

TONOPAH TOWN BOARD

BUDGET WORKSHOP MINUTES

MARCH 16, 2012

Town Board Chairman Jon Zane called the workshop to order at 9:08 a.m. Also present were Horace Carlyle, Javier Gonzalez, and Duane Downing. Glenn Hatch was present via telephone. There were seven other people in attendance.

The Tonopah Town Board recessed to the Tonopah Library Board at 9:09 a.m.
The Tonopah Town Board returned at 10:09 a.m.

1. Budget Workshop; All Town Departments/Tonopah Public Utilities

Chris Mulkerns explained that the revenue sheet shows a ten-year average, from FY 01/02 to the year that was just audited, FY 10/11. It shows the budget for the current fiscal year, the estimation for the end of the year and the recommendation for FY 12/13. The number for property tax is based on the numbers from the Department of Taxation. She noted that the assessed valuation actually increased by about \$4,000 from February to March. The recommended budget of \$129,351 is based on the abatement from last year. She noted that Town will not know what the abatement for this year will be until March 25th. This number will likely change. James Eason explained that the Town is trending down in assessed valuation with the resetting by the Assessor's Office. Tonopah was traditionally based on replacement value but now everything is based on market value. He explained that the increase in the audited numbers between FY 08/09 and FY 09/10 is because the Town went after the hospital district tax rate and rolled that into the Town rate. Chris Mulkerns explained that the two numbers under FY 09/10 are the result of an audit adjustment.

Room tax for FY 10/11 audited at \$328,232, about \$120,000 more than budgeted. The estimated end of year amount for FY 11/12 is \$250,000. The recommended budget for FY 12/13 is \$260,000. The recommended budget for business licenses was increased by \$500. The end of year estimate is \$18,000. County liquor is staying at \$1,800. The FY 10/11 number is below that. Current totals for FY 11/12 are \$1,760. The recommended budget for county gaming is \$16,000. The audited number was just over that. The estimate for FY 11/12 is to hit only about \$15,000, based on the fact that it is only at \$8,700 to the end of February. Consolidated tax is based on numbers from the Department of Taxation. The Town always goes lower than the State's suggestion. The recommended budget is a little higher than FY 11/12, increasing by \$30,000 to \$240,000. James Eason explained that the Department of Taxation numbers for consolidated tax are around \$300,000. Horace Carlyle feels that the number for county gaming is too high. James Eason explained that the Mizpah is planning on opening their gaming facility in the next year and they are planning on adding another 40 employees. The Tonopah Liquor Company is planning on adding slot machines. The new bar at the Humbug Flats will also have machines. Chris Mulkerns noted that the Town received new numbers for gas tax. It dropped from \$8,519 to \$8,447. It is a pass through account. Pool fees were dropped to \$6,000. Convention Center fees stayed at \$5,000. The estimate is to collect about \$7,000 this year. The audited numbers for

FY 10/11 were \$10,000. She explained that the reason the fees dropped is because of the construction on both the Belvada and the Convention Center. Fairgrounds stayed at \$450. Joe Friel stayed at \$1,300. Duane Downing noted that the school uses the complex for \$2,000. James Eason noted that it used to be less but has been going up incrementally. He recommended keeping it at \$1,300. Chris Mulkerns explained that the FY 11/12 budget for court fines is \$20,000. The audited numbers for FY 10/11 are \$30,000 but the recommendation is to stay at \$20,000 for FY 12/13. The budget for reimbursement for rescue runs dropped down to \$100. The budget for interest stayed at \$12,000. Mining Park Donations was increased to \$5,000. It has been consistently above \$3,500 for the past several years. Miscellaneous remained at \$2,000. She explained that the large number is the result of the kids the Town gets during the summer through the grant program. The reimbursements run through this account. The beginning fund balance for FY 12/13 is \$1,333,274. Adding in what is budgeted, the total is \$2,057,222. The recommended budget for the room tax grant is \$20,000. Special Capital Projects is the ad valorem tax and is budgeted at \$35,000. Capital projects dropped down to \$1,000. This is the money received from the rescue runs. She explained that, for the mural fund, she just put in what was collected in interest for the past fiscal year. It was below the \$500 budgeted. The only money collected for the Mining Park Capital Projects fund is interest. Duane Downing suggesting dropping the mural fees down to \$200. James Eason suggested dropping the Mining Park Capital Projects fund budget down as well. Duane Downing noted that the Total Other Revenue budget dropped to \$56,400.

The Board moved onto the budget for the Fire Department. April Ramirez explained that Nye County is refusing to pay for the physicals, which is a requirement for the insurance. She noted that some of the volunteers are already police personnel and she was wondering if it is possible to use one of those physicals. James Eason explained that even though Nye County is no longer paying for the physicals, the volunteers are still allowed to go take them and the Town will pay for it. It is a mainly a matter of Nye County back-billing the Town. Those volunteers who are due need to contact Tina Landsberry. Nye County Emergency Services will arrange the physical at the clinic and will then back bill the Town. It comes down to worker's comp and the classification. He explained that full time, paid fire personnel are in a different classification than volunteers. Volunteers have to have a physical to be covered under the insurance. April Ramirez had concerns over the travel budget. Chris Mulkerns noted that the travel budget for FY 11/12 is \$1,000 and that is almost used up. April Ramirez explained that most of the fire/rescue personnel want to attend the annual EMS conference and there were only three who attended this year. The Board increased the travel budge to \$3,000. James Eason explained that Nye County picks up a large portion of the training budget and this conference is a supplement to that.

James Eason explained that the Town has the Old Le France, the New York Ladder Truck, the GMC, the 1978 Ford Rescue Truck, and the White Emergency 1 truck. The plan is to take three trucks, the GMC, the Ford, and the White truck and trade them for the sister truck the Town received a year ago. This would leave two similar frontline trucks, the freightliner, and the yellow ladder platform truck. This truck is in Pahrump being fixed. This will give four front line trucks and the rescue truck. This will help reduce the vehicle insurance cost and increase the ISO rating. This will also give another 1,000 gallons for fires. The Town would have to make a resolution to trade these vehicles to Nye County.

James Eason explained that he would like to add \$2,000 to the line item for propane for the old firehouse. He explained that the old firehouse is currently housing trucks. He explained that the Town may need to look at taking that building offline and housing the sewer truck somewhere else to keep it from freezing. This will reduce the utility costs. He noted that the Town may have to look at the sewer fund to see if there are funds to build a building to house the truck at the treatment plant. Joe Westerlund explained that the truck has only worked for a short amount of time due to weather related issues. James Eason explained that anything the Town does with the old firehouse, it will still have to go through SHPO. He suggested keeping the existing status quo until there is a better solution. James Eason explained that a new building would house the truck, the snakes, the new valve machine, and an area for pipe.

Chris Mulkerns explained that the only change under salaries and benefits for the fire department is the increase in retiree insurance. It increased from \$8,000 to \$8,500. She noted that because of the new accounting system at Nye County, insurance and retiree insurance have been included under one item. Staff can separate them out but it is very labor intensive. Office supplies remained the same at \$600. Operating supplies remained at \$2,500. Vehicle fuel increased by \$1,500. Operating equipment remained at \$4,000. Rescue service salaries remained the same at \$15,000. Travel and training increased to \$3,000. Telephone remained the same at \$1,000. She explained that the phone at the old firehouse has officially been cancelled. James Eason suggested leaving the budget there as a backup. Chris Mulkerns noted that this account is originally where the email accounts were set up but those have been moved to another account. She separated out power, water, and propane to show the cost to date for the new building. The Town splits the bills for power and propane 50/50 with Nye County Emergency Services. The Town is covering in full the water for the new building. This is why the water budget is currently over budget. Only \$500 was budgeted. Power is currently at about \$2,900. Power will hit \$6,000 by the end of the year. The Board upped the budget to \$8,000. Water is over \$1,000 now. She noted that the only water at the old firehouse will be for watering the flowers. Water at the new firehouse is for filling the trucks and the bathrooms. The Board raised the water budget to \$1,500. The propane budget for FY 11/12 is \$6,600. To date expenses are at \$5,500. The recommended budget is \$7,000. The Board increased that budget to \$9,000. Building repair and maintenance, equipment repair and maintenance, and vehicle repair and maintenance remained the same as FY 11/12.

The Tonopah Town Board recessed at 11:05 a.m.

The Tonopah Town Board returned at 11:12 a.m.

James Eason explained that there was a change in the line size that feeds the old firehouse. Without any usage it costs the Town roughly \$60 per month. It is over \$700 per year and there are two buildings with this line size. The water budget increased to \$2,200. The total expenditures for the Fire Department are \$94,250.

The Board moved onto the TPU Water Administration fund. The salaries include 1/3 of Chris Mulkerns' salary and 1/3 of Susan Dudley's retirement. She reiterated that in all of the departments she has combined insurance and retiree insurance. TPU is budgeting for the OPEB obligation. The budget for Salaries and Benefits totals \$31,304. Office supplies remained at

\$2,000. Dues are what is paid to Nevada Rural Water Association. The budget for postage dropped to \$1,000. Operating supplies is at \$500. Professional fees is budgeted at \$9,500, the same as FY 11/12. Travel is budgeted at \$400 and training is budgeted at \$1,000. Telephone is budgeted at \$350. Building repair and maintenance is budgeted at \$500 and equipment repair and maintenance is budgeted at \$200. Refunds covers the refunds coming from credits on water bills when accounts are closed. Total expenditures for services and supplies is \$16,850. All expenditures total \$48,154.

The Board moved to TPU Water Operations. Salaries include three TPU personnel. The budget amount for FY 11/12 is \$117,928. Chris Mulkerns explained that the budget always includes step increases. The recommended budget for FY 12/13 is \$129,696. Overtime is budgeted at \$7,000, but it is way down than in past years. Standby time is budgeted for separately, as are benefits for standby and overtime. Shoe allowance stays at \$600. Insurance went up from \$8,000 per employee to \$8,500 per employee. The total for salaries and benefits for FY 12/13 is \$222,351.

The budget for operating supplies increased to \$8,000. Joe Westerlund explained that in the past few years there were a lot of one-time costs. When Anaconda was built, a low psi pipe was put in the ground. It was never been bedded properly and is failing at a high rate. He explained that TPU will begin using clamps to stop the leaks but will be replacing the pipes with new material rather than PVC. Another problem with Anaconda, every corp stop at the main is at a 45 degree angle. He explained that there is a problem with tightening the PVC too tight and it cracking. On cold days, the glue can take three to four hours to dry properly. The new material screws together. He noted that the new material is more expensive but will result in a reduction of man hours. He explained that TPU will not start replacing everything at once but will replace sections as they break. The new material is also flexible. He explained that in the current budget TPU will set up for 10 replacements until the new budget takes effect. Once the new budget takes effect, TPU will purchase more of a supply to have on the shelves. There will be a slow transition from PVC to the new material. This will save a lot of man hours and allow TPU to concentrate more on other maintenance programs. He explained that he wants to start with a 200 foot roll of the pipe with ten set ups.

Safety supplies are budgeted at \$1,000. Chris Mulkerns noted that current expenditures are high this year because jackets, sweatshirts, and shirts were purchased for all TPU personnel and maintenance personnel. Jon Zane mentioned the possibility of purchasing orange safety lights. Joe Westerlund noted that all of the older trucks plus some of the newer equipment have the amber lights. Duane Downing suggested speaking with Shane Lara at the County regarding the signal lights. The Board increased the safety budget to \$1,750. The FY 11/12 budget for vehicle fuel is \$8,000. Chris Mulkerns explained that historically TPU has started with vehicle fuel in water before moving to sewer once that is used up. The budget was upped to \$15,000. She explained that the same thing was done on the sewer side so there is a total of \$30,000 for vehicle fuel. Joe Westerlund explained that once the water project starts, someone will have to drive out to the job site every day. General insurance is the water side's portion of the total insurance bill. Half of the deductible is also covered under this line item. Travel is budgeted at \$1,000. Training was increased by \$1,000 to \$2,000 to cover the possibility of backflow prevention certification classes. Telephone is budgeted at \$500. Garbage is budgeted at \$500.

There is no budget for power. Propane is budgeted at \$2,500. This just covers the TPU shop. Building repair and maintenance is budgeted at \$1,000 and equipment repair and maintenance is budgeted at \$8,000. The total budget for Water Operations is \$269,301. Jon Zane wanted to know why there is no budget for power. Chris Mulkerns explained that there are no buildings or items using power associated with this department.

The Board moved onto the budget for Wells. Operating supplies is budgeted at \$2,000. Sample monitoring increased to \$8,500. Chris Mulkerns explained that VOC and SOC testing has to be done this year and it is a larger expense. Power is budgeted at \$25,500. Equipment repair and maintenance is budgeted at \$1,500. The total budget for wells is \$37,500.

The Board moved to transmissions. Operating supplies is budgeted at \$2,200. Power is budgeted at \$107,000. Chris Mulkerns noted that there is a decrease in the power consumption. Propane was increased to \$3,000. The reason propane increased is because there is now a caretaker out at Rye Patch that was not budgeted for the last couple of years. She explained that there was a switchover in propane companies earlier in the year and though there were refunds from Amerigas, it is still showing as another refill. Equipment repair and maintenance is budgeted at \$2,500. Total expenditures for transmissions is \$144,700.

The Board moved to distribution. Operating supplies was increased to \$9,000. Power was increased to \$19,500. Equipment repair and maintenance is budgeted at \$15,500. Joe Westerlund explained that the \$15,500 is for cleaning and repairing the storage tanks. He noted that there are nine tanks and TPU is trying to put three at a time on an inspection and cleaning rotation to extend the life of the tanks. The next tanks on the rotation are the two at the wells and the Booster 2 tanks. TPU wants to keep the tanks on a 5-year rotation. He noted that the extra money in this line item will go toward fixing the outside of the Rye Patch tank. It is \$40,000 to repaint the outside of the tank. He explained that the paint has peeled in several spots but the primer is still in place so the tank is still protected. TPU is constantly monitoring the tank for further problems. Permit fees is budgeted at \$52,500. Chris Mulkerns explained that total expenditures for operations and maintenance for FY 12/13 is \$521,405.

The Board moved to TPU water revenues. The budget for FY 11/12 is \$500,000. The audited numbers for FY 10/11 is \$572,640. To date, TPU has collected \$458,281. The estimate is to collect \$610,000. The recommended budget for FY 12/13 is \$525,000. Chris Mulkerns explained that the high number comes from the rate change the Board approved for the industrial and hydrant meter users. She noted that this is not a constant and the budget is based on the rate increase that will occur on July 1, 2012. The surcharge is the amount pulled from the water charges for services to pay for grant depreciation, the old water debt, and the new arsenic water debt. The audited numbers for FY 10/11 is \$108,199. The budget for FY 11/12 is \$140,400. To date, collections total \$99,152. The recommended budget for FY 12/13 is \$156,000. Chris Mulkerns explained that TPU is currently collecting \$0.90 per thousand gallons. Come July 1, 2012, this will increase to \$1.00 per thousand gallons. Of that, \$0.50 will always go to pay the old water debt first and then grant depreciation. The remainder will go to the arsenic debt. James Eason explained that the increase will cap out once the debt payment is reached. Chris Mulkerns explained that the increases will cap out in FY 21/22. Total surcharge collections for FY 12/13 is

budgeted at \$172,551. She noted that the new loan with USDA requires TPU to budget for short lived assets in the amount of \$10,007. The total set aside expenditures are \$173,344. Add that to the budget request of \$521,405, the total expenditures are \$694,749. Interest and penalties are budgeted at \$23,000. Miscellaneous is budgeted at \$10,000. With the additional revenues, the budgeted amount for revenues is \$714,000. Minus the expenses, the difference is in the black by \$19,251. Duane Downing feels that based on interest rates, the penalties and interest budget should probably decrease some. Chris Mulkerns explained that the auditor does not count the penalties as revenue in the audit. The audited numbers are interest only. She noted that the actual to date for FY 11/12 is penalties only. She explained that the Water Capital Projects fund was amended about a month ago to purchase a dump truck and other equipment.

The Tonopah Town Board recessed at 12:18 p.m.

The Tonopah Town Board returned at 1:32 p.m.

Horace Carlyle asked about the surveillance system for the Library. Chris Mulkerns noted that this will be discussed under the Town side. James Eason explained that there is money in the library's budget this year to do that.

The Board moved to the budget for sewer administration. There is one individual and 1/3 of Chris Mulkerns' salary covered in this department. The budget is determined based on the step increases. Salaries are budgeted at \$61,211. Retirement is budgeted at \$15,915. Workmans comp is budgeted at \$2,586. Insurance increased from \$8,000 to \$8,500. Medicare is budgeted at \$888. The total budget for salaries and benefits is \$109,910. Office supplies is budgeted at \$2,000. Subscriptions and dues are both budgeted at \$200. Duane Downing noted that for the past several years there have been no expenditures in these line items. He wanted to know if this is something that was still needed. Chris Mulkerns noted that it is still in there in case it is needed. The budget for postage was dropped to \$5,000. This is the postage used to mail the bills every month. The budget for operating supplies was dropped to \$1,000. Professional fees was dropped to \$17,500 but the Board increased it back to \$23,500. Training is budgeted at \$300 and travel is budgeted at \$500. Telephone is budgeted at \$4,000. Chris Mulkerns noted that this is the same situation as vehicle fuel. It is taken out of Town Administration until that budget is used up then it moves to sewer. The budget for power was decreased to \$4,000. Building repair and maintenance and equipment repair and maintenance are both budgeted that \$500. The total expenditures for water administration is \$151,810.

The Board moved to sewer operations. The salaries covers one current and one vacant position. There are also two retirees. Salaries are budgeted at \$83,394. TPU also budgets for standby time, overtime, and benefits for both. James Eason explained that the vacant position is budgeted for in case another individual needs to be hired. If TPU had to treat arsenic 100%, this position would have to be filled. Shoe allowance is budgeted at \$400. Retirement is budgeted at \$21,738. Workers comp is budgeted at \$12,730. Insurance/retiree insurance covers the two retirees, the one current, and the one vacant position at \$8,500 each. Medicare is budgeted at \$1,209. The total budget for salaries and benefits is \$168,785. The budget for operating supplies was increased to \$5,000. Chris Mulkerns explained that total expenses for FY 11/12 is currently over because of the same reasons as the water. There are a lot of one-time costs associated. Joe

Westerlund explained that it will be over regardless because TPU is completing the scourification of the ponds. It was \$1,980 to do four ponds and there are four left. This consists of removing all of the sagebrush from the ponds to allow the water to infiltrate into the ground. It also allows the water to flow further out into the ponds. Safety supplies is budgeted at \$1,000. The budget for vehicle fuel was increased to \$15,000. General insurance is budgeted at \$6,700. Training and travel are both budgeted at \$1,000. Garbage is budgeted at \$1,500. Propane is budgeted at \$500. Joe Westerlund explained that when the reuse project is finished, there will be another building at the sewer plant that needs to be heated and there will be additional costs associated with that.

The Board moved to the budget for treatment plant. Operating supplies are budgeted at \$3,000. Sample monitoring was increased to \$5,000. Chris Mulkerns explained that with the reuse project the sample costs are going to change. Power is budgeted at \$10,000. Equipment repair and maintenance is budgeted at \$4,000. Joe Westerlund explained that the treatment plant has the corkscrew and there are brushes on it. They were just replaced about nine months ago. TPU purchased the sucker truck to clean out the grit chamber. The grit builds up so quick and gets to the brushes, which are supposed to last 3-5 years. They currently last about six months. Once the vacuum truck is repaired, the grit chamber will be cleaned about once a week. The brushes cost about \$1,263. Horace Carlyle mentioned the possibility of putting a small building over the corkscrew. James Eason explained that this has been looked at and this is where the propane is supposed to be budgeted for. The Board increased the budget for equipment repair and maintenance to \$5,000. The Board agreed to add a line item for propane but leave it blank for now. The permit fees cover the permits out at that the airport and at the treatment plant. Joe Westerlund explained that the permits are not annual; they run longer. The airport permit is not due. Chris Mulkerns explained that the \$5,500 permit was just paid last year and is good for five years. Total expenditures for the treatment plant are \$28,500. Total expenditures for operations and maintenance are \$380,895.

The Board moved to sewer revenues. FY 10/11 audited at \$423,267. The FY 11/12 budget is \$442,090. Expenditures to date total \$291,855. The projection is to reach the budgeted amount. The recommended budget of \$432,217 is below the current budgeted amount. It is based on the audited amount. As with the water, the Board approved an annual increase. The debt service is budgeted at \$34,000. Interest was decreased to \$6,000. Capital projects is the money collected for the dumps out at the airport drying beds. Current collections are \$7,685. The projection is to collect the full \$12,000 and the recommended budget is \$12,000. Total revenues are \$487,217. Minus the expenses, there is a balance in the black of \$45,322.

James Eason explained that yesterday afternoon, he put the Town down on the list for additional grant funding for the effluent project. This would be to cut over to the cemetery to use grey water. The water would go from a Class D to a Class B. This would allow TPU to transfer those freshwater ERUs to grey water and return the freshwater ERUs to TPU's inventory to sell. Joe Westerlund explained that if the Town goes to a Class B for irrigation, samples will need to be done every other week. In order to pay for the samples alone, TPU would have to sell 30,000 gallons of water per month from the standpipe.

Horace Carlyle noted that the OPEB obligation presented in the audit went from \$570,000 to \$1.2 million. This only reflects to June 30, 2010. He noted that he wants to protect the staff currently employed, those who have earned a retirement, and look at how current or future employees can be compensated. He feels the Town should set up alternatives. Duane Downing explained that the OPEB obligation is the unfunded liability for current employees. James Eason explained that every State employee who was a member of PERS received PEBs benefits. The State of Nevada gives public entities the option of being part of it. Nye County never chose to be a part of PEBs. Nye County School District, for example, chose to be part of the system. They would fund their own employees but as soon as they retired, they were transferred to the State. The State had to pick up those additional health care costs. The State began back billing the public entities for those costs. The Town does not have any employees that fit into that program right now. The Town has elected to pay for retired employees every year. He explained that this is not a mandatory budget obligation. Chris Mulkerns explained that the Town chose to fund this obligation. James Eason explained that the Town does not currently fund sick leave. If the Town does not want to have that obligation, the Board needs to change the personnel policy. Duane Downing explained that the Town is funding this obligation. Chris Mulkerns explained that it is currently sitting in the retirement fund. The Town is currently paying for 4 1/3 individuals. The Town budgets for these individuals every year and it comes from the individual departments. TPU is currently paying for 2 2/3 individuals. The Town pays out a certain amount of money every year for these retirees. He explained that the Board has the discretion to change how much money retirees get for their insurance.

James Eason explained that there are 15 employees budgeted for. There are actually ten currently employed. He explained that the obligation listed in the audit is adjusted every year. The Town is currently paying \$20,100 for future employees. It will go into an account to grow. Horace Carlyle feels the Town needs to consult with the auditor or Pool/Pact regarding this. James Eason explained that if the Town followed Nye County's rules, there are retirees the Town would not be paying for. He explained that currently, the Town has two to three years of funding saved for this obligation. He explained that if this obligation becomes too much, the Board has the option of making this obligation go away. Duane Downing explained that the Town is in a better position than the county because the Town is not contractual and can change the policy when it needs to. James Eason explained that new employees have been informed that they may not have benefits when they retire. This is stated in the personnel policy.

The Board moved to the budget for Town Administration. Chris Mulkerns explained that there are two scenarios for the buyouts. The scenarios are based on James Eason's salary if he were to leave tomorrow. Buyout A is a six-month scenario and buyout B is a full year plus two retirees. The projection is to fund OPEB in this department for \$6,700. Going with buyout B, the total for salaries and benefits is \$367,496. Going with buyout A, the total for salaries and benefits is \$259,075. This includes two current employees, 1/3 of Chris Mulkerns', and two retirees. Office supplies are budgeted at \$10,000. Postage is budgeted at \$2,500. Ads and publishing are budgeted at \$950. Contracts and professional fees are budgeted at \$50,000. General insurance is budgeted at \$34,000 and includes \$24,000 plus two deductibles. Travel is budgeted at \$3,000. Training is budgeted at \$2,500. Telephone is budgeted at \$4,000. Chris Mulkerns noted that to date expenditures for FY 11/12 are pretty close to the budgeted amount. The Town pays for part

of the year then it switches to TPU to pay for the rest. Power is budgeted at \$3,600. Propane is budgeted at \$3,300. Miscellaneous is budgeted at \$950. A transfer of \$725,000 was budgeted for FY 11/12 for the Convention Center Project but was not used. The same amount will be budgeted for FY 12/13. The money will be used in the new fiscal year. The new debt for the Convention Center was budgeted at \$98,300 for FY 11/12. The money will be transferred and \$76,000 is budgeted for FY 12/13. Chris Mulkerns directed the Board to the projected column for FY 11/12. She noted that there is money in the budget to take care of a few things, such as a car, the security system, new computers, etc., in the current budget year. James Eason explained that for the surveillance systems, the Town will try to take it out of the existing operating systems for each department first.

The Board moved to the budget for Convention Center. Salaries are budgeted at \$35,351. Retirement is budgeted at \$9,024. Workman's comp is budgeted at \$1,823. Insurance /retiree insurance is budgeted at \$17,000 and includes one retiree. Medicare is budgeted at \$503. The total recommended budget for salaries and benefits is \$63,701. Office supplies is budgeted at \$1,400. Operating supplies is budgeted at \$3,325. Advertising is budgeted at \$1,400. Contracts and professional fees are budgeted at \$900. Telephone is budgeted at \$3,500. Garbage is budgeted at \$1,500. Power is budgeted at \$16,000. Water is budgeted at \$1,700. The budget for propane was increased to \$20,000. Horace Carlyle noted that the audited numbers for FY 10/11 is \$19,064. The Board increased the budget to \$22,000. Repairs and maintenance is budgeted at \$10,000. The total recommended budget for the Convention Center is \$123,426.

Diane Perchetti feels it is time to get more tables and chairs for the Convention Center. She noted that she did get 30 new tables in 2004 and some of the chairs were rebuilt. There are 55 large tables in good condition, 7 in fair condition and 9 in very poor condition for a total of 71 tables. Each table can fit 4 to 6 people. In the past, there have been over 300 people seated at all of the tables. The Convention Center also has the narrower tables that are wobbly. They have been used in the past for the Craft Fair. She feels that it would be nice to get some tables that are lighter and easier to carry around. She would also like to get about 200 new armless chairs to replace the chairs with arms and the more unstable chairs. She would also like to get about 30 tables. James Eason explained that there is existing money built into the current budget. Jon Zane suggested doing only a portion of the tables and chairs in this budget year and buying the rest in the next budget year. James Eason explained that the goal is to buy the tables first and then the chair. James Eason suggested adding another \$10,000 to operating supplies bringing it up to \$13,325. This brings total expenditures for the Convention Center to \$135,426.

The Board moved to the budget for parks. Chris Mulkerns explained that there was a request for the pocket park. Operating supplies are budgeted at \$3,000. Garbage is budgeted at \$1,200. Power is budgeted at \$1,145. Water is budgeted at \$28,000. Equipment repair and maintenance is budgeted at \$4,000. She explained that the memo is to consider increased electrical power, pedestals with electrical outlets to be located within the park, and the possibility of repainting the curb between the firehouse and the park from red to white. Horace Carlyle explained that for any event at the Pocket Park, electricity is run through the Reader Board. James Eason explained that to solve this issue, a line would have to be run from the nearest transformer. Currently, the power to the Reader Board is run through the firehouse.

The Tonopah Town Board recessed at 3:43 p.m.

The Tonopah Town Board returned at 3:49 p.m.

The Board moved to the budget for fairgrounds. Chris Mulkerns explained that the budget for each line item in this department is the same as FY 11/12.

The Board moved to the budget for the ballfields. Operating supplies are budgeted at \$1,500. Garbage is budgeted at \$1,000. Power is budgeted at \$1,795. Water is budgeted at \$26,000. Repairs and maintenance is budgeted at \$1,000. Chris Mulkerns noted that the budget for repairs and maintenance was increased because of the condition of the fields.

The Board moved to the budget for pool. Salaries and benefits are the same as FY 11/12, totaling \$20,876. Operating supplies are budgeted at \$3,000. Training is budgeted at \$950. Telephone is budgeted at \$200. Power is budgeted at \$2,550. Water is budgeted at \$3,600. Propane is budgeted at \$4,000. Chris Mulkerns noted that this item was not increased because current expenditures total \$1,117 and this is a full tank. Building repair and maintenance is budgeted at \$1,500. The budget for equipment repair and maintenance was increased to \$2,500. James Eason explained that in all of the departments which require an AED will have those costs added to the budget. Chris Mulkerns explained that she has quotes from different companies for the AEDs and one company sent information on grants to purchase the AEDs. James Eason explained that Heather Ingalls has started taking one of the Town trucks and has been helping with the maintenance for the pool and the Mining Park.

The Board moved to the budget for Mining Park. Salaries are budgeted at \$46,044. Chris Mulkerns explained that this is lower than the audited number because the audited number included one additional full time position. The recommended budget includes one full time and two part time positions. The total for salaries and benefits is \$66,734. Office supplies are budgeted at \$1,000. Postage is budgeted at \$100. Advertising is budgeted at \$1,000. Printing is budgeted at \$500. Chris Mulkerns noted that the line item for unemployment claims is still budgeted for because it is still a possibility though there have been no further claims. Travel is budgeted at \$250. Telephone is budgeted at \$2,200. She noted that this increased because a cell phone has been added. Power is budgeted at \$4,080. Water is budgeted at \$980. Propane is budgeted at \$1,500. She explained that the current expenses are high because of the change over in propane companies. James Eason noted that the heaters in the visitor center are also being run higher because of the paint. Building repairs and maintenance is budgeted at \$1,000. Equipment repair and maintenance is budgeted at \$1,000. Buildings and grounds maintenance is budgeted at \$6,000. Chris Mulkerns noted that the current expenses are high because of the paint for the floor. James Eason recommended increasing the budget to \$6,000. The total budget for the Mining Park is \$89,022.

James Eason explained that if the Town ever goes into a budget crisis and has to cut something, the Mining Park will be the first thing cut. He noted that Horace Carlyle suggested looking at creating a new fund under the endowment fund that would go to support the long-term sustainability at the Mining Park. Horace Carlyle noted that with the endowment, other entities could donate to that fund to help sustain the Park and increase the endowment.

The Board moved to the budget for Maintenance. Chris Mulkerns noted that the audited numbers for FY 10/11 were way down. This is because maintenance went down to one employee. The projection for FY 11/12 is to spend the full \$56,752 budgeted. The recommended budget for FY 12/13 is \$79,226. This includes one current position, one vacant position, and two part time summer help positions. There is one retiree in this department. The total budget for salaries and benefits is \$127,166. Operating supplies are budgeted at \$8,000. Vehicle fuel is budgeted at \$7,000. James Eason noted that this is for two full time personnel. Telephone is budgeted at \$780 and this is the maintenance cell phone. Power is budgeted at \$35,700. The water budget was increased to \$1,300. These are the traffic islands around town. Building repair and maintenance is budgeted at \$10,000. Equipment repair and maintenance is budgeted at \$10,000. Vehicle maintenance is budgeted at \$5,000. The total budget for operations and maintenance is \$77,780. The road transfer tax budget is budgeted at \$8,447. This is an in and out fund. The total maintenance budget is \$213,393.

Chris Mulkerns explained that the Fire Department expenditures for FY 12/13 increased to \$96,250. The expenditures for the Convention Center for FY 12/13 increased to \$135,426. The Mining Park expenditures for FY 12/13 increased to \$89,022. The subtotal for Buyout B is \$1,129,003. The subtotal for Buyout A is \$1,020,582. The budget for contingency is \$15,000. The budget for the new debt payment is \$76,000. The transfer for the Convention Center Project is \$725,000. The total general budget for Buyout B is \$1,945,003. The total general budget for Buyout A is \$1,836,582. For both scenarios, the beginning balance as of July 1, 2011 is \$1,587,921. The projected revenues for FY 11/12 is \$730,000. The total projected revenue for FY 11/12 is \$2,317,922. The total estimated expenses for FY 11/12 are \$984,648. Subtracting this from the projected revenues the estimated ending balance for FY 11/12 is \$1,333,283. The projected revenues for FY 12/13 is \$723,948. This will leave total revenues of \$2,057,222. For scenario A, the projected ending balance for FY 12/13 is \$220,640. For scenario B, the projected ending balance for FY 12/13 is \$112,219. She explained that the \$725,000 will be paid back before the end of FY 12/13. This will leave an ending fund balance of \$837,219 for scenario B and an ending fund balance of \$945,640 for scenario A.

2. Public Comment

No action taken by the Board.

3. Adjourn

Workshop was adjourned at 4:25 p.m.

TONOPAH LIBRARY BOARD
BUDGET WORKSHOP MINUTES

MARCH 16, 2012

Town Board Chairman Duane Downing called the workshop to order at 9:09 a.m. Also present were Javier Gonzalez, Horace Carlyle, and Jon Zane. Glenn Hatch was present via telephone. There were seven other people in attendance.

1. Budget Workshop; Tonopah Public Library

Chris Mulkerns explained that she split out the revenues and expenses. She went back to FY 08/09 to give a history up to what was audited this past year, where the library is actually at as of the end of February, what is estimated to the end of the year and what is recommended for FY 12/13.

On the revenue side, the major source of revenue is property tax. It was audited at \$73,303 for year ending June 30, 2011. The budget for the current year is \$66,388. The library is actually at \$50,240 to the end of February. The estimate is to make the budget for this fiscal year. The numbers from Department of Taxation came February 15th. Chris Mulkerns explained that these numbers give the assessed valuation but the exact numbers will not be known until March 25th when the abatement numbers come in. The recommended budget is based on the abatement given last year. The budgeted number for FY 12/13 is \$66,081.

Consolidated tax audited at \$2,199. Historically, the library has gone lower than what is recommended. The budget for FY 11/12 and the recommended budget for FY 12/13 is \$2,000. The other revenues for the library are book sales, fines, donations, miscellaneous, and interest. The total audited revenues, with the grants, for FY 10/11 is \$82,925. The estimated total revenue amount for FY 11/12 will give a starting point for next year. The recommended budget for book sales is \$1,000. It is currently at \$870. Sandy Baldwin noted that the library will be having book sales as soon as the weather turns nice. Chris Mulkerns noted that fines will stay at \$500. Donations are up this year as a result of the large donation. The normal budget is between \$500 and \$600 and the recommended budget is \$500. The recommended budget for miscellaneous is \$1000. The recommended budget for interest is \$10. She explained that between July 1st and March 1st, on \$183,000, less than \$100 in interest has been collected. Sandy Baldwin explained that the Miscellaneous revenue comes from copies. The library charges \$0.20 per sheet. Duane Downing noted that the library is on track to meet the \$1,650 budget for FY 11/12 but in every year prior it has been less than \$1,000. Sandy Baldwin noted that it used to be \$0.10 per copy but it went to \$0.20.

Chris Mulkerns explained that second sheet of the handout is a personnel worksheet that breaks down what the hourly wages are, the total hours worked, the annual wage, the different benefits, the total benefits, and a total salary and benefits. There are two retirees at the library and they are on a different program. Their insurance is not through Nye County. It is through AARP with a supplemental insurance. It is a lot cheaper. Under retiree insurance, it has historically been high.

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March 16, 2012

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The year it was changed it dropped to under \$7,000. The budget for FY 11/12 is \$7,800. Based on current expenses, it will end up being very close to that. She noted that based on discussions with Nye County, premiums could increase by 6% across the board. The recommended budget for FY 12/13 is \$10,000. Worker's Comp, Medicare, and Social Security is based on the personnel worksheet. The budget request for salaries is the lower part of the worksheet. The total salaries and benefits budget request for FY 12/13 is \$39,866, based on what was budgeted in FY 11/12 of \$44,848. Duane Downing explained that based on the numbers on the worksheet, the library expenditures were less than the revenues coming in. He requested staff look at the feasibility of a \$1.00 raise rather than a \$0.25 raise. Chris Mulkerns explained that with a \$0.25 raise for each employee the total salaries and benefits will be \$39,532.

The Board moved to the rest of the expenses. For postage and shipping, the budget for FY 12/13 is the same as FY 11/12, \$700. Sandy Baldwin explained that the library uses USPS for shipping and they have a library rate. The budget for operating supplies was doubled from the previous year. Last year an ad was put in the paper and the library received donations: a year supply of toilet paper, hand soap, and other supplies. There is no budget for computer supplies. In the past it was used for the DSL for the computers. The budget for travel was dropped down to \$500 from \$1,000. Chris Mulkerns noted that it has not been used yet in FY 11/12 and the audited numbers for FY 10/11 is \$300. Sandy Baldwin noted that occasionally the trips for CLAN can be reimbursed. Horace Carlyle feels the budget should be left at \$1,000. The budget for telephone was increased to \$2,300. Garbage is at \$150. This is up a little from the FY 11/12 budget. The audited numbers for power for FY 10/11 is \$1,600. The current expenses are only at \$900. The water budget was increased to \$600. The budget for propane was increased to \$3,100. Sandy Baldwin noted that the propane bill this month has decreased from last month because the leak in the attic was repaired. General insurance increased to \$2,500. Pest Control is a standard number every month so that remains at \$360. There was no budget for miscellaneous for FY 11/12 but \$100 has been budgeted for FY 12/13. The budget for books purchased decreased to \$5,000. James Eason explained that this is 7% of the budget. Under the old guidelines 10% of the budget needed to be spent on books. He explained that because there is no certified librarian, the library does not get the \$749 from the State. The subtotal for expenditures is \$24,410.

James Eason directed the Board to the audited number for Donations for FY 08/09. He explained that part of the \$184,546 number is the Gravitovich Trust. It was put in there to cover the shortfall that was occurring at the library. He recommended replacing the endowment. He feels that when a family gives money to an entity, the intent is to keep it whole into perpetuity to help fund that entity. This is not what happened with the library. He suggested taking \$100,00 from the beginning fund balance and transferring it into the Western Nevada Community Endowment Fund. The goal is to replace the fund. Half of the interest generated would return to the principle and the other half would come into the budget as a line item that will replace the grants the library is not receiving from the State. Javier Gonzalez wanted to know if this money would go into the same account as the Town's endowment. James Eason explained that it would go into a sub account and could only be used for the library. Chris Mulkerns explained that it would also give a place for potential donors to put their money. Horace Carlyle wanted to know if other donors could put money into the same place or would it have to go into another sub account. James Eason explained that the endowment could be set up to include all donations or have the

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Trust separate from other donations. He explained that by allowing the endowments to grow, the intent is to make the library and other entities self sufficient under the endowments.

Chris Mulkerns explained that the library has to report the number of employees it expects to have to the State.

James Eason explained that as soon as the library knows what the original trust is, it can set up a schedule to reestablish it over a period of several years. He noted that the improvements for Solar Reserve are not currently reflected in this budget. The library district currently extends into Lower Smokey Valley and would increase if the library decided to expand its area.

Chris Mulkerns noted that there will soon be a vacancy at the library. James Eason explained that this position is already budgeted for. Chris Mulkerns noted that there will be an ad put in the paper and posted at the library.

2. Public Comment

No action taken by the Board.

3. Adjourn

Workshop was adjourned at 10:03 a.m.

Minutes transcribed by:

Mariah Rivero

Mariah Rivero

Approved:

Jon Zane
Jon Zane, Chairman

Horace Carlyle
Horace Carlyle, Vice Chairman

Javier Gonzalez
Javier Gonzalez, Clerk

Glenn Hatch
Glenn Hatch, Member

Duane Downing
Duane Downing, Member