

**TONOPAH TOWN BOARD
SPECIAL MEETING MINUTES
JUNE 18, 2015
TONOPAH TOWN OFFICE
102 Burro Avenue, Tonopah, NV 89049**

Tonopah Town Board Chairman Horace Carlyle called the meeting to order June 18, 2015 at 3:18 p.m. Also present were Duane Downing, Tom Seley, Janet Hatch, and Doug Farinholt. Four others were in attendance. Chairman Carlyle led in the Pledge of Allegiance.

1. Public Comment

None.

2. Discussion, deliberation and possible action to accept the reduction in the operating tax rate levied for the Town of Tonopah from \$0.6081 to \$0.4082 for Fiscal Year 2015/2016 pursuant to the creation of the Northern Nye County Hospital Taxing District, as authorized and established by the Nye County Board of County Commissioners.

Chairman Horace Carlyle stated that he attended the Board of County Commissioners (BOCC) meeting the previous Tuesday. He explained that District Attorney (DA) Angela Bello wanted item #28 regarding Tonopah's expansion of the Taxing District pulled from the BOCC agenda. Mr. Carlyle noted that the Commissioners were shocked and that Pam Webster asked to elaborate as to the reason. Mr. Carlyle clarified that the DA stated she was not sure of the propriety of the item and was very vague. He added that it was his impression that the Commissioners were not aware of the objection. He pointed out that the Commissioners have not followed the agreements regarding the creation of the Hospital District and that he views it as a breach of contract. Tom Seley asked whether the DA gave any explanation as to why she wanted the item pulled. Mr. Carlyle responded that she did not give any explanation. He stated that he was so upset that he walked out of the meeting. He noted that he was not prepared to support item 2.

Tom Seley asked Town Manager James Eason if he had any background information on this matter. Mr. Eason stated that this will be on the Town's agenda for the following week. He explained that he had received an email from Marla Zlotek the morning of the BOCC meeting which will be in the backup for the item. Mr. Eason read the e-mail into the record (see attached). He pointed out that because the Town of Tonopah falls under the long version of the exempt portion of the NRS, the Town Board can create the Town's boundaries. He noted that he had put the wrong NRS on the BOCC agenda. Mr. Eason stated that based on Ms. Zlotek's email, the Town will move forward to create the new taxing district at their next regular board meeting. He presented a map to the Board which illustrated the boundaries.

Nye County Assistant Manager Joni Eastley stated that she had worked with NRS Chapter 269 (the Unincorporated Town Government Law) a lot when she was a Commissioner and that the chapter was extremely confusing. She added that she believes there are fundamental flaws in it that the legislature needs to resolve.

Tom Seley asked what the process would be to expand the Taxing District. James Eason explained that property owners in the district have to be notified and the Board has to have a

public hearing. Janet Hatch stated that she was glad to have clarification. Duane Downing asked if the Town would be able to sustain financially with this change which James Eason affirmed.

Duane Downing motioned to accept the reduction in the operating tax rate levied for the Town of Tonopah from \$0.6081 to \$0.4082 for Fiscal Year 2015/2016 pursuant to the creation of the Northern Nye County Hospital Taxing District, as authorized and established by the Nye County BOCC. Tom Seley seconded. James Eason suggested amending the motion to be contingent upon the final approval by the BOCC and the rest of the entities in the meeting the following day and to add that if this is not passed, the Town will revert back to \$0.6081.

Duane Downing amended his motion to be contingent upon approval of the BOCC and all entities at their meeting on June 19, 2015. If it is not approved through those channels, we will revert back to the tax rate of \$0.6081. Tom Seley seconded.

Janet Hatch asked for more discussion. She noted that she had been struggling with what is best for the community long term. She explained that she had been getting lots of different conflicting information from the community. She stated that she is doubtful that this will help support the hospital and that she is afraid that the Board is putting money into a sinking ship. Horace Carlyle agreed. He added that he felt that the meeting today cleared up those conflicts based on the information that James Eason has provided. He explained that he had always been concerned that if the Board adopted and something happened to the Hospital District, the Town Board would be penalized. He stated that he feels that the motion puts in a safeguard, reverting back to the original tax rate. Mr. Carlyle noted that if something happens to the hospital in the future, the Town could finance an independent clinic or attract an independent contractor.

Duane Downing stated that he understood that if the Hospital District does not get formed, the hospital will fail. He added that once the Affordable Healthcare Act is fully enacted, the payments on that are going to reduce dramatically and the hospital will fail if it does not get extra money through the Hospital District. He stressed that without a hospital, Tonopah loses everything. He noted that if the Town takes a hit for one year, but expands the taxing district, over time Tonopah will probably come out ahead. James Eason clarified that this will not be done in one year. Mr. Downing explained that he meant that with the expansion of the taxing district, Tonopah will offset the money it loses by giving it to the Hospital District.

Janet Hatch noted that she was wondering whether the Hospital District will solve the problem. James Eason asked what the other options are. Ms. Hatch asked if it was more cost effective to open an independent clinic and be out of the "grip" of the County. Duane Downing stated that the hospital saves lives and that if it closes and there was a clinic, some people will die who could have been saved if there was a hospital. Mr. Eason gave an example of this. He noted there was an incident at Round Mountain Gold the week before where someone had severe burns and had to wait for the air ambulance to get clearance to land at the clinic.

Joni Eastley stated she was familiar with the situation in Beatty and Amargosa Valley. She pointed out that there are clinics in those communities and that there is a fundamental difference to having a hospital with an emergency room. She explained that the clinics operate between 9 and 5, five days a week, with no after-hours or weekend service. If there is a trauma patient, they

will be transported by ambulance to Las Vegas. Duane Downing stressed that even if there is a certified paramedic on the ambulance, they are limited on what they can do and limited on their resources. He added that if there is not a supervising physician at a hospital, there will be no drugs on an ambulance. Mr. Downing pointed out that an emergency room is needed to stabilize patients and get them to advanced medical care. He stated that it would be "criminal" if the Board does not try to save the hospital even if there is no guarantee that this will help the hospital.

Duane Downing noted that the Town might lose money this fiscal year due to the Hospital District but will collect more revenue the following fiscal year due to the expansion of the taxing district. James Eason pointed out that the Town is already net neutral because they will be receiving the 2007 Sales and Use Tax. Janet Hatch thanked both for the clarification. She added that she did not want to put the Town in jeopardy. Mr. Eason stressed that most of the entities that have been approached to take over the hospital are not interested. Mr. Downing added that the hospital does not generate enough revenue to be attractive for another entity to take it over. Mr. Eason pointed out that the hospital pays the highest fees for emergency room physicians as nobody wanted to come to Nye Regional Medical Center to work. He added that most physicians are not getting paid at this point.

No further discussion. Motion carried 4-0. 1 abstention.

3. Discussion, deliberation and possible action to accept the Revised Final Budget for Fiscal Year 2015/2016 for the Town of Tonopah, which has been amended to reflect an operating tax rate of \$0.4082, and also to reflect the addition of revenues received in Fiscal Year 2013/2014 generated by the Nye County Sales and Use Tax 2007, and anticipated revenues and associated expenditures relating to this sales tax in the current Fiscal Year 2014/2015, and also the Budget Year 2015/2016.

Chris Mulkerns explained that everyone received two sets of budgets, one including the Hospital District and the Public Safety Tax and one set without the Hospital District but also including the Public Safety Tax.

Duane Downing motioned to accept the Revised Final Budget for Fiscal Year 2015/2016 for the Town of Tonopah, which has been amended to reflect an operating tax rate of \$0.4082, and also to reflect the addition of revenues received in Fiscal Year 2013/2014 generated by the Nye County Sales and Use Tax 2007, and anticipated revenues and associated expenditures relating to this sales tax in the current Fiscal Year 2014/2015, and also the Budget Year 2015/2016. This will be contingent upon our action item 2, contingencies for the BOCC meeting on June 19th to be accepted by them and all entities. If at any time it does not pass through those situations, we will revert back to the original property tax rate of \$0.6081. Tom Seley seconded. No further discussion. Motion carried 5-0.

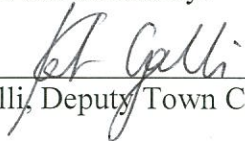
4. Public Comment

James Eason reminded everyone about the BOCC meeting the following day at 10 a.m. He noted that the Department of Taxation required the BOCC to bring all involved groups together to agree on the Hospital District.

5. Adjourn

The meeting adjourned at 4:28 p.m.

Minutes transcribed by:



Kat Galli, Deputy Town Clerk

Approved:



Horace Carlyle, Chairman

Duane Downing, Vice-Chairman



Tom Seley, Clerk



Janet Hatch, Member



Doug Farnhold, Member