

**MINUTES
CITY OF FALLON
55 West Williams Ave
Fallon, Nevada
July 16, 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
Chief of Staff Bob Erickson
Deputy City Attorney Trent deBraga
Chief Ron Wenger
Deputy City Clerk Michael O'Neill
Public Works Director Brian Byrd
Deputy Public Works Adrian Noriega
Deputy Public Works Glen Radtke
Deputy Public Works Marco Guerrero
Engineer Derek Zimney

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

Mayor Tedford led the Pledge of Allegiance.

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

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

Mayor Tedford stated that Councilman Harmon was out-of-town and unable to attend the meeting.

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 Councilwoman Frost and approved with a 2-0 vote by the Council.

Mayor Tedford stated that we will be taking the Agenda Items out-of-order. Agenda Item 5 will be moved with Agenda Item 7.

Public meeting for discussion of possible state Community Development Block Grant Applications for fiscal year 2025-2026.

City Engineer Derek Zimney stated the purpose of this public meeting is to provide information about the CDBG program, past projects that have been funded by the City of Fallon, how to apply, eligibility requirements, how and where funds can be used, and to give citizens the opportunity to make their comments known regarding what types of eligible activities the City of Fallon should apply for under the State CDBG program. A second public hearing will be held in September 2024 in order to discuss proposed projects submitted to date. A final hearing will be held prior to the end of February 2025 to discuss, approve, and rank applications prior to submittal to the State. I have included a summary of our past projects and gives an update on where we are with most of them. We are wrapping up Court Street and jumping into Kaiser design, currently. Also, I have included our LMI map. Eligible projects must be in an area that is over 51% LMI. We have had a lot of success with ADA type projects that are administered through the Governor's Office of Economic Development. Their big press for projects that they like has been projects that spur economic development. So, our Broadway, Sherman, and Front Street, all fed into our economic corridors. Historically, that has been the direction we have been going with these. Of course, I am open for any questions or ideas for projects.

Mayor Tedford inquired if we had any projects pending.

City Engineer Derek Zimney stated that Kaiser Street Design is advertised in the newspaper for RFQ for designers. We are working on closing out Court Street, currently.

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

No comments were noted.

Consideration and possible approval and adoption of Resolution No. 24-7-12: A Resolution authorizing the officers and staff of the City to arrange for the sale of general obligation (additionally secured by pledged revenues) sewer refunding bonds, authorizing the officers and staff of the City to specify the terms of the Bonds, the method of their sale, the final principal terms of their repayment and security, and other details of the Bonds; and further authorizing officers and staff of the City to take all action necessary or appropriate to effectuate the provisions of the resolution.

Deputy City Attorney Trent deBraga stated in 2015, the City issued the City of Fallon, Nevada, General Obligation (Limited Tax) Sewer Improvement and Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015B. In order to serve the public interest, the City desires to take advantage of favorable terms available to it by issuing general obligation

(Additionally Secured by Pledged Revenues) Sewer Refunding Bonds (the “Bonds”) to refund, pay, and discharge all or any part of the previously issued Refunding Bonds. By taking advantage of current terms offered by the State Bonding Bank, City staff anticipate saving approximately \$150,000.00 over the term of the refinancing. The City’s financial consultant, Marty Johnson, bond counsel Scott Shaver, and City staff have prepared the attached Resolution for the Council’s consideration. If approved and adopted by the Council, City staff will be authorized to arrange for the sale of the General Obligation (Additionally Secured by Pledged Revenues) Sewer Refunding Bonds and all actions necessary to effectuate their sale. Once arranged, City Staff will prepare an Ordinance for adoption by the City Council to approve the sale of the bonds.

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

Councilwoman Kent inquired on the refinance amount.

Marty Johnson, with JNA Consulting Group and financial advisor for the City, greeted the Council. There is a short power point that is in the agenda packet. The amount of bonds that are currently outstanding from that 2015 transaction is about four and a half million. That is the amount that we are looking to refinance. We don’t extend the terms, so the bonds will still be paid off by 2035, like the current bonds do. We are just merely taking advantage of lower interest rates. Honestly, there is a lot of things that came together to make this opportunity available to the City. One is, is the state is already issuing bonds of their own. So, we are using the Municipal Bond Bank Program to issue the bonds, where there are a lot of shared issuance costs, which makes it less expensive. In addition, the City of Fernley was part of this original transaction, and are also interested in refinancing their piece, which further helps us share those transaction costs. Without those two things, there wouldn’t be any savings, to speak of, from looking at refinancing these bonds.

Councilwoman Kent inquired if there is any downside to refinancing at this time.

Marty Johnson stated that the only downside to refinancing, at this time, is if interest rates go down more in the future. Then, what you have to take into account with bonds like this, this isn’t like a house where you can theoretically refinance every two years if rates made sense to do that. Our bonds can be prepaid February 1, 2025. So, that means we can do a refund any time after November 1st. The savings are generated by the reduction of interest rates. So, if you want to think of it as a rectangle. By a reduction in interest rate, and then the time from the day we affect the refunding to when that bond pays off, as that time gets shorter, to keep the area of the rectangle the same, interest rates have to have a bigger differential. Really, with the state doing a deal, and they won’t be back in the market until a year from now. They traditionally don’t issue during the Legislature session. The fact that Fernley is wanting to go forward with theirs, well, I am assuming they will approve, they are doing the same thing tomorrow night. I really think this is the time for the City to do it. Obviously, if the rates change between now, and when we sell the bonds, and there are no savings, we won’t go forward and there won’t be any issue for the City in doing that.

Councilwoman Frost wanted to reiterate the savings amount. That is a savings of \$150,000.00 to the citizens?

Marty Johnson stated that was correct. That is net of all the transaction costs, so those are the true savings to the City and the users of the Sewer Fund.

Councilwoman Frost inquired on the interest rates. If interest rates went down any lower, it could be even higher savings?

Marty Johnson stated that was correct.

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

public.

No further comments were noted.

Councilwoman Frost motioned to approve and adopt Resolution No. 24-7-12: A Resolution authorizing the officers and staff of the City to arrange for the sale of general obligation (additionally secured by pledged revenues) sewer refunding bonds, authorizing the officers and staff of the City to specify the terms of the Bonds, the method of their sale, the final principal terms of their repayment and security, and other details of the Bonds; and further authorizing officers and staff of the City to take all action necessary or appropriate to effectuate the provisions of the resolution; seconded by Councilwoman Kent and approved with a 2-0 vote by the Council.

Consideration and possible action to adopt Resolution 24-7-11: A Resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2024 Private Activity Bond Volume Cap to the Nevada Rural Housing Authority; and other matters related thereto.

Deputy City Attorney Trent deBraga stated that Donna Greenhut, Administrative Coordinator for Nevada Rural Housing Authority ("NRHA"), has submitted a request for the City to transfer its 2024 private activity bond volume cap to the NRHA. The NRHA promotes, provides, and finances affordable housing opportunities for rural Nevadans. The City has annually approved the request from the NRHA. If approved, the attached resolution and transfer certificate will be executed and delivered to the Nevada Department of Business and Industry. I will state, for the record, in the agenda packet, Resolution 24-7-11 had some blanks in the resolution. I have filled in those blanks with the City's representative. Which I have provided, for the record, to the Council, and at the back table for the public. The only difference there is the filled in blanks done with the City's representative. I do believe we have Beth Dunning here to represent Nevada Rural Housing Authority.

Beth Dunning with Nevada Rural Housing Authority greeted the Council. I am representing Nevada Rural Housing Authority on behalf of Katie Coleman. I am the Director of Community Development for Nevada Rural Housing Authority, and we are here to request your unused private activity bond cap. You may or may not know that it is distributed from the Treasury. Nevada gets 380 million dollars, and a portion of that comes to you. If you choose to provide that to us, we will use it for our homeownership programs. Just to give you a little information, 6.5 million in bond cap transfers have come from the City of Fallon to Nevada Rural Housing since 2006. 32.3 million in mortgages have been provided to 181 homebuyers since 2006. \$449,000.00 in estimated federal tax savings went to homeowners, in this City, since 2006. \$975,915.00 in down-payment assistance went to homebuyers, in the City of Fallon, since 2006. I am happy to answer any other questions that you may have.

Mayor Tedford stated that he would like the numbers that were mentioned provided in writing.

Beth Dunning stated that it has been provided on page 11.

Mayor Tedford stated that this is one of his favorite programs. Especially the phrase you use here, the down payment assistance to homeowners that this fund provides. Do you know what that amount was in 2023?

Beth Dunning stated that she does not have that information. I have been asked that before in meetings like this, and I can get that for you. We can provide an update with specifics for what has been provided in the last 2-3 years, if you would like.

Mayor Tedford stated that he would like that information, and always likes that

information. Your predecessors that have appeared here know that is a question I always ask. I would appreciate you getting back to me with that information. We had a board member on the Nevada Rural Housing for years and then when he retired, that board position went away from us. I would like you to inquire about that as well.

Beth Dunning stated they have five board members. I know who you are talking about, and his position was filled with, I believe, the Mayor of Lovelock, who is sitting on the Board. The positions, I believe, are recommended through the Nevada League of Cities and the Nevada Association of Counties, and we don't have any vacancies available, but I can certainly provide your information and request that with our upper management team. So, when we do have a vacancy, we can consider someone from the City of Fallon.

Mayor Tedford stated that the City has stayed supportive and in close contact with the program for many years. Then, all of a sudden, we were sort of just cut off from it. I thought that was terribly unfair for a City that was so supportive of it, where many cities weren't so supportive of it. I know Mayor Erickson, which is located to my left, thought that was not so good either.

Beth Dunning stated that they appreciate all the support from the City. We have some property here, some apartment complexes, are in the process of acquiring another one, and we were recently looking at another property in Fallon. So, Fallon is near and dear to us, and we appreciate your support, and I will definitely take that feedback back.

Mayor Tedford stated that the City is aware of how the property was acquired. We are supportive of those properties when they came to being, but we just didn't think it was too fair.

Councilwoman Frost inquired on the lenders. Are you finding that you are getting more lenders that are helping with the program and informing people about it?

Beth Dunning stated that was a good question. I don't work on the home loan ownership side of the program, but I can get more of that information from Katie as well. Katie speaks very well to that homeownership program. I know that we are getting ready to launch an additional program, that was also in your packet, the Launchpad. So, there is another home ownership program that we are getting ready to launch in the rural areas. We are doing our best to get lenders familiar with the programs that we have to help people during the time. You know, interest rates are tough right now, we do have the ability to buy-down those interest rates and help people. So, we are trying to get that word out as much as possible.

Councilwoman Frost inquired about their ad campaign. Do you have a new ad campaign coming out to inform the public? I know that getting the information out there can be difficult, and I know that the Mayor has pamphlets in the Clerk's Office.

Beth Dunning stated that they have been working really hard on Launchpad and promoting the rest of the programs as well. I know that there is a lot of social media campaigning, that seems to be a more prevalent method. Again, Katie would have more information on exactly what programs she is using to get the word out. I know that they have meetings periodically with lenders in the area. Kevin, one of our business development people, goes out and meets with lenders to provide them with additional information on the programs that we offer. So, we are out there beating the streets, trying to drum up the information, so that the lenders can get that back to the buyers.

Mayor Tedford asked Beth Dunning to dig a little deeper into the subject. It isn't just making them aware. We only had one realtor, at one time, and I think we only have one bank right now, that even is sold on this program. It is trying to make these banks, and these realtors believe in this program. Councilwoman Frost is right, I put the flyers out here on the desks of the Clerk's Office, to try to make people aware of this Downpayment Assistance Program. It sometimes is the difference of a young couple being able to get into a home. I have a real passion

about people being able to get in a home. Yet, banks don't believe in your program, and realtors don't believe in your program. They know it is there, but they aren't sold on it enough to take this young couple a step further and say, hey there is a Downpayment Assistance Program that could help you. Maybe that is because they have to go through HUD, or whatever, and they don't want to take the extra step to get there. I don't want to be too critical here, but one time you ran an ad, and didn't put Fallon in the ad, and you had all your other cities. That made it harder for us out here to try to promote this program. I don't know what more we can do, and I go back to where you kind of just cut us off from your program. Yet, you had a Mayor out here who was talking to bankers and realtors about your program, trying to sell it for you, and I don't have anything to do with your program because I think, especially, the Downpayment Assistance Program is so necessary in a generation that is being cut-out from owning homes. Now, maybe here, everyone owns their own home but there is an entire generation who is being cut out of being a homeowner, they are being skipped. Those in Washington aren't taking care of those people, and don't even get it in their bubble. This Downpayment Assistance Program is a tool that really can help them get there because maybe that is all they need because their rent is what a house payment can be. They just need to be able to get into that home and a lot of them aren't even trying anymore, and a lot of it is because they don't know about this. The term, making them aware of it, is not good enough for me because they are aware of it, but they just don't like to use it. I have had people tell me who I've told, here is this pamphlet. I took it off the counter and I am bringing it to you, and I know you want a home, so show your banker this. They show the banker, and they don't want to use it. It is convincing them that they need to use this in order to help someone get into a home. So, these people just give up and they don't buy a home. You are the messenger, and I get that, but you have a tremendous responsibility to an entire generation of Nevadans, especially up here, which we serve in the rural community, to provide homeownership. It isn't that you just have a bunch of programs. This one in particular, is so important, I think, to this generation that has been skipped. They are not building equity in a home, and they don't even get how it will help them in the future, let alone have the pride of ownership.

Councilwoman Frost stated she would like to make a comment. I think it is really important that Nevada Rural Housing reaches out to school districts, the Navy base, and people that are hiring young professionals who have decent paying jobs. Having these groups push this program and getting the word out there. Hopefully, trying to force some of these lenders and real estate agents to be of assistance to these young people coming into our community and getting them into homeownership.

Mayor Tedford stated that there is a low level of people we can help, a social economic range that we are talking about with this Downpayment Assistance, but you've raised that level up on the higher end with that cap. Where two people are living and making an earning now, can use this, not just the single mom or dad with one income. The two-income people can use this.

Beth Dunning agreed. It is critical that we get the word out, not only to the people that we are already talking to, but people need to understand how it can make a difference. Sometimes showing people the numbers can make a difference in showing them that this is their specific situation and if they were to use this program it could adjust the payment or make a difference between getting them through the door. It has been a little rough the last couple of years, in particular, with the rising interest rates, the costs of construction, and the costs of homes going up and up and up. I know that it seems like an uphill climb for many people, but we are working on campaigns to try and counteract that information. I will definitely take that feedback back to our marketing team and see what we can do better.

Councilwoman Frost stated that the rural communities can use this as a recruiting tool for those young applicants coming out of school. Letting them know that they can afford a house in a rural community, where maybe they couldn't in the Reno or Sparks area.

Beth Dunning stated that has come to their attention more. We are doing a lot more talking, in-house, on how we can work with school districts and other businesses within a community to help build their workforce by encouraging people to buy, and what those business partners can do to help spread the word. Or, how we can partner with them to get more information out to their folks, so they understand that it is not so high in the sky, that they couldn't achieve it. So, that is definitely one of our goals that we have been working on, to partner with those people and help build the community by building homeownership.

Councilwoman Frost stated that she believes this is a great program. I am not being critical but just wish it could be utilized more.

Beth Dunning stated that the feedback is appreciated. It always helps to get a feel for what is happening on your side of things. We only know what we are putting out there, so sometimes the feedback coming in can help us make a different decision, maybe make a better campaign, maybe work things a little differently to get better at what we do.

Mayor Tedford stated that when we transfer a half of a million dollars back, that is a lot of money that could be utilized in our City. In a way Beth, it is just sad. It is good that it can be utilized somewhere but it is just sad that it is being transferred and not utilized here. Any other discussion or questions from the Council or public?

No further comments were noted.

Councilwoman Kent motioned to approve and adopt Resolution 24-7-11: A Resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2024 Private Activity Bond Volume Cap to the Nevada Rural Housing Authority; and other matters related thereto; seconded by Councilwoman Frost and approved with a 2-0 vote by the Council.

Public Comments

Mayor Tedford inquired if there were any public comments.

No comments were noted.

Council and Staff Reports

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

No 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 9:35 a.m.

Ken Tedford

Mayor Tedford

Attest:

Michael O'Neill

Michael O'Neill, City Clerk-Treasurer