

**MINUTES
CITY OF FALLON
55 West Williams Ave
Fallon, Nevada
September 17, 2024**

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
City Attorney Mike Mackedon
Deputy City Attorney Trent deBraga
Chief Ron Wenger
Captain John Riley
Captain Daniel Babiarz
City Clerk Treasurer Michael O'Neill
Deputy City Clerk Elsie Lee
Public Works Director Brian Byrd
Deputy Public Works Adrian Noriega
Deputy Public Works Glen Radtke
Deputy Public Works Marco Guerrero
Director of Tourism Jane Moon

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

Mayor Tedford led the Pledge of Allegiance.

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

City Clerk Treasurer Michael O'Neill advised that the agenda was posted in compliance with the NRS requirements.

Public Comments

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

No comments were noted.

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.

Introduction and possible action to propose Bill No. 801: An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto.

Councilwoman Frost introduced Bill No. 801 An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto.

Public Hearing on Bill No. 801: An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto.

Mayor Tedford stated this was the time for the public hearing on Bill No. 801 An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the

bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto. Are there any questions or comments from the Council and public?

No comments were noted.

Consideration and possible adoption of Bill No. 801: An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto.

City Clerk Treasurer Michael O’Neill stated that the purpose of this Council Action is to allow the City of Fallon to issue general obligation (additionally secured by pledged revenues) bonds to allow for redemption of the Sewer System Revenue Bonds, Series 2015. The issuance of the refunding bonds would allow the City of Fallon to lower the existing interest rate thus providing savings over the life of the loan. Staff contracted the services of Mr. Marty Johnson of JNA Consulting Group, LLC, Financial Advisor, and Scott Shaver of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, to provide expert advice on these financial matters. The proposed new borrowing would not extend the loan terms from the Sewer System Revenue Bonds, Series 2015, and savings over the life of the loan is estimated to be \$203,226.00.

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

Councilman Harmon wanted clarification on the refinancing of the bond. Are we just refinancing a bond that was issued in 2015, at a lower interest rate?

Marty Johnson of JNA Consulting Group greeted the Council. Yes, it is very similar to buying a house, 5 years into the purchase, rates are lower, and you go into refinance it. Except, in this case, as Michael said, we are keeping the terms of the payment the exact same. So, we aren’t extending the payment, and we are saving money by doing it.

Councilman Harmon inquired if there was any risk in the refinance.

Marty Johnson stated that the only risk is if rates go down more, in the future. Even though the FED is expected to lower rates, its impact on longer term rates, when we are actually borrowing the money, probably isn’t going to be that great.

Councilman Harmon stated that isn’t really a risk because we are already saving money. Is there a potential down the road to do this again?

Marty Johnson stated that we have just a little over 10 years left. We don’t have that long left. Part of what happens is in refinancing, you save money over the remaining life of the bonds. We are going to be at a point where the term is so short that we just won’t be able to save much money, even if rates drop. Now, if rates drop back down to 1 or 2 percent, different story. Odds are we will not be able to refinance this and have any meaningful savings in the future.

Councilwoman Frost inquired on the execution date.

Marty Johnson stated that we are selling bonds to the state and then the state goes out to

the public market, gets interest rates based on their double A+ rating, and then passes those on to the City. We expect to sell the state bonds on October 16th, so about 3-4 weeks from now. That is when the interest rate will be locked in, and then in early November we will have the actual closing. When the 2015 bond is cancelled, returned to the City, and we enter into this new payment agreement with the state.

Councilwoman Kent inquired on the amount of the bond.

Marty Johnson stated this will take care of the payoff and all the transaction costs. So, those savings that Michael mentioned, the \$200,000.00, over the life of the bonds, is after paying off all the costs. So, those are the true savings to the City.

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

No further comments were noted.

Councilman Harmon motioned to approve the adoption of Bill No. 801: An Ordinance Designated by the Short Title “2024 Sewer Bond Ordinance,” providing for the issuance by City of Fallon, Nevada of its negotiable, general obligation (additionally secured by pledged revenues) Sewer Refunding Bonds, Series 2024; Providing the Form, Terms and Conditions of the Bonds, the Use of their Proceeds and providing for the sale thereof; Providing for the Levy and Collection of Annual General (Ad Valorem) Taxes for the payment of the bonds; Additionally, securing their payment by a Pledge of Revenues Derived from the Sewer System of the City; Ratifying Action Previously taken Toward the Issuance of the Bonds; Providing for Adoption as if an Emergency Exists, and providing other matters relating thereto; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

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 congratulated Director of Tourism Jane Moon. She has been appointed by Governor Lombardo to the Air Service Development Commission of Nevada. I think it is going to be important work, and I believe their focus is trying to bring more people, by air, to rural Nevada, and especially for tourism purposes. Thank you.

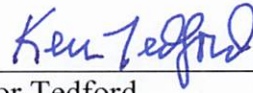
No further reports were noted.

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 9:09 a.m.



Mayor Tedford

Attest: 

Michael O'Neill, City Clerk-Treasurer