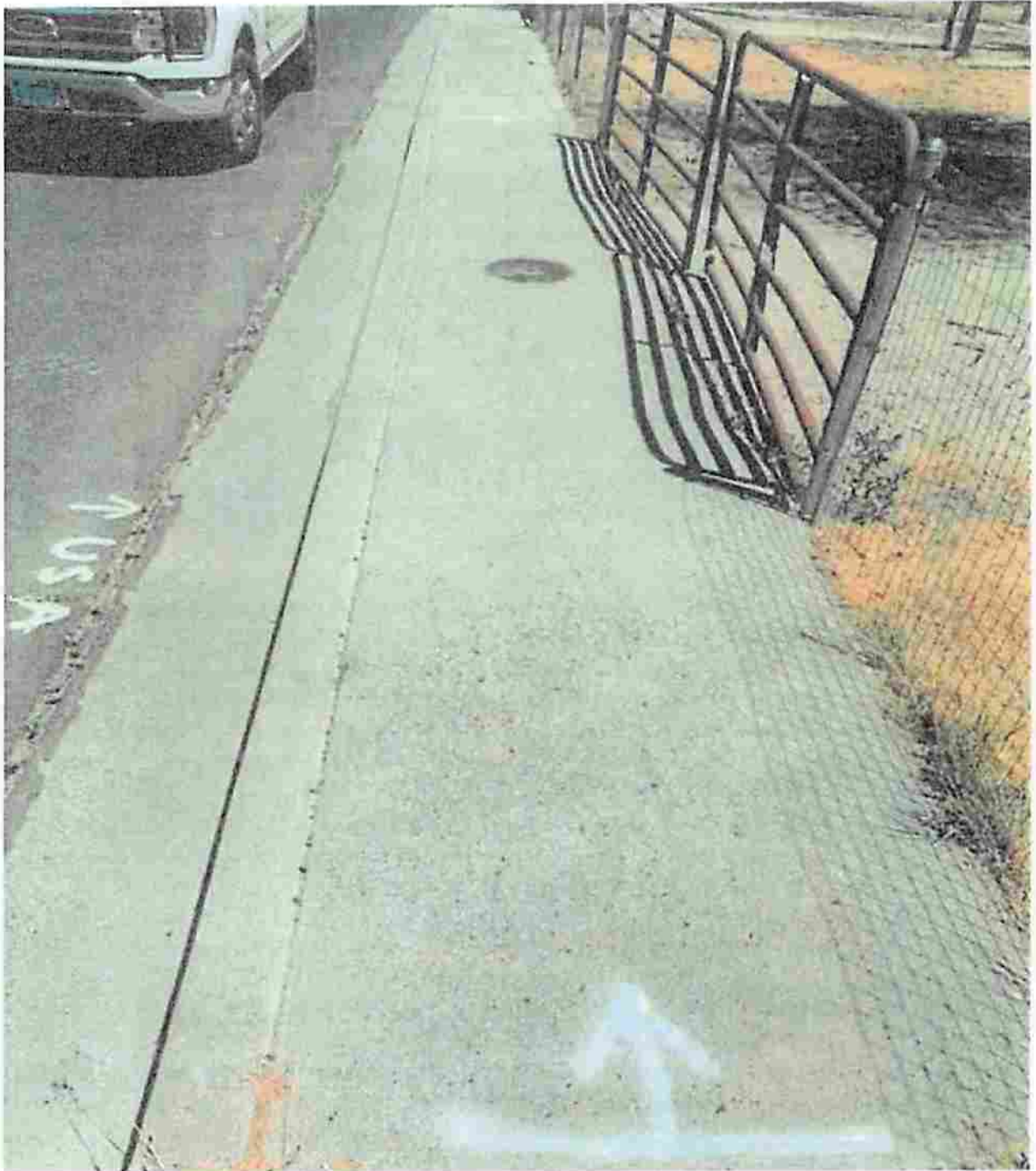
STATE OF NEVADA)
 : ss.
County of Churchill)

On this _____ day of _____, 2023, personally appeared before me, a Notary Public, in and for the county and state aforesaid, Steve O'Brien, known to me or who proved to me to be the person described herein and who executed the above and foregoing instrument; and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

Notary Public

EXHIBIT A





March 21, 2023

Agenda Item 9

Setting of public hearing date for Bill No. 793:
An ordinance providing for the annexation of
0.54 acres, more or less, located at 575 Babb
Place, owned by HSKS LLC, and contiguous
to the corporate limits of the City of Fallon,
Nevada, and for other matters properly related
thereto. **(For possible action)**

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 9

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Setting of public hearing date for Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto. (For possible action)

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |

RECOMMENDED COUNCIL ACTION: Set public hearing date for April 4, 2023, at 9:00 a.m. for Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto.

DISCUSSION: None.

PREPARED BY: Trent deBraga, Deputy City Attorney

March 21, 2023

Agenda Item 10

Possible adoption of Resolution No. 23-02: A resolution adjusting the electric utility rates.
(For possible action)

FALLON

Incorporated 1908

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 10

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Possible adoption of Resolution No. 23-02: A resolution adjusting the electric utility rates. *(For Possible Action)*

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other – Review & Discussion |

RECOMMENDED COUNCIL ACTION: Motion to approve Resolution No. 23-02: A resolution adjusting the electric utility rates.

DISCUSSION: Electric utility rates was last adjusted in 2014 or over 9 years ago. With increased costs for operations, transmission, capital improvements, and significant changes in the wholesale power market, the Electric Utility Enterprise Fund requires a rate adjustment to remain financially stable and solvent. The vast majority of the additional revenue generated from the rate adjustment will be used to cover the tremendous cost increases in wholesale power over the past several years.

FISCAL IMPACT: The rate adjustment will increase revenues an estimated \$2.5 million annually.

FUNDING SOURCE: Utility customers

PREPARED BY: Sean Richardson, City Clerk/Treasurer

RESOLUTION 23-02

**A RESOLUTION ADJUSTING THE ELECTRIC RATE STRUCTURE
AND ADJUSTING ELECTRIC RATES**

WHEREAS, the City of Fallon owns and operates its electric utility as authorized by Nevada law; and

WHEREAS, the City purchases a majority of its wholesale electric power and ancillary services from the Utah Associated Municipal Power Systems ("UAMPS") pursuant to a contract with a term running through March, 2027, in addition to other power resource projects managed by UAMPS; and

WHEREAS, the City has diligently worked with UAMPS to provide reliable electric power to the citizens of the City at the lowest price possible; and

WHEREAS, the City does not own transmission facilities and therefore must rely upon NV Energy for transmission of the City's electric resources to the City's internal distribution system; and

WHEREAS, NV Energy has increased the City's transmission costs and costs of transmission related services over the years; and

WHEREAS, the costs of providing reliable electric power to the citizens of the City have significantly increased as the energy market has significantly changed; and

WHEREAS, analysis of the rates and financials by City staff has been made toward revision of electric rates to recover additional costs at the most minimal impact to the citizens of the City and to ensure the financial stability of the Electric Enterprise moving forward; and

WHEREAS, the City has not raised the base rate cost of electric power to its customers since 2014, and the City has not raised the commodity rate since 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FALLON that the following electric rates are adopted:

SCHEDULE NO. D-1
DOMESTIC SERVICE

APPLICABILITY

This schedule is applicable to domestic lighting, heating, cooling, cooking and other domestic power service in single-family dwellings and apartments individually metered.

This schedule is also applicable to churches, chapels other than marriage chapels, and other buildings used for religious worship, owned or operated by a recognized religious society or corporation, save and except for religious schools.

TERRITORY

Entire service territory.

RATES

The monthly charge for service hereunder shall consist of a customer charge and an energy charge as follows:

| | |
|-------------------------|-----------------------------|
| Customer Charge | \$25.00 per meter per month |
| Energy Charge (All kWh) | \$0.1503 per kilowatt hour |

MINIMUM CHARGE

The minimum charge for service hereunder shall be the customer charge.

SPECIAL CONDITIONS

Service on this schedule shall be supplied at one standard voltage.

SCHEDULE NO. GS-1
GENERAL SERVICE – SMALL COMMERCIAL

APPLICABILITY

This schedule is applicable to all businesses, including retail, wholesale, service-oriented, and home-based businesses, whose usage does not qualify for the Schedule No. GS-2 rate or the Schedule No. GS-3 rate.

TERRITORY

Entire service territory.

RATES

The monthly charge for service hereunder shall consist of a customer charge and an energy charge as follows:

| | |
|-------------------------|-----------------------------|
| Customer Charge | \$35.00 per meter per month |
| Energy Charge (All kWh) | \$0.1629 per kilowatt hour |

MINIMUM CHARGE

The minimum charge for service hereunder shall be the customer charge.

SPECIAL CONDITIONS

Service on this schedule shall be supplied at one standard voltage.

SCHEDULE NO. GS-2 GENERAL SERVICE – MEDIUM COMMERCIAL

APPLICABILITY

This schedule is applicable to all businesses, including retail, wholesale, service-oriented, and home-based businesses, whose usage is greater than 100,000 kilowatt hours per year but whose usage does not qualify for the Schedule No. GS-3 rate.

TERRITORY

Entire service territory.

RATES

The monthly charge for service hereunder shall consist of a customer charge, an energy charge, and a demand charge computed as follows:

| | |
|-------------------------|---|
| Customer Charge | \$50.00 per meter per month |
| Energy Charge (All kWh) | \$0.1122 per kilowatt hour |
| Demand Charge | \$6.7166 per kilowatt of billing demand |

DEMAND CALCULATION

The demand for any billing shall be defined as the maximum measured fifteen (15) minute average kilowatt load in the billing period. In instances, however, where the use of energy by a customer is intermittent or subject to violent fluctuations, a shorter time interval may be used and the demand determined from special measurements. At the City's option, a thermal type of demand meter that does not rest after a definite time interval may be used for demand measurements.

MINIMUM CHARGE

The minimum charge for service hereunder shall be the customer charge plus the monthly demand charge.

SPECIAL CONDITIONS

Service on this schedule shall be supplied at one standard voltage.

SCHEDULE NO. GS-3
GENERAL SERVICE - LARGE COMMERCIAL

APPLICABILITY

This schedule is applicable to all businesses, including retail, wholesale, service-oriented, and home-based businesses, and industrial users who have an average annual monthly peak demand of 2 MW and a minimum load factor of 75%, as determined on an annual basis.

TERRITORY

Entire service territory.

RATES

The monthly charge for service hereunder shall consist of a customer charge, an energy charge, and a demand charge computed as follows:

| | |
|-------------------------|------------------------------|
| Customer Charge | \$500.00 per meter per month |
| Energy Charge (All kWh) | \$0.1088 per kilowatt hour |
| Demand Charge | \$10.00 per kilowatt |

DEMAND CALCULATION

The demand for any billing shall be defined as the maximum measured fifteen (15) minute average kilowatt load in the billing period. In instances, however, where the use of energy by a customer is intermittent or subject to violent fluctuations, a shorter time interval may be used and the demand determined from special measurements. At the City's option, a thermal type of demand meter that does not rest after a definite time interval may be used for demand measurements.

MINIMUM CHARGE

The minimum charge for service hereunder shall be the customer charge plus the monthly demand charge.

SPECIAL CONDITIONS

Service on this schedule shall be supplied at one standard voltage.

SCHEDULE NO. OLS-1
OUTDOOR LIGHTING SERVICE

APPLICABILITY

This schedule is applicable to all classes of customers for lighting outdoor areas other than public streets, alleys, roads, and highways. Lighting service will be furnished from dusk to dawn by City-owned, 120/240 volt overhead and underground circuits and mounted on City-owned poles.

TERRITORY

Entire service territory.

RATES

All night service
Rate per lamp per month

Installation

Installed on

Existing
Poles

New Wood
Poles

Nominal lamp rating

(A) Overhead Service

150W High-Pressure Sodium Lamp
250W High-Pressure Sodium Lamp

\$15.00
\$19.87

\$20.06
\$24.93

(B) Underground Service

150W High-Pressure Sodium Lamp
250W High-Pressure Sodium Lamp

\$35.64
\$40.51

\$40.71
\$45.57

SPECIAL CONDITIONS

1. The above rates are based upon installations consisting of one (1) lamp per pole. For each additional lamp installed in an installation in excess of one (1), an additional charge per such lamp will be made at the existing pole rate.
2. An additional charge of \$2.00 per month will be made for each wood pole installed for service under this schedule that is in excess of the number of lamp installations installed.
3. An additional charge of \$6.90 per month will be made for each 130 feet or part thereof of underground service required in excess of 130 feet per pole.

4. The City will, at its own expense, install, operate and maintain its standard outdoor area lighting equipment. Equipment shall consist of an open type fixture, photo electric switch control and support mounted on a pole at which 120/240 volt service is available from City's overhead or underground circuits.
5. Billing for a lamp will be billed only to one account. Prorated billing to several accounts for one lamp or a combination of lamps will not be made.
6. Maintenance will normally be performed on a group or area basis. Individual maintenance will be done during regular working hours as soon as practicable, subject to City's operating schedules, after customer has notified City of service failure. Credit for lamp outages will not be allowed.
7. The applicant shall obtain proper approval for equipment to be located on public thoroughfares and shall obtain all proper permits and rights-of-way across private property.
8. A contract may be required for service hereunder for a minimum term of three (3) years.
9. The necessary trenching, backfilling and paving for underground service hereunder together with any required select backfill materials shall be furnished by applicant at his or her expense and in accordance with applicable City and/or other specifications.

TURN-ON CHARGE

During the hours of 8:00 a.m. to 5:00 p.m. on regular workdays the charge for turning on electric service will be \$12.50. Between the hours of 5:00 p.m. and 8:00 a.m. and on non-workdays the charge for turning on electric service will be \$50.00.

If service is disconnected for non-payment, the above charges will apply when service is restored.

DEPOSITS

A deposit for domestic service, equal to two times (2x) the average or estimated bill at the location with a minimum of \$50.00, may be required. A deposit for commercial service will be estimated based on similar businesses, with a minimum of \$100.00, and may be required. This deposit will be applied to the account with interest at the rate of 5% per annum at the end of one year, if prompt payment record has been established. The deposit may be waived if the customer has had service at another location or with another utility company and has already established a prompt payment record with no more than one (1) late payment in the previous twelve (12) months.

A new deposit may be required if payments are received late three (3) or more times within twelve (12) consecutive months. This deposit must be paid within thirty (30) days of notification by the City.

If service is discontinued for non-payment, the applicable new service deposit will be required before service is restored.

TEMPORARY SERVICE

Where a temporary service pole is required, the person requesting service will provide and set the service pole. The charge for a one (1) span service drop to the pole will be \$30.00.

If more than a one (1) span service drop is required, the person requesting temporary service will pay total labor cost and depreciated material cost for the additional line required.

HOOK-UP CHARGE

For a 100-amp service the charge is \$450.00 per service. For a 200-amp service the charge is \$550.00 per service. For a 400-amp service the charge is \$650.00 per service.

In a situation where unusual charges may be incurred, the hook-up charge will be based on the actual cost of installation.

ANNUAL ADJUSTMENT OF RATES

The Customer Charge monthly rates adopted herein shall be adjusted annually effective each July 1st using the annual percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) – Pacific Cities and US City Average, West, as published by the Bureau of Labor Statistics commencing with the index for the twelve-month period ending December 31, 2023, and each percentage change annually thereafter. In no year shall the adjustment be less than zero percent (0%) or more than six percent (6%). The annual adjustment implementation will be at the sole discretion of the Mayor but in no event shall the Mayor's decision not to implement the annual adjustment constitute a waiver of future annual implementations or adjustments.

PAYMENT PENALTY (LATE CHARGE) – DELINQUENT ACCOUNTS

All bills shall be due and payable when rendered. A late charge of five percent (5%) shall be charged if the bill is paid after the due date. After the due date, the account will be considered delinquent and service may be discontinued without further notice.

BE IT FURTHER RESOLVED that the City Engineer shall adopt such policies and regulations as are necessary to implement and enforce the above-described rates in a fair and reasonable manner.

Upon passage, the terms of this resolution will become effective April 1, 2023.

PASSED AND ADOPTED this _____ day of March, 2023.

AYES: _____.

NAYS: _____.

ABSENT: _____.

ABSTAIN: _____.

KEN TEDFORD
Mayor

ATTEST: _____
SEAN RICHARDSON
City Clerk/Treasurer

March 21, 2023

Agenda Item 11

Possible adoption of Resolution No. 23-03: A resolution adjusting the water utility rates.
(For possible action)



FALLON

Incorporated 1908

**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 11

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Possible adoption of Resolution No. 23-03: A resolution adjusting the water utility rates. *(For Possible Action)*

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other – Review & Discussion |

RECOMMENDED COUNCIL ACTION: Motion to approve Resolution No. 23-03: A resolution adjusting the water utility rates.

DISCUSSION: Water utility rates were last adjusted in 2006 or over 17 years ago. With increased costs for operations, and capital improvements needs, the Water Utility Enterprise Fund requires a rate adjustment to remain financially stable and solvent.

FISCAL IMPACT: The rate adjustment will increase revenues an estimated \$250,000 annually.

FUNDING SOURCE: Utility customers

PREPARED BY: Sean Richardson, City Clerk/Treasurer

RESOLUTION 23-03

A RESOLUTION ADJUSTING WATER RATES

WHEREAS, the City of Fallon owns and operates its water utility authorized by the State of Nevada;

WHEREAS, the City has previously established fees and charges for water service charges, connection fees, construction uses, funding for future capital and other miscellaneous charges;

WHEREAS, the City has not adjusted its water rates since 2006;

WHEREAS, the costs for furnishing water, including the pumping, storage, distribution and related services have increased since 2006;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fallon, Nevada hereby adopt the following water fees and charges:

APPLICABILITY

This schedule is applicable to all City customers receiving water service.

WATER SERVICE CHARGES

The water service charge is based on meter size and applies to both residential and commercial customers. The service charge, effective April 1, 2023, shall be as follows:

| <u>Meter Size</u> | <u>Monthly Service Charge</u> |
|--------------------------|--------------------------------------|
| ¾" | \$20.00 |
| 1" | \$40.00 |
| 1 ½" | \$75.00 |
| 2" | \$130.00 |
| 3" | \$250.00 |
| 4" | \$375.00 |
| 6" | \$750.00 |

COMMODITY RATE

In addition to the monthly service charge, all customers shall pay a commodity rate. This rate, effective April 1, 2023, shall be \$1.07 per 100 cubic feet.

METER FEE FOR NEW SERVICES

The City shall furnish and install water meters for new services in customer installed and City approved meter boxes. The meter charges shall be:

| | |
|---------------|---------------------------------|
| 3/4" and 1" | \$20.00 plus actual meter cost |
| 1 1/2" and 2" | \$50.00 plus actual meter cost |
| 3" and larger | \$200.00 plus actual meter cost |

CONNECTION FEES

All new water connections for residential use shall be charged on a per-unit basis. A residential unit shall be deemed the equivalent of a single-family residence, a mobile home, or in the case of multifamily developments, each separate residential unit in the building. The connection fee, effective April 1, 2023, shall be \$4,000.00 per residential unit

All the new water connections for commercial and industrial uses shall be charged according to the size of the meter or meters installed. The connection fee, effective April 1, 2023, shall be:

| | |
|--------|--------------|
| 3/4" | \$4,000.00 |
| 1" | \$8,000.00 |
| 1 1/2" | \$16,000.00 |
| 2" | \$25,600.00 |
| 3" | \$64,000.00 |
| 4" | \$160,000.00 |
| 6" | \$320,000.00 |

If a change in use occurs, or additional facilities are installed or constructed which are serviced by the City through an existing meter, and no change in the meter size is required, no additional connection fees will be charged. If a larger meter is required, the fee for the larger meter will be charged and a credit given for the smaller meter being replaced. Both the new charge and the credit shall be based on the rates established and in effect at the time of the change. If a smaller meter is required, no connection fees will be charged, and no credit will be given. Any meter not in service for a period of six consecutive months will be deemed abandoned, and no credit will be given upon future development.

TURN ON CHARGE

A service fee will be charged for turning water on. This fee will be \$8.00 for service between 8:00 a.m. and 5:00 p.m. on regular working days. This fee will be \$50.00 for after hours or non-working days. If both electric and water services are turned on after hours, the total fee for both will be \$80.00. This charge applies to both new and old services and shall apply whether the service is at the customer's request, disconnect for non-payment, water leak or any other reason.

DEPOSIT

A Deposit for residential service, equal to two times (2x) the average or estimated monthly bill at the location with a minimum of \$50.00 is required to establish service. A deposit for commercial or industrial service, equal to two times (2x) the average or estimated monthly bill at the location with a minimum of \$100.00 is required to establish service. This deposit will be refunded at the end of one year with interest of 5% per annum if a prompt payment record with no more than one late payment over the prior twelve months has been established. The deposit may be waived if the customer has previously established a prompt payment record at a previous address or with another utility company.

In the event service is discontinued for non-payment, a new deposit equal to the larger of \$50.00 or twice the average monthly bill will be required before service is re-established.

CONSTRUCTION WATER

Water for construction purposes or other temporary uses, including building construction, within the City of Fallon may be purchased through a meter attached to a fire hydrant or other location approved by the City. An installation fee of \$50.00 and a refundable security deposit of \$250.00 shall be paid in advance. A rental fee of \$25.00 per month, or any portion thereof, plus a usage fee of \$3.50 per 1,000 gallons will be charged.

ANNUAL ADJUSTMENT OF RATES

The Monthly Service Charge adopted herein shall be adjusted annually effective each July 1st using the annual percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) – Pacific Cities and US City Average, West, as published by the Bureau of Labor Statistics commencing with the index for the twelve-month period ending December 31, 2023, and each percentage change annually thereafter. In no year shall the adjustment be less than zero percent (0%) or more than six percent (6%). The annual adjustment implementation will be at the sole discretion of the Mayor but in no event shall the Mayor's decision not to implement the annual adjustment constitute a waiver of future annual implementations or adjustments.

PAYMENT PENALTY (LATE CHARGE) - DELINQUENT ACCOUNTS

All bills shall be due and payable when rendered. A late charge of five percent (5%) shall be charged if the bill is paid after the due date. After the due date, the account will be considered delinquent, and service may be discontinued without further notice.

SERVICE OUTSIDE CITY LIMITS

Service to pre-existing customers outside the City limits of the City of Fallon will be charged at twice the monthly service charge and twice the commodity rate. No additional services outside the City limits will be allowed.

Upon passage, the terms of this resolution will become effective April 1, 2023.

PASSED AND ADOPTED this ____ day of March, 2023.

Ken Tedford
Mayor

ATTEST:

Sean Richardson
City Clerk/Treasurer

March 21, 2023

Agenda Item 12

Possible adoption of Resolution No. 23-04: A resolution adjusting the sewer utility rates.
(For possible action)



FALLON

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**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 12

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Possible adoption of Resolution No. 23-04: A resolution adjusting the sewer utility rates. *(For Possible Action)*

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other – Review & Discussion |

RECOMMENDED COUNCIL ACTION: Motion to approve Resolution No. 23-04: A resolution adjusting the sewer utility rates.

DISCUSSION: Sewer utility rates was last adjusted in 2015 or over 8 years ago. With increased costs for general operations, storm drain needs and capital improvements, the Sewer Utility Enterprise Fund requires a rate adjustment to remain financially stable and solvent.

FISCAL IMPACT: The rate adjustment will increase revenues an estimated \$500,000 annually.

FUNDING SOURCE: Utility customers

PREPARED BY: Sean Richardson, City Clerk/Treasurer

RESOLUTION 23-04

A RESOLUTION ADJUSTING SEWER RATES

WHEREAS, the City of Fallon owns and operates its sewer utility as authorized by Nevada law; and

WHEREAS, NRS 266.285 empowers the City Council to fix the rate to be paid for any utility provided by public enterprise; and

WHEREAS, Resolution 15-26 that was adopted by the City Council on May 5, 2015 and became effective on July 1, 2015 was the last time rates were increased; and

WHEREAS, the costs of normal operation and maintenance of the City's sewer utility have increased since 2015; and

WHEREAS, considerable analysis has been made towards revision of sewer rates to recover a portion of these additional costs at the most minimal impact to the citizens of the City as possible; and

WHEREAS, there is an additional need for storm drain maintenance and expansion; and

WHEREAS, this sewer rate increase is necessary for the financial stability of the enterprise fund and to address increased sewer maintenance expenses and costs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FALLON that the following sewer rates are adopted and shall become effective April 1, 2023:

RESIDENTIAL RATES

Single Family Residence \$45.00 per month

Duplexes, Apartments and Mobile Home Parks \$45.00 per month

COMMERCIAL/INDUSTRIAL RATES

Commercial or Industrial Users Billed on a Metered Water Basis \$16.70 per month plus \$1.63 per hundred cubic feet of metered water usage per month OR a minimum of \$35.00 per month, whichever is greater

Commercial or Industrial Users Billed on a Metered Sewer Basis \$1.81 per 1,000 gallons of metered sewer

Hotels, Motels, Rooming Houses and
Other Similar Uses

\$33.16 per month for the first unit
and \$16.70 per month per
additional unit

CONNECTION FEES

1. The fees for all new sewer connections for residential customers shall remain unchanged at \$3,000, as established effective January 1, 2000. A residential unit shall be deemed the equivalent of a single-family residence, a mobile home, or, in the case of a multi-family development, each residential unit in the apartment building or dwelling unit.
2. The fees for all new sewer connections for commercial and industrial users, and for hotels, motels, rooming houses and other similar uses, shall be charged according to the size of the water meter installed. The connection fees, which remain unchanged as established effective January 1, 2000, are as follows:

| <u>Meter Size</u> | <u>Sewer Connection Fees</u> |
|-------------------|------------------------------|
| ¾" | \$3,000 |
| 1" | \$6,000 |
| 1.5" | \$12,000 |
| 2" | \$19,200 |
| 3" | \$48,000 |
| 4" | \$120,000 |
| 6" | \$240,000 |

3. Additional fees may be required if the discharge to the sewer contains unusually high levels of contaminants that place special demands on the treatment system.
4. Sewer connection fees shall not be charged for meters that are used exclusively for irrigation purposes or other uses that do not require sewer service.
5. When one water meter is used to furnish more than one class of customer, the sewer billing shall be based on the class of service resulting in the highest bill.
6. The rates for sewer service rendered outside the City limits shall be increased commensurate with the increase for users within the City limits as described above, but in no event shall the rates for sewer service rendered outside the City limits be more than three times the rate of like service within the City limits.
7. If a change in use occurs, or additional facilities are installed or constructed on a property that is already serviced by the City, and no change in the meter size is required, no additional sewer connection fees will be charged. If a larger meter is required, the sewer connection fee associated with the larger meter will be charged and a credit given for the sewer connection fee associated with the

existing meter being replaced. Both the new charge and the credit given shall be based on the rates established by this Resolution. If a smaller meter can be used, no sewer connection fee will be charged and no credit will be given. Any sewer service not in use for a period of six months will be deemed to have been out of service and no credit will be given upon future development.

ANNUAL ADJUSTMENT OF RATES

The Monthly Service Charge adopted herein shall be adjusted annually effective each July 1st using the annual percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) – Pacific Cities and US City Average, West, as published by the Bureau of Labor Statistics commencing with the index for the twelve-month period ending December 31, 2023, and each percentage change annually thereafter. In no year shall the adjustment be less than zero percent (0%) or more than six percent (6%). The annual adjustment implementation will be at the sole discretion of the Mayor but in no event shall the Mayor’s decision not to implement the annual adjustment constitute a waiver of future annual implementations or adjustments.

PAYMENT PENALTY (LATE CHARGE) – DELINQUENT ACCOUNTS

All bills shall be due and payable when rendered. A late charge of five percent (5%) shall be charged if the bill is paid after the due date. After the due date, the account will be considered delinquent, and service may be discontinued without further notice.

BE IT FURTHER RESOLVED that the City Engineer shall adopt such policies and regulations as are necessary to implement and enforce the above-described sewer rates and connection fees in a fair and reasonable manner.

Upon passage, the terms of this resolution will become effective April 1, 2023.

PASSED AND ADOPTED this ____ day of March, 2023.

AYES: _____.

NAYS: _____.

ABSENT: _____.

ABSTAIN: _____.

KEN TEDFORD
Mayor

ATTEST: _____
SEAN RICHARDSON
City Clerk/Treasurer

March 21, 2023

Agenda Item 13

Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(For possible action)**

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**CITY OF FALLON
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 13

DATE SUBMITTED: March 14, 2023

AGENDA DATE REQUESTED: March 21, 2023

TO: The Honorable City Council

FROM: The Audit Committee

SUBJECT TITLE: Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00). and approval for the Mayor to authorize additional fees if necessary to complete the audit. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other |

RECOMMENDED COUNCIL ACTION: Motion to approve engagement letter and appoint Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit.

DISCUSSION: Pursuant to NRS 354.624, the City must provide for an annual audit of all of its financial statements. NRS 354.624(3) requires the City to designate its auditors and provide notice of the designation to the Department of Taxation not later than three (3) months before the close of the fiscal year to be audited. The Audit Committee, which consists of Councilwoman Karla Kent, City Attorney Mike Mackedon, Deputy City Attorney Trent deBraga and Chief of Staff Bob Erickson, has reviewed the attached proposal and recommends the appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023. The quoted total fee covers the general audit and one major program audit in addition to all travel costs.

FISCAL IMPACT: One Hundred One Thousand and Fifty Dollars (\$101,050.00)

FUNDING SOURCE: The General Fund

PREPARED BY: Sean Richardson, City Clerk/Treasurer



March 13, 2023

City of Fallon Audit Committee
City of Fallon, Nevada
55 West Williams Avenue
Fallon, NV 89406

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fallon, Nevada (the City) as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

In addition, we will audit the entity's compliance over major federal award programs for the period ended June 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, and any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB), require that management's discussion and analysis, schedules of changes in the City total OPEB liability and related ratios, the schedule of the City's share of the net pension liability, and the schedule of the City's contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in

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accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedules of Changes in the City Total OPEB Liability and Related Ratios
- Schedule of the City's Share of the Net Pension Liability
- Schedule of the City's Contributions

We will subject the following RSI to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the RSI to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following RSI in relation to the basic financial statements as a whole:

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – General Fund
- Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Schedule of Revenues, Expenditures and Changes in Fund Balances
- Notes to Required Supplementary Information

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- The combining and individual fund statements and schedules, including budgetary comparisons
- Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Combining Balance Sheet
- The schedule of fees imposed subject to the provisions of NRS 354.5989 – limitations of fees for business licenses

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, if applicable, in accordance with any state or regulatory audit requirements. As part of an audit of financial statements in accordance with GAAS and in accordance with Government Auditing Standards, Uniform Guidance and/or any state or regulatory audit requirements we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and state or regulatory audit requirements. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the governing body of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report (*Auditor's Comments*) on compliance with the Nevada Revised Statutes and the Nevada Administrative Code upon completion of our audit. However, our audit will not be directed primarily toward obtaining knowledge of such noncompliance and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the City's major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the

aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS in accordance with *Government Auditing Standards*, and any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs

- and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
 9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
 10. For taking prompt action when instances of noncompliance are identified;
 11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
 12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
 13. For submitting the reporting package and data collection form to the appropriate parties;
 14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
 15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
 16. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us, including
 - i. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - ii. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report;
 17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
 21. For the accuracy and completeness of all information provided;
 22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of

federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- **Assist with preparing financial statements and the schedule of expenditures of federal awards in conformity with U.S. generally accepted accounting principles and Uniform Guidance based on information provided by you.**
- **Complete the auditee's portion of the Data Collection Form**
- **Propose journal entries to be reviewed and approved by management relating to the GASB 34 conversion entries for the governmental funds.**

We will not assume management responsibilities on behalf of the City. The City's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- **We will perform the services in accordance with applicable professional standards.**

- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Fees and Timing

Teri Gage is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our audit in July 2023.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. Our fee for the audit will be \$101,050 (which includes travel expenses). The fee includes one major program to be audited under the Single Audit and Uniform Guidance, if you have more than one major program the fee will increase by \$5,000 for each additional major program. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information required to perform our engagement, as well as a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Other Matters

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended

third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Audit Committee, City Council and management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;

- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Reno, Nevada. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Nevada law. Any unresolved Dispute shall be submitted to a federal or state court located in Reno, Nevada.


ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,


Teri Gage
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of City of Fallon by:

Name: _____

Title: _____

Date: _____

cc: City of Fallon, Nevada Council Members