

**TONOPAH TOWN BOARD  
BUDGET WORKSHOP MINUTES  
APRIL 01, 2015  
TONOPAH CONVENTION CENTER  
301 Brougner Avenue, Tonopah, NV 89049**

Tonopah Town Board Chairman Horace Carlyle called the budget workshop to order April 1, 2015 at 8:42 a.m. Also present were Tom Seley, Janet Hatch, and Doug Farinholt. Duane Downing was absent. Eight others were in attendance. Chairman Carlyle led in the Pledge of Allegiance.

The Town Board recessed to the Library Board of Trustees at 9:17 a.m. and reconvened as the Town Board at 10:02 p.m.

**1. Public Comment**

None.

**2. Discussion: Budget Workshop; All Town Departments/Tonopah Public Utilities for FY 2015/2016**

Chairman Horace Carlyle noted that Chris Mulkerns, Administrative Supervisor, will present what was agreed upon at the last budget workshop and that Town Manager James Eason will give recommendations on changes etc.

Chris Mulkerns explained that the Board went over every line item at the last budget workshop and decided to stay with last year's numbers for most line items. She pointed out that the tentative budget has to be approved at the next meeting on April 8, 2015 to be submitted to the Department of Taxation. She noted that she had just received the numbers from the Department of Taxation the day before as they had server issues. Ms. Mulkerns stressed that the property tax revenue with the abatement is \$159,199, up by about \$2,500 from last year, and that the Library's figures did not change much either. She added that \$300,000 on the sewer side are to be taken out of the beginning-ending balance to invest into capital projects. She noted that an advertisement to bid will have to be approved at the meeting on April 8, 2015. Horace Carlyle stated that it is his understanding that a \$0.50 increase of the sewer surcharge will occur. Ms. Mulkerns explained that the \$0.50 increase is an increase in the rate, not in the surcharge. She added that every customer has to pay \$2.50 every month for capital projects and that all other fees go towards maintenance.

Joe Westerlund stated that Tonopah Public Utilities possibly has to purchase a new truck for Jimmy Jeffrey as the old one is too broken down and has lost its power to pull trailers. It could still be used as backup. Tom Seley pointed out that old vehicles cost more in maintenance and man hours. Mr. Westerlund noted that the last truck cost \$32,130.25 through State of Nevada Purchasing.

Mr. Westerlund explained that the tank at Rye Patch needs to be painted because about 10% of the paint is deteriorated. The last time the tank was painted was about six to seven years ago. He added that the upper 6 feet of the tank are in bad condition, outside as well as inside. He noted that the inside does not have to be painted right away, but that it would be easier to do it all together. He suggested setting aside money to purchase a new tank in the future. Horace Carlyle inquired about the condition of the small tank to which Mr. Westerlund replied that it is about 75% corroded. Mr. Westerlund pointed out that the tank cannot be removed until the other tank is painted because they need to be able to provide water to the airport. He proposed doing

maintenance on the tanks in a rotating system where certain tanks would be maintained one year, certain others the following year etc. Mr. Carlyle asked Mr. Westerlund to be sure to report problems ahead of time so maintenance or replacement costs can be budgeted.

Tom Seley asked whether the cost estimates from the Master Water Study were accurate to which Chris Mulkerns replied that those numbers are high estimates. Joe Westerlund gave an example of the high estimates. He said that the lift station was estimated to cost \$80,000, but TPU received a bid for \$20,000. Doug Farinholt inquired whether the old tank is salvageable which Mr. Westerlund denied. Mr. Farinholt asked whether the Town and TPU had looked into purchasing vehicles from the test site. Mr. Westerlund noted that TPU had bought a dump truck from them before, but it did not have all the necessary safety features like seat belts. Mr. Farinholt explained that he had worked with tribes at Yomba and Duckwater to purchase vehicles that would have otherwise not been affordable for them. He noted that Tonopah Test Range collects all the government vehicles. Chris Mulkerns asked for the contact information. Mr. Farinholt stated that they should be listed in the phone book. Tom Seley emphasized that an inspection should be performed before the purchase.

Joe Westerlund stated that a company is willing to show TPU employees how to rebuild the clay valves. He explained that the cost for the project would be around \$20,000 for all the valves, rebuild kits, and for the company to come to Tonopah with all their equipment. Horace Carlyle noted that he would like to receive a recommendation list from Mr. Westerlund. Chris Mulkerns asked whether Mr. Westerlund had an estimate for the repainting of the tank which Mr. Westerlund denied. She clarified that if TPU had an estimate, they could set aside money for the project. She pointed out that the capital improvement plan has to be submitted in July. Mr. Carlyle stressed that the Board needs to have an oversight of what is being done. Tom Seley noted that it is his understanding that the plan can be changed if necessary. Chris Mulkerns explained that the capital improvement plan is a 5 year plan and functions as a guideline. Joe Westerlund asked Mr. Carlyle how often he wants to receive a report from him. Mr. Carlyle replied that he would like to have quarterly reports. Chris Mulkerns asked how much painting the tank would cost to which Mr. Westerlund replied that he had an estimate of around \$70,000 to \$80,000 but that he thinks he could get a better offer if the job was put out for bid. Chris Mulkerns suggested setting aside \$120,000 for water projects. Tom Seley proposed budgeting for the demolition of the tanks. James Eason stated that repurposing the tanks should be evaluated as they could be used for storage or they could be sold for scrap.

Chris Mulkerns pointed out that the biggest change in the budget was splitting Joe Westerlund's salary between the water and sewer fund. She added that a concrete pad outside the kitchen of the Convention Center will have to be replaced soon, but that that is in the budget for the current fiscal year. She stressed that the Board will approve a tentative budget on April 8, 2015, not a final budget.

James Eason noted that the Board had discussed possible impacts on the budget like having a Hospital District or helping finance the Senior Center. He explained that Auditor Daniel McArthur will check the property tax figures as the Town's stayed about the same, but the County's increased from \$15 million to \$30 million. He stated that he does not think the numbers are correct.

James Eason emphasized that Nye Regional Medical Center needs a Hospital District in order to operate. He pointed out that a District should have been created years ago and that all other rural hospitals are in a district. He explained that there will be two options for the tentative budget,

one including the Hospital District, the other without it. Mr. Eason noted that the only difference is that the property tax revenue for the Town would be lower if there was a Hospital District as a portion of the revenue would go towards the District. Mr. Eason explained how the property tax is divided up between the State, County, and Towns. He stressed that a Hospital District needs to be created to fund the hospital so that upgrades and maintenance can take place. He noted that the hospital does not generate enough revenue through patients. He pointed out that the community needs the hospital and that the people driving through Tonopah need the hospital. Mr. Eason stated that the last fatal accident was the week before. Horace Carlyle pointed out that Mr. Eason functions as the Town Manager and as the Chairman of the Hospital Board. Mr. Carlyle noted that Mr. Eason is trying to make the hospital viable and that the Town Board has to do everything to support the continuance of the hospital. Mr. Carlyle stated that Nye County signed a contract that will destroy them if they do not fulfill it. He added that the Town Board does not control the BOCC. Tom Seley pointed out that part of the property tax used to go towards the Hospital District when it was still in place. James Eason stressed that creating a Hospital District will not impact the taxpayers as money will simply be redirected. He noted that northern Nye County has been contributing to the increase of Nye County's assessed valuation as they have been continuously growing while other areas are in decline. Mr. Eason explained that the Hospital District's revenue could be about \$800,000 if the District includes all areas it included in the past. He added that certain areas might pay \$0.20 more in property taxes, but that Tonopah and most other areas are already capped out. He emphasized that only people using the hospital will have to pay for it.

James Eason explained that Nye County's liability for the hospital is \$2.57 million. He noted that most of this money was used to pay lawyers, doctors, day to day operations etc. Horace Carlyle stressed that the County will lose more than that if the hospital closes. James Eason stated that the hospital will not be able to reopen if it closes for even just one day as the building is out of compliance. He added that he hopes it will never come to this. He clarified that half of the revenue would go towards debt services and half towards operations. Doug Farinholt inquired what the monthly deficit is. James Eason explained that it used to be around \$200,000 and now is around \$150,000. He pointed out that more revenue could be generated if the hospital was a Critical Access Hospital (CAH). He noted that the billing system needs to be improved and added that there are about 60,000 to 70,000 codes and that the number will go up to about 150,000 to 160,000 codes. Doug Farinholt stressed that the situation will not improve on its own and that the deficit will accumulate. He added that more hospitals have gone into bankruptcy in the last three years than in all 15 years before combined. Mr. Eason pointed out that the only thing the Town Board can do is to ask the BOCC to do their part. Janet Hatch stated that the Board has to do whatever it takes to keep the hospital licensed. Mr. Farinholt indicated that the citizens from Esmeralda County use the hospital as well. Mr. Eason clarified that the BOCC has to contact Esmeralda County to ask if they want them to be part of the Hospital District. By law, they are not required to participate. Mr. Eason noted that Round Mountain Gold had donated money to purchase an ultrasound machine.

James Eason stated that Christy Perry, Tonopah Memorial Swimming Pool Manager, had sent him a text message affirming that Tonopah had received a grant of \$9,088.69.

Horace Carlyle indicated that he thinks the Town of Tonopah should help fund the Tonopah Senior Center with \$60,000 for the upcoming Fiscal Year. He added that funding could be reviewed the following Fiscal Year. He asked James Eason what the Town Board has to do in order to help fund the Senior Center. Mr. Eason explained that the Board has to contact Auditor Daniel McArthur, the Department of Taxation and the District Attorney. He stressed that

Tonopah's money cannot be used for the Senior Centers in Beatty or Amargosa Valley and that the Town has to find out what their liability is for grants. Timaree Koscik, Senior Nutrition Office Manager, explained that the Senior Center usually receives two different grants from the Division of Aging, one for transportation, one for nutrition, and that they cannot use money from one for the other. In addition, the Center sometimes receives grants from the USDA and NSIP. Ms. Koscik clarified that the subsidy from Nye County of \$112,000 paid for wages, service of the fires system, pest control etc., but not for the nutrition program. She noted that the Senior Center invoices the County every month for the wages and other expenses. Nye County is the sponsor of grants. The grant money is deposited with the County and a check is issued to the Senior Center. Ms. Koscik stated that the Town of Tonopah could be the sponsor of a grant or submit a letter of commitment for funding. She noted that the Senior Center would invoice the Town as they do with the County. Ms. Koscik stressed that \$60,000 is a high estimate. She added that the Division of Aging pays for 38% of the wages and that the Center receives anonymous donations for the nutrition program in Tonopah. Ms. Koscik explained that the Thrift Store makes about \$3,500 a month which pays for the wages, utilities, and a portion of the Senior Center costs. She pointed out that adjustments were made to cut the cost for the Senior Center. Ms. Koscik emphasized that the grant deadline is June. She noted that the BOCC said they are not closing the Senior Center and stated that they are doing just that by cutting the funding. James Eason said that the Town of Tonopah does have the money to help fund the Senior Center, but that the Board cannot take action at the workshop. He added that a lot of questions still need to be answered and that the Town might not have the money for funding next year as the Town's funds are very limited. He noted that the BOCC did not understand that the Senior Center only needed a few more years to be self-sufficient. Ms. Koscik stated that it would have been nice to get advance notice that funding would be cut. Mr. Eason pointed out that the Senior Center has been subsidizing itself with bond money and that this money will run out in the fall. Ms. Koscik noted that the Senior Center does not have a lot of money coming in. Horace Carlyle inquired what happens if Tonopah agrees to fund the Senior Center, but Beatty and Amargosa Valley do not agree. Ms. Koscik noted that these locations have been contacted as well. James Eason stressed that the Tentative Budget has to be submitted by April 15, 2015. Mr. Carlyle asked whether the Board needs to have an item dedicated for including funding the Senior Center. Chris Mulkerns explained that the Board will get two options and they can decide which option they wish to approve. Horace Carlyle asked how the Senior Center can get donations of help to be sustainable. Mr. Eason stated that he wants to talk to Daniel McArthur about whether money from the Western Community Fund can be taken to fund the Senior Center. Tom Seley inquired how many meals are served at the Tonopah location. Ms. Koscik explained that 20 to 25 meals are served on average and that about 8 meals are being delivered. She noted that the cook prepares 40 meals a day to have frozen meals for the weekends. Doug Farinholt asked whether the Senior Center receives WIC commodities. Ms. Koscik clarified that the Senior Center receives USDA commodities such as frozen fruit and vegetables and an allocation of hamburger meat.

James Eason stated that purchases such as solar panels, equipment, fire protection equipment etc. could be paid for out of the capital projects fund. Chris Mulkerns noted that the capital projects plan has to be submitted by the end of July and that there will be a meeting in May or June to decide which projects to have. Mr. Eason added that purchasing property or vehicles, purchasing lighting for parks or parking lots, and relining the pool could also be possible capital projects. He pointed out that the Town does not have a lot of money for big projects, but enough money for little projects. Horace Carlyle noted that the Town has to be forward thinking and should have charging stations for electric cars to get people to stop in Tonopah. Tom Seley stressed that

people should not only stop, but stay. James Eason pointed out that Tonopah is competing with other communities.

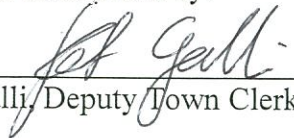
**3. Public Comment**

None.

**4. Adjourn**

The meeting adjourned at 1:05 p.m.

Minutes transcribed by:

  
\_\_\_\_\_  
Kat Galli, Deputy Town Clerk

Approved:

  
\_\_\_\_\_  
Horace Carlyle, Chairman

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Duane Downing, Vice-Chairman

  
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Tom Seley, Clerk

  
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Janet Hatch, Member

  
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Doug Farmhoff, Member



**TONOPAHA LIBRARY BOARD OF TRUSTEES**  
**BUDGET WORKSHOP MINUTES**  
**APRIL 1, 2015**  
**TONOPAHA CONVENTION CENTER**  
**301 Brougher Avenue, Tonopah, NV 89049**

Tonopah Library Board of Trustees Chairman Tom Seley called the budget workshop to order April 1, 2015 at 9:17 a.m. Also present were Horace Carlyle, Janet Hatch, and Doug Farinholt. Duane Downing was absent. Eight others were in attendance.

**1. Public Comment**

None.

**2. Discussion: Budget Workshop; Tonopah Public Library for FY 2015/2016**

Acting Librarian Dianne Ryals pointed out that the staff of the Library gets a lot of requests for the historical building. She noted that the assessments of renovations and upgrades are overestimated and that she has a volunteer who could build some of the necessary furniture free of charge. She added that the quality would be better than store-bought because the volunteer would use real wood.

Administrative Supervisor Chris Mulkerns explained that the current printer at the Library could be set up to be wireless. If Xerox came to Tonopah to set it up, it would raise the monthly charge for the lease of the copy machine from \$80.00 to \$120.00. She added that the patrons of the Library would also be able to scan items. Chairman Tom Seley asked whether the copy machine will be black and white or color. Ms. Mulkerns replied that copies would be black and white, but the machine could scan in color. She pointed out that the lease for a color printer would be higher. Dianne Ryals noted that the Library has an ink color printer if color prints are needed. She added that a lot of patrons want to print from their phones which would be possible if the lease was upgraded to wireless. She explained that wireless cards would be necessary for each computer and that they would cost about \$15.00 to \$30.00 each.

Dianne Ryals stated that new shelving for the Library would be very expensive and that she is negotiating with Hawthorne to receive their old shelving. She noted that she hopes to have an answer soon and added that a small donation to the library in Hawthorne would be nice. Horace Carlyle asked whether a letter from the Library Board to the County would help in the process. Ms. Ryals said that she would contact the Librarian in charge about the matter and pointed out that the library in Hawthorne needs County approval as the shelving was purchased with County funds. Ms. Ryals stressed that renovating the historical Library needs to be authorized as the process might take up to 6 months. She noted that cleaning the building out has already started. Ms. Mulkerns explained that this expenditure was already approved by the Board last year. Ms. Ryals inquired whether she can start the process, purchase items and turn in invoices to the office. Ms. Mulkerns stated that \$40,000 is available, but that she and Ms. Ryals have to meet to decide which items can be purchased by Ms. Ryals and which items need to be put out to bid. Ms. Ryals asked what the procedure is for changing out the carpet in the historical Library. Horace Carlyle noted that that would not be a structural change and should be allowed. Ms. Mulkerns referred to the funding agreement and suggested contacting SHPO (State Historic Preservation Office). Town Manager James Eason agreed with Ms. Mulkerns and added that staff can move forward with everything else. Mr. Carlyle proposed restoring the wood floor if possible as he is of the opinion that the carpet in the historical Library might be a violation. Mr. Seley pointed out that SHPO is usually stricter about altering the outside of a building. Mr. Eason stated that this needs to be validated with SHPO and that the Board and staff should have

a walk through together. Ms. Mulkerns emphasized that all volunteers need to fill out a volunteer application. Mr. Eason stated that the Town has had inquiries from after school programs and charter schools to use the historical building and that the Town needs to be able to show the building to them. Ms. Ryals stressed that the doors of the old shelving need to remain closed when children are present as they could pose a hazard.

Deputy Town Clerk Kat Galli asked whether the Town would charge for using the historical building. She added that revenue for the Convention Center might decrease if people can use the historical Library free of charge. Mr. Eason explained that non-profit organizations would be able to use the building free of charge or for a reduced fee. Others would have to pay a fee. Ms. Ryals added that homeschooling programs would be able to use the building without paying a fee, but companies would have to pay. Mr. Eason noted that whether there is a fee would depend on the type of event that is being held.

Tom Seley asked Chris Mulkerns whether she had updated revenue numbers. Ms. Mulkerns explained that the Library will collect about \$350,000 in property tax, \$50,000 more than projected. She pointed out that Auditor Daniel McArthur thinks the Town needs to be careful with the projected numbers because of the renewable energy abatement. Mr. Seley stated that he thinks the numbers will be around \$200,000. Ms. Mulkerns noted that Mr. McArthur thought it would be around \$160,000. Ms. Mulkerns asked whether the Board wants to fund the Western Community Fund this year. Mr. Eason suggested waiting until the Library receives the actual revenue figures. Ms. Mulkerns added that a payment for the current fiscal year can be made in July when the Board knows the exact numbers.

Dianne Ryals pointed out that the Library needs to spend 10% of its budget on books and asked where those books would be stored. Doug Farinholt inquired whether it needs to be physical books. Ms. Ryals denied this, so Mr. Farinholt proposed purchasing books on tape for the seniors. Ms. Ryals stressed that players need to be rented out as most seniors do not own these. Ms. Mulkerns emphasized that the Board needs to get clarification on this matter.

Dianne Ryals stated that she plans on purchasing a Wii game console to attract teenagers.

Vice-Chairman Janet Hatch asked whether there is an addendum to the loan agreement with SHPO stating what the Board is allowed to do in the historical Library. Ms. Mulkerns explained that the document that was referred to earlier in the workshop was the addendum and that it expires in 2017. Mr. Eason pointed out that the Board does not want to change the historical Library. Ms. Ryals noted that everybody loves the building and that patrons would like to visit it. Mr. Eason explained that the historical Library is the oldest, continuously in use Library in the State of Nevada. Mr. Seley suggested looking at everything case by case.

### **3. Public Comment**

None.

### **4. Adjourn**

The meeting adjourned at 10:02 p.m.



Minutes transcribed by:

  
\_\_\_\_\_  
Kat Galli, Deputy Town Clerk

Approved:

  
\_\_\_\_\_  
Tom Seley Chairman

  
\_\_\_\_\_  
Janet Hatch, Vice-Chairman

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Duane Downing, Clerk

  
\_\_\_\_\_  
Horace Carlyle, Member

  
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Doug Farinholt, Member

