

# TONOPAH TOWN BOARD

## MEETING MINUTES

APRIL 27, 2011

Tonopah Town Board Chairman Jon Zane called the meeting to order at 7:00 pm. Also present were Glenn Hatch, Horace Carlyle, Javier Gonzalez, and Duane Downing. There were fourteen other people in attendance.

1. Review and Approval of Minutes from Regular Meeting held on April 13, 2011.

Horace Carlyle made a motion to approve the minutes, in context, from regular meeting held on April 13, 2011. Duane Downing seconded. Motion passed 5-0-0.

2. Discussion, deliberation and possible decision to add minutes and agendas to Homepage of Town website – Robin Rivero.

Robin Rivero explained why she felt the agendas and minutes should be placed on the first page of the Town website. She felt that if the minutes and agendas are on the first page of the website, then the public will be much more informed and a lot of the rumors can be easily dispelled by directing to public to the minutes so they can see for themselves what is happening in the Town board meetings.

Horace Carlyle felt this was a great idea. He questioned how complicated it would be to add this to the website. Robin River explained that this would be up to the webmaster. She felt that it should not be that difficult because there is already a link to the agendas. She noted that it should just be a matter of changing the link to the homepage. James Eason explained that the Town will get in touch with Teresa Madsen, who does the webpage. Horace Carlyle questioned what the cost will be. James Eason explained that the Town will find out. Robin Rivero explained that if the link is already provided, the costs should not be much more than maintenance costs. Chris Mulkerns explained that at the budget hearings, the Board approved, under contracts, for the webpage to be completely updated. This is part of the new contract for the upcoming budget year. She noted that for extra items, Teresa Madsen does charge by the hour but this should be included under the contract.

James Eason recommended that the Board should go ahead and make a motion to follow through with this.

Horace Carlyle made a motion to approve adding the minutes and agendas to the homepage of the Tonopah website. Glenn Hatch seconded. Motion passed 5-0-0.

3. Discussion and Decision on direction on how to proceed with the Convention Center Project, Tab E as previously approved, as well as direction on how to proceed with awarding of additional scope of work to Aptus Architecture – Susan Dudley.

Susan Dudley explained that at the April 13, 2011 meeting the Board made two motions. There were some contingencies that went along with those motions. One was to see if the Town is fully funded with the CDBG grant. The Town is fully funded. The other contingency is for the insurability of the Belvada. She noted that James Eason is going to Pool/Pact Thursday April 28, 2011 so that will be resolved. At the last meeting, Susan Dudley provided the Board with a summary of how the Town had developed the project. In the packets tonight is a summary of how the project has proceeded with the funding.

Susan Dudley explained the spreadsheet she gave to the Board. From the top of the page to the blue line is the general fund. In the general fund, the revenue that goes into it is from taxes, fines, fees, and charges for services. The total funding is divided up to pay for the various departments. In the general fund, the top two items are property tax and room tax. Besides the general fund, there are other funds. These are designated for special uses. The Special Capital Projects fund comes from an Ad Valorem tax collected by Nye County and passed back to the Town. This is based on assessed valuation. This has been rolling over each year and its use is defined by an NRS as big capital projects. The only thing this fund has even been used for is to pay Aptus Architecture.

Susan Dudley explained that every spring, the Board develops its budget for the upcoming year. In the spring of 2008, the Board held a discussion on the Convention Center and the issues that needed to be fixed. In that budget year, the Special Capital Project fund was designated to see what could be done about fixing the Convention Center. This was 7/1/2008 to 6/30/2009. The Board decided to wait until late winter to early spring to put the bid out. On April 8, 2009, some issues were brought to the attention of the Town and the bid was cancelled. It was discussed to reevaluate what to do with the Convention Center. During the same period, the Town was into another budget year, 7/1/2009 to 6/30/2010. The Board decided to move the entire Special Capital Projects fund to that budget year and devote it to the entire Convention Center. From May to December 2009, things were done, such as working with the Nevada State Inspector on the asbestos issue, talking to SHPO about what the Town could do with the Convention Center because it is over 50 years, and the Town went to USDA with several what ifs: what if the project is more than replacing the roof, what if it is rehabbing the building, what if it is more than rehabbing the building and the Town has to go to another site. USDA mentioned two things that could be done. The medium household income is based on the 2000 census and it was too high for community facility grants. The Town conducted an income survey and is now eligible for those grants. The other thing the Town would have to do is complete a preliminary architectural report. The Town has to hire an architect to look at the different options, including the option of the Convention Center and the option of other sites, the pros and cons of all of the options, preliminary costs estimates, and a recommendation. At the December 2009 meeting, the Board decided to go out to a selection process for an architect to investigate the Convention Center and other options. Between January and February 2010, there were several things done. Roof repairs on the Convention Center were completed. There were discussions held on how to fund the

project if it was larger than roof repairs. The roof project could be funded out of the Special Capital Projects fund. If it was larger than a roof project, there are issues with how to fund it. If it is a loan from USDA, it would be a revenue bond. A revenue bond is a loan where a specific source of revenue has to be dedicated to repay the loan. One option is to use the Special Capital Projects fund. Because this only generates between \$35,000 and \$40,000 a year, it may not be enough for a loan payment. Options include property tax and room tax. An internal impact study determined that a room tax increase was probably not the best idea. At the first meeting in February 2010 the Board explored the option of changing the property tax. There had been a Hospital District debt that the residents of Tonopah and other residents had paid and the debt was repaid. The Town looked at recapturing a portion of that debt and putting it toward the Town General Fund. It was discussed that then the Special Capital Project fund and room tax could be pledged. The additional revenue from the property tax will help supplement what is put from room tax toward the debt. After the budget was submitted to the Department of Taxation in June 2010, the Town made a pre-application to USDA to determine if the Town had the ability to apply for loans and grants. The answer was yes. The Town had the public hearing in August to notify the public that the Town intended to apply for federal funding, USDA Loans and Grants. In the mean time, the Town hired Aptus and they were doing the preliminary architecture report. On September 22, 2010, they brought the preliminary architecture report before the Board. It had Tabs A, B, C, D1, and D2. The Board selected Tab D1, which included the Belvada and surrounding property. On September 28, 2010, the Board approved the final application to USDA based on Tab D1. On October 27, 2010, the Board approved to go forward to Cultural Affairs and the CDBG application. Because of the financial situation with the State, the Cultural Affairs grant has been suspended. From September 22, 2010 until November 2010, there were problems that the Town was not able to mitigate. At the early December meeting, the Board approved to direct Aptus to do a new tab, Tab E. Tab E included the Belvada and the Convention Center. On January 26, 2011, the Board was presented with Tab E which it approved. The Board also approved a loan resolution to pledge room tax and Special Capital Project tax to the USDA loan resolution. This was in advance of preparation of the budget. On March 9, 2011, the Board approved the pre-design Aptus completed. This allowed Town staff to go to CDBG on March 23, 2011 and make the presentation. On March 11, 2011, the Board approved to put aside \$98,300 for debt payment for approximately fifteen months. On March 25, 2011, the Department of Taxation sent back the final numbers. The assessed valuation was lowered and the abatement went up by approximately \$11,000. Susan Dudley explained that the audited number for property tax for FY 09/10 is \$179,093. For FY 11/12, the Department of Taxation budgeted \$132,243.

James Eason explained that the Town experiences a rapid increase in property tax and is now experiencing a rapid decrease. The Town is looking at the possibility of property taxes continuing to decrease or flat line. He noted that the Town Board has taken on the responsibility to be the Library Board. There are some costs associated, but they are not all known. He noted that there may also be cuts from Nye County. The revenue picture has changed.

Jon Zane noted that all along the Board has approved certain things at meetings. He wanted to know what legalities come from what the Board has approved if it decides not to move forward. Susan Dudley explained that there are nine issues that need to be addressed if the Board decides not to move forward. There is a letter of conditions from USDA. James Eason explained that the

recommendation would not be to not continue with the project. The recommendation is to still move forward but change the method with which the Town will address the issue. The big question is the looming debt and whether or not the Town can finance the debt. Duane Downing noted that the debt was the concern at the last meeting. Javier Gonzalez noted that the Town has projections on what it has lost with the property tax and wondered if the Town had projections on what it has the possibility of making. James Eason explained that Aptus did not feel comfortable making projections about revenue. It is an unknown. He explained that the Town would be derelict to build additional revenue into the budget. Susan Dudley explained that there is a possibility of increased revenue but the Town has always built its budget conservatively. That was not considered in the revenue source. James Eason explained that in the budget meetings, the Town readjusted the revenue stream for the Convention Center. He noted that one of things taken into consideration under Tab E, if the Town conducted a remodel on the Convention Center, there was another building online so the Town would not lose the additional revenue. Susan Dudley explained that until the Town has two grants and loans from USDA but until the Town has met all the requirements in the letter of conditions, the Town has not acted on the loan. She explained that when the Town went to CDBG for the Belvada, it went for public health and safety issues. The Town asked for the funding to do certain things: re-pointing the bricks, the gutters, reinstalling the windows, and the roof. James Eason explained that there are still grants out there the Town is going after.

Horace Carlyle explained that if the Town looked at this project based on projections of \$91,380 for thirty years, the Town is looking at a capital expenditure of \$2,739,000.00 minimum. He explained that Ken Meirs submitted a cost/revenue comparison. He explained that if you look at the actual expenditures for the Convention Center for FY 09/10 and compare that to the revenue, the revenue recouped 14% of the expenses of operating the existing Convention Center. He advocates that the Board adopts a policy of pay-as-you go. He suggested going back to the original Convention Center, look at what is available based on Capital Projects, \$249,000. He noted that his first priority is to work on the roof and any other improvements that can be done with the existing funding based on staff. He noted that he foresees depressionary conditions.

Jon Zane returned to his concern regarding legalities with what the Board has already approved other than the housekeeping. James Eason explained that legally the Town does not have an obligation to the Belvada at this point in time. The Town has a working agreement with the owners of the Belvada. The Town would inform them if the Town decides not to proceed with the Belvada at this time based on funding. He explained that the Town will still try to finish with the phasing of the Brownsfield projects. A Phase 1 has already been completed on the Belvada and a Phase 1 still needs to be completed on the Convention Center. Susan Dudley explained that the Town was just awarded the Phase 2 for the Belvada and a Phase 1 for the Convention Center from EPA funding. She noted that the Town has informed Creative Investment that it was not going to accept title until the funding was in place and everything happened. James Eason explained that depending on which direction the Board takes, the Town can take appropriate action. He noted that if they decided to go full steam ahead, the Town is comfortable with that. It knows where the revenues are going.

Horace Carlyle explained that he wanted to propose several motions to the Board for the purpose of discussion, action, or revision.

Duane Downing explained that he did not feel the Board was in a position to make a decision on how to proceed. He feels that there are a lot of unknowns. He felt that there are a lot of different ways the Board can go on this issue.

Horace Carlyle noted that one of the problems the Board has is that, either informally or officially, it has had Susan Dudley and James Eason go up and converse or do due diligence on this project. He feels that if the Board does not make a timely decision, it puts them in a compromising position and also compromises the Town. He read his motions:

1. Horace Carlyle made a motion to retain Tab E to retain the value of the Aptus architectural studies and recommendations to seek grants and monies to develop the individual parts. This would retain the \$100,000 spent on the Aptus architectural study and would allow the Town to preserve the grant application submitted for the \$280,000 for the parking lot and any other grant monies that may become available either for upgrading the parking lot or upgrading the Convention Center.

2. Horace Carlyle made a motion to inform all funders that the Tonopah Town Board requests the withdrawal or possible suspension of the loan and grant applications to USDA for the Convention Center Project Tab E of the Preliminary Architectural Report at this time because the Town of Tonopah's cost benefit model no longer has the ability prudently forecast reasonable revenues into the future due to external factors beyond our control.

3. The third option he recommends is to pay-as-we-go, take the \$249,000 in the Capital Projects fund and prioritize what the Town will do on the Convention Center. He noted that the first thing he would like to have done is getting the roof repaired and possibly working on the air condition and electrical and whatever else the funding would allow based on working with Aptus Architecture.

4. Discussion regarding the current status of TDC and the lack of staff for the office – Horace Carlyle.

5. Tonopah Development Corporation Report

No action taken by the Board.

6. Public Comment

No action taken by the Board.

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

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.

This item was tabled.

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

This item was tabled.

10. Discussion deliberation, and possible decision on labor negotiations, issues and other personnel matters presented in the closed meeting

This item was tabled.

11. Closure of meeting pursuant to NRS 241.015(2)(b)(2) for purposes of conferring with legal counsel regarding potential or current litigation

This item was tabled.

12. Closed meeting, pursuant to NRS 241.015(2)(b)(2) for purposes of conferring with legal counsel regarding potential or current litigation

This item was tabled.

13. Discussion, deliberation and possible decision on conference with legal counsel regarding potential or current litigation presented in the closed meeting

This item was tabled.

14. Correspondence

FY 2011 Continuing Resolution Reductions (in millions of dollars)

Letter to Jason King: Modification of Prior Designations of Referred Use of Limited Ground Water Resources – 04/12/2011

Solar Reserve Agenda Item: Rick Osborne – 04/14/2011

Financial Disclosure Statement Notification – 04/13/2011

Nye County Board of Commissioners Meeting Agenda – 04/19/2011

Pahrump Town Board Meeting Agenda – 04/26/2011

Round Mountain Town Board Meeting Agenda – 04/26/2011

Beatty Town Advisory Board Meeting Agenda – 04/27/2011

Letter to Verizon – 04/26/2011

15. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. \* made a motion to approve the vouchers as presented for payment. \* seconded. Motion passed .

16. Adjourn

Meeting was adjourned at 9:07 pm.

Minutes transcribed by:

Approved:

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Mariah Rivero

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Jon Zane, Chairman

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Horace Carlyle, Vice Chairman

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Javier Gonzalez, Clerk

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Glenn Hatch, Member

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Duane Downing, Member

TONOPAH LIBRARY BOARD OF TRUSTEES

MEETING MINUTES

APRIL 27, 2011

The Tonopah Library Board of Trustees met in a regular meeting at 7:15pm at the Tonopah Convention Center at 301 Brougher Avenue, Tonopah, NV.

TONOPAH TOWN BOARD RESOLVED TO THE TONOPAH LIBRARY BOARD OF TRUSTEES.

Tonopah Library Board Member Jon Zane called the meeting to order at 7:59 pm. Also present were Horace Carlyle, Javier Gonzalez, Glenn Hatch, and Duane Downing. There were \* other people in attendance.

1. Election of Officers: Chairman, Vice Chairman and Clerk.

Javier Gonzalez made a motion to nominate Duane Downing as Chairman of the Board. Horace Carlyle seconded. Motion passed 5-0-0.

Duane Downing made a motion to nominate Javier Gonzalez as Vice Chairman of the Board. Horace Carlyle seconded. Motion passed 5-0-0.

Jon Zane made a motion to nominate Horace Carlyle as Clerk of the Board. \* seconded. Motion passed \*.

Tonopah Library Board Chairman \* took over the meeting at this time.

2. Public Comment

No action taken by the Board.

3. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. \* made a motion to approve the vouchers as presented for payment. \* seconded. Motion passed \*.

4. Adjourn

Meeting was adjourned at \* pm.

TONOPAH TOWN BOARD RESOLVED TO THE TONOPAH TOWN BOARD.

Minutes transcribed by:

Approved:

\_\_\_\_\_  
Mariah Rivero

\_\_\_\_\_  
, Chairman

\_\_\_\_\_  
, Vice Chairman

\_\_\_\_\_  
, Clerk

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, Member

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, Member