

**TONOPAH TOWN BOARD
MEETING MINUTES
DECEMBER 22, 2014**

Tonopah Town Board Chairman Horace Carlyle called the meeting to order December 22, 2014 at 9:04 a.m. Also present were Janet Hatch and Tom Seley; Duane Downing and Ron Kipp were absent. Four others were present. Chairman Carlyle led in the Pledge of Allegiance.

The Town Board took a break from 9:17 a.m. through 9:41 a.m.

The Town Board recessed to the Library Board of Trustees at 10:30 a.m. and reconvened as the Town Board at 11:11 a.m.

1. Public Comment

Town Manager James Eason explained that Daniel McArthur will be a few minutes late for the meeting and suggested moving item #4 in front of item #3.

2. Review and approval of minutes, in context, from the regular meeting held on December 10, 2014.

Tom Seley had two changes to the minutes and presented those to the Board.

Janet Hatch motioned to approve the minutes, as amended, from the regular meeting held on December 10, 2014. Tom Seley seconded. No further discussion. Motion carried 3-0.

3. Discussion, deliberation, and possible action to approve Town of Tonopah offering "Let's Get Fit Tonopah": Zumba and Pilates classes held at Tonopah Convention Center.

Christy Perry, employee of the Town of Tonopah, presented her plan to offer Zumba and Pilates classes at the Tonopah Convention Center during the months of January, February, and March. She is a certified Fitness Instructor, specialized in Zumba and Pilates. Ms. Perry explained that she discussed the scheduling with Dianne Perchetti and there were only two conflicting events to date. She suggested charging \$30 for unlimited classes or \$5 per class. She added that she has taught Zumba at the Elks Lodge before and had 10 to 20 people on average.

James Eason explained that he had checked with PoolPact. The classes fit under the Town's insurance policy for recreation just like the swim lessons during the summer. He added that it would be very exciting if the Town could offer more recreational programs. Chairman Horace Carlyle stated that he supports the program whole-heartedly.

Christy Perry added that she could get certified in AquaZumba so that she could offer classes at the pool during the summer. She explained the pool would not have to be closed for classes. A certification class is being held in Livermore, California, in January. The costs are \$200 if paid before January 4. She explained that any fees collected for the classes would go to the Town. The only cost the Town would have to carry would be her wage of \$13.42 an hour which would most likely be covered by the fees collected.

Horace Carlyle suggested paying the \$200 for the certification as the Town would be reimbursed for the cost by collecting the fees for the classes. Janet Hatch and Tom Seley agreed.



Tom Seley inquired how big Ms. Perry's core group at the Elks Lodge was. She explained that she had about 10 to 12 people who participated on a regular basis. Tom Seley asked whether she anticipates similar interest in the AquaZumba and Christy Perry affirmed this. Horace Carlyle noted that the AquaZumba would be highly suitable for senior citizens. Ms. Perry explained that she would probably offer the AquaZumba classes in the evenings as there is an AquaAerobics group in the mornings. Janet Hatch asked whether the classes would be open for anybody to participate and Christy Perry affirmed this. She added that there is a low risk of injury in the water.

Janet Hatch motioned to accept "Let's Get Fit Tonopah" classes to be held at the Tonopah Convention Center and to also include \$200 for certification for AquaZumba to be paid for by the Town of Tonopah and to be reimbursed based on revenue. Tom Seley seconded. No further discussion. Motion carried 3-0.

4. Discussion, deliberation, and possible action to accept the Annual Audit for the Town of Tonopah/Tonopah Public Utilities for Fiscal Year 2013/2014 as presented by Daniel C. McArthur, Ltd.

Auditor Daniel C. McArthur explained that he has to go through a few things in the Audit as it is a requirement to discuss any new accounting policies or procedures. One of the changes after June 30, 2015 is that the liability for NVPERS (Public Employee's Retirement System of Nevada) has to be disclosed in the Town's financial statements. James Eason stated that the NRS requires the Town to fund NVPERS as the Town has full-time employees who are paid for by revenues from taxes. He asked whether there will be a table showing how much the Town has to pay for a certain number of employees. Daniel McArthur clarified that the financial statement will show a percentage of contribution. The required contribution will go up 2.25 points. Horace Carlyle expressed concerns regarding the retirement system. James Eason explained how the system is getting its money and noted problems that he thinks will occur in the future. Mr. McArthur stated that payments into NVPERS will rise 2.25% to 28% for any regular employee as of July 2015. The payments will continue to climb and financially burden any entity in the State.

Daniel McArthur explained that he has to inform the Board of any estimates such as depreciation, "the wasting away of assets like utilities". They had to make an estimate how much they will deteriorate each year. Their estimate is \$600,000 between the water and sewer utility for the Fiscal Year 2013/2014. He added that estimates could increase or decrease depending on how the facilities hold up.

Daniel McArthur stated that he has to address any corrections that were made. He explained that the Public Safety Tax (PST) is not included in the financial statement. He calculated that approximately \$35,000 was collected in the months of April, May, and June that would be allocated to the Town of Tonopah. Half of the money collected is related to the Sheriff's Department, the other half to the Fire Department. As of now, the money is in a County fund. Mr. McArthur reviewed the tax act to find out where this tax should be reported and accounted for. He read and explained the important paragraphs to the Board which indicate that the governing body of the Town is to approve the expenditures. Therefore the allocated money should be part of the financial statement of the Town. He added that he could not find a statement in the tax act saying the County Commissioners have to approve these expenditures.



The Nye County ordinance No. 443 however states that no expenditure of funds shall be permitted unless approved by the Board of County Commissioners. Mr. McArthur concluded that there is conflicting information as to whose money it is. When he inquired about this matter with the County, he could not get this resolved. He explained that a management representation letter stating the information in the financial statement is true and correct needs to be signed by Town Manager James Eason and Administrative Supervisor Chris Mulkerns. Horace Carlyle asked if the letter could be signed with the exception of accepting the lack of revenues. Daniel McArthur suggested tabling the item until the Town receives the correct information from the Department of Taxation. Horace Carlyle stated he was in favor of tabling the item until the Board meets again with all its new members. Daniel McArthur explained he could draft a letter to be written to the Department of Taxation stating that the Town will not turn their financial statement in until the matter is resolved. Janet Hatch inquired as to whether it is a realistic assumption that the matter will be resolved by the end of January. Mr. McArthur stated that if it is not resolved by the end of January, he will change the management letter to include that there are legal contingencies going on and that they are not being reflected in the financial statement.

Tom Seley motioned to table the acceptance of the Annual Audit for the Town of Tonopah/Tonopah Public Utilities for Fiscal Year 2013/2014 until we can obtain clarification on approximately \$35,000 with the County and Mr. McArthur provide us with a letter to the Department of Taxation to explain the differences that we currently have. Janet Hatch seconded. No further discussion. Motion carried 3-0.

James Eason inquired whether Mr. McArthur can explain what the Town does with the current gas tax structure. Mr. McArthur stated that the Town currently receives between \$11,000 and \$15,000 in gas tax. There is an agreement with the County Road Department that the Town uses that money to pay the Road Department to take care of all the roads in town. He explained that there is the possibility to have an agreement with the Sheriff's Department that the Public Safety Tax would come into the Town's books to pay the Sheriff's Department to provide that additional public safety service that would exist in Town.

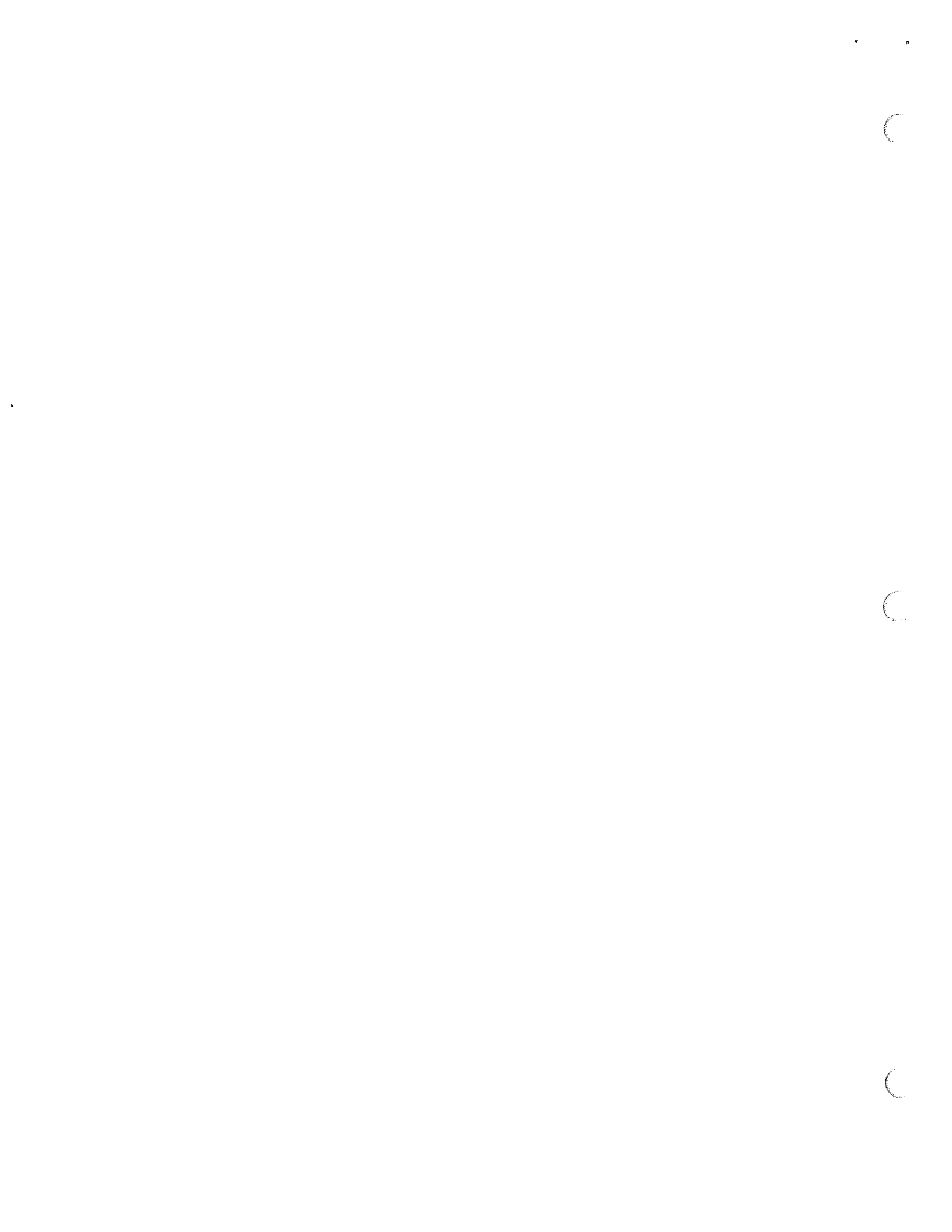
5. Tonopah Development Corporation Report

No action taken by the Board.

6. Town Board Member's/Department Manager's/Nye County Commissioner's Comments

James Eason pointed out that the Board has the official financial statements for the Library signed by Daniel McArthur and that his office will send a letter to the Town to be mailed to the Department of Taxation so that the Town will meet the December 31 deadline.

Horace Carlyle stated that the Capital Projects Workshop has to be rescheduled and asked whether it needs to be scheduled for the first meeting in January. James Eason explained that he and Sarah Adler did not know how much time the USDA workshop would take. He said it was a great meeting with lots of idea. He added that the Town is already in the process of having 6 or 7 structures removed. Anything recyclable will be taken out; the rest will be taken to the dump. Horace Carlyle inquired about the trailer on Main Street and stated it needs to be condemned. James Eason explained that the owner of mentioned trailer wants the Town to contact him. He



also gave details about other planned projects such as cleaning up Joe Friel Sports Complex and opening the pool for Memorial Days as school gets out the week before. He suggested rescheduling the Capital Projects Workshop for the second board meeting in January.

James Eason reminded the Board to review the water and sewer draft. Tom Seley noted that the tables did not make sense to him as he does not have the background information. Horace Carlyle stated that the diagrams are too small and not color-coded and are therefore unusable in his opinion. James Eason thanked them for their suggestions and said it is important to know your audience and have it legible for everyone.

Horace Carlyle pointed out that he included an NRS ruling in the correspondence. He stated he wants the issue about the water usage of the North Tonopah Development resolved. He is not interested in making money, but supports moderate growth. Mr. Carlyle noted that the biggest problem is that the Town's definition of change of usage is based on zoning and planning and that the Town has no power over it. James Eason recommended the Board rereads the Town Ordinance. He explained that he put a file together with ordinances and tariffs for the Board to read. Tom Seley suggested the Town staff go through the ordinances to see if there are any contradictions in it. James Eason stated that it is not the staff's obligation to do so, but he recommends the Board hiring someone to review them or sending them to the State Water Engineer to ask for his opinion.

James Eason pointed out the quote for the Dell laptop and the required software to record the Board meetings. The Board explained that it is approved within the budget and told Deputy Town Clerk to order it.

7. Public Comment

Christy Perry addressed the question of why there was no gate fees collected for the Tonopah Historic Mining Park. She explained that those fees will be in December's statement. There was \$596 collected in October and \$429 collected in November.

Horace Carlyle inquired whether it would be possible to have a summary for the fiscal year 2014/2015 showing the total room tax per month so that the Board can see the decrease and use it as a tool to make decisions for the next fiscal year. James Eason affirmed this.

8. Closure of meeting, pursuant to NRS 288.220 for purposes of conferring with Town's Management Representative regarding labor negotiation issues, and other personnel issues. No action taken by the Board.

9. Closed meeting, Pursuant to NRS 288.220 for purposes of conferring with Town's Management Representative regarding labor negotiation issues, and other personnel issues No action taken by the Board.

10. Deliberation, discussion and possible decision on labor negotiations, issues and other personnel matters presented in the closed meeting No action taken by the Board.

11. Correspondence



Nye County BOCC Meeting Agenda, December 16, 2014
Tonopah Convention Center Report, December 1, 2014
Beatty Public Workshop Flyer, December 16, 2014
2010 Nevada Code Title 40 Public Health and Safety Chapter 445A Water Controls NRS
445A843 "Service connection" defined.
Nye County BOCC Meeting Summary, December 16, 2014
E-mail from Senator Harry Reid: Statement on Passage of Nevada Lands Package, December 15,
2014
Nye County Agenda Information, Regular Agenda Item, January 5, 2015
E-mail from Christie Schmenk, JCG Technologies, December 11, 2014
Quote form Dell for laptop, December 15, 2014
Tentative 2015 BOCC Meeting Schedule

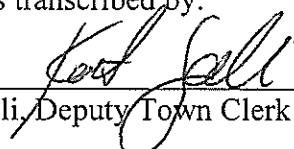
12. Approval of vouchers for payment

The Board reviewed and signed the vouchers. Tom Seley motioned to approve the vouchers as presented for payment. Janet Hatch seconded. No further discussion. Motion carried 3-0.

13. Adjourn

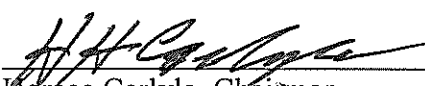
The meeting adjourned at 12:08 p.m.

Minutes transcribed by:

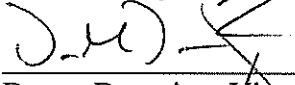


Kat Galli, Deputy Town Clerk

Approved:



Horace Carlyle, Chairman



Duane Downing, Vice Chairman

Ron Kipp, Clerk



Tom Seley, Member



Janet Hatch, Member



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**TONOPAH LIBRARY BOARD OF TRUSTEES
MEETING MINUTES
DECEMBER 22, 2014**

The Tonopah Library Board of Trustees meeting was called to order December 22, 2014 at 10:30 a.m. by Member Horace Carlyle. Also present were board members Janet Hatch and Tom Seley. Duane Downing and Ron Kipp were absent. Four others were present.

1. Public Comment

None.

2. Review and approval of minutes, in context, from regular meeting held December 10, 2014

Tom Seley motioned to approve the minutes, in context, from the regular meeting held December 10, 2014. Janet Hatch seconded. No further discussion. Motion carried 3-0.

3. Discussion, deliberation, and possible action to accept the Annual Audit for the Tonopah Library District for Fiscal Year 2013/2014 as presented by Daniel C. McArthur, Ltd.

Daniel McArthur explained that he has to inform the Board about certain aspects in the financial statement of the Library. He stated that there were no problems performing the audit. He added that he had to make some consultation with the Governmental Accounting Standards Board regarding the endowment money sitting with the Community Foundation of Western Nevada. Mr. McArthur read and explained certain sections of the financial statement like the section about custodial credit risk. He noted that the Department of Taxation might point out that the Library does not have the \$145,421 investment collateralized. The money was originally a gift from the Gravitavich family. James Eason pointed out that they wanted the money to be used as a heritage fund, only to be used for the people of Tonopah. Tom Seley noted that the fund was originally around \$300,000 and the money was used to "plug holes". His opinion is to get the fund back up to that number. James Eason explained that only half of the money can be used, the other half has to be invested. If the Town borrows money from that fund, they have to pay it back at 5% interest. Daniel McArthur clarified that there is more than \$450,000 in the Foundation's funds. Solar Reserve donated \$300,000 into that fund.

Daniel McArthur explained the revenues for the Library. He added that there is extra money to fund the Library even if there were no property tax revenues.

Daniel McArthur stated that the audit opinion on the financial statement is a clean audit opinion and that the Library is in great financial condition. Horace Carlyle noted that Mr. McArthur did an outstanding job.

Tom Seley motioned to accept the Annual Audit for the Tonopah Library District for Fiscal Year 2013/2014 as presented by Daniel C. McArthur, Ltd. Janet Hatch seconded. No further discussion. Motion carried 3-0.

4. Library Board Member's/Department Manager's Comments

Horace Carlyle noted that he expected a much more detailed presentation from Demco and that they are working on addressing more issues after more measurements had been taken at the

Library. Tom Seley added that his understanding was that the presentation would include the desk set-up, the copy machine area, and the children's area and that the more historical furniture would be used in the old library building and more modern, functional furniture would be purchased for the new library building to save space. Horace Carlyle explained that Demco is working on a more detailed presentation. He voiced concerns regarding the copy machine as everything ever copied can be retrieved by hackers.

5. Public Comment

None.

6. Correspondence

None.

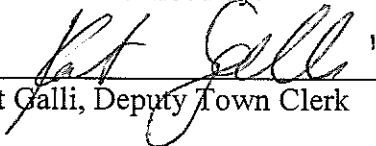
7. Approval of vouchers for payment

The Board reviewed and signed the vouchers for payment. Tom Seley motioned to approve the vouchers as presented for payment. Janet Hatch seconded. No further discussion. Motion carried 3-0.

8. Adjourn

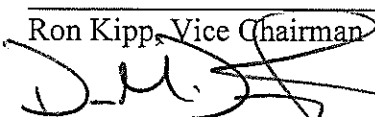
Meeting adjourned at 11:11 a.m.

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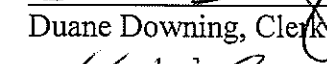


Kat Galli, Deputy Town Clerk

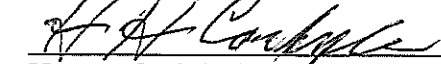
Approved:



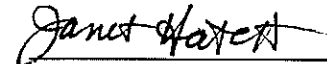
Ron Kipp, Vice Chairman




Duane Downing, Clerk



Horace Carlyle, Member



Janet Hatch, Member



Tom Seley, Member