

TONOPAH TOWN BOARD

MEETING MINUTES

JUNE 26, 2013

Tonopah Town Board Chairman Horace Carlyle called the meeting to order at 7:03 pm. Also present was Duane Downing, Ron Kipp, and Javier Gonzalez. There were seven other people in attendance.

1. Public Comment

No action taken by the Board.

2(a). Review and approval of minutes, in context, from public workshop held on May 08, 2013.

Duane Downing made a motion to approve the minutes, in context, from budget hearing held on May 08, 2013. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

(b) Review and approval of minutes, in context, from regular meeting held on May 08, 2013.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on May 08, 2013. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

(c) Review and approval of minutes, in context, from public workshop held on June 12, 2013.

No action taken by the board.

(d) Review and approval of minutes, in context, from regular meeting held on June 12, 2013.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on June 12, 2013. Javier Gonzalez seconded. Motion passed 3-0-1 (Ron Kipp abstained).

3. Review, discussion and possible decision and selection of lending institution for interim financing for the Tonopah Water Project – Phase II

Susan Dudley was present via telephone.

Susan Dudley explained that following the Board's approval to send out a request for proposals for the interim financing for Phase II of the Water Project, she began negotiating with six financial institutions. The Town received two proposals. Zion's bank provided a fixed interest

rate of 1.95%. CoBank provided a variable rate. It is weekly LIBOR plus 2% for a total of 2.20%. The current monthly payment on \$100,000 for Zion's rate is \$162.00 per month and for CoBank it is \$184.00 per month. Zion's Bank had a total for Bank Fees and Closing Costs of \$7,000. CoBank had bank fees of $\frac{1}{4}$ of 1% on the unused balance. For the entire loan of \$1,434,000, the cost would be \$295.00 per month. As the unused balance decreases, the monthly payment will decrease.

Susan Dudley explained with the closing costs of \$7,000 and the draw amounts, Zion's Bank would be \$4,000 more than CoBank from the period of August 2013 to the closing of the Revenue Bond in February 2014. She noted that while the interest rate for Zion's Bank is lower, the interest rate, closing costs, and bank fees are greater than CoBank.

Susan Dudley explained that there is similar language at the bottom of each proposal. The language states that the financing is contingent upon receiving final credit underwriting and approval. She asked each institution how soon the final approval would be expected and how confident the Board should be in receiving final approval. She explained that Zion's Bank provided final credit approval by June 21, 2013. CoBank stated that upon receipt of the 12 items they require, which Mrs. Dudley has provided, they could usually complete credit underwriting within two to three weeks. After credit approval, a commitment letter with final terms and conditions would be provided. They would then need a few more weeks to review the bond documents. With respect to the probability of receiving the credit approval, they do not see a problem receiving credit approval but it is not something they can guarantee. After credit approval, the bond council will need a couple of weeks to prepare the bond documents with the final terms and conditions. After CoBank reviews the bond documents, the bond closing process will begin, which takes four to five weeks. The variable rate would be the 2% plus the LIBOR at the time of closing. CoBank indicated that there is a possibility of legal fees for someone to review the bond documents. She further questioned CoBank regarding the Letter of Commitment and the final terms and conditions. She wanted to know what the difference would be between that letter and what is before the Board tonight. CoBank explained that it would contain more detailed language but would probably not be a material change. Unfortunately, they would not know that until the final credit approval.

Horace Carlyle asked Mrs. Dudley to review the timeline for the project. Susan Dudley explained that the Town is trying very hard to stay on schedule. She explained that Paul Winkelman with Shaw Engineering is working to complete the design. It should be finished the end of this week or the beginning of next week. He wants to be able to get the design to everyone for review. They have 30 days to review the plans and make comments. The plan is to put the project out to bid the first of August. The goal is to try and close on the Interim Debenture Bond in that time period. The project will be bid for a month. The bid opening is tentatively scheduled for September 03, 2013 with the award of the bid at the September 11, 2013 Board meeting. The contractors have to provide payment bonds, performance bonds, certificates of insurance, etc. which all has to be approved by the funders. The pre-construction conference is tentatively scheduled for October 16, 2013. Following the conference, a Notice to Proceed will be issued to the contractor. The goal is to finish laying pipe prior to March 1, 2014 and the beginning of bird

season. If the contractor is not finished, the Town will have to hire a biologist to review what is left and make sure there are no nesting sites in and around the construction sites.

Horace Carlyle wanted to know what the intent of the Request for Proposals was. Susan Dudley explained that the proposals were due on or before June 12, 2013. The Town requested that the proposal be held open until August 14, 2013 in order to accomplish closing on the Interim Debenture Bond. When she sent the Request for Proposals out, she had the intention of having the Board select the interim financier tonight. She could then have the bond counsel begin putting the bond ordinance together to have to the Board by July 18, 2013 for the July 24, 2013 meeting. At that meeting, the Board will propose and adopt the ordinance at the same meeting. Because of the timing of maintaining the interest rate provided in the proposal and closing, the Town can adopt the ordinance as if an emergency exists. It will then go in the paper August 1st and August 8th for a closing on August 14th.

Susan Dudley explained that the Town has until tomorrow to accept the proposal. Zion's Bank stated that the quote is valid until August 14th if accepted within 15 days of the date of the quote.

Javier Gonzalez made a motion to select Zion's Bank Lending Institution for the interim financing of the Tonopah Water Project – Phase II. Duane Downing seconded. Motion passed 4-0.

Susan Dudley explained that she will notify Zion's Bank of the decision and she will direct bond counsel to begin preparation of the Bond Ordinance.

The Tonopah Town Board recessed to the Tonopah Library Board of Trustees at 7:25 PM.
The Tonopah Town Board returned at 7:30 PM.

4. Discussion and possible decision to authorize Chairman to execute amended engagement letter to appoint auditor for fiscal year 2011-2012 to include single audit

Horace Carlyle wanted to know when the Town will get the audit this year. Chris Mulkerns noted that this question cannot be answered at this time. She explained that the audit letter for FY 11/12 did not include the provision for a single audit. She noted that this is for the audit that was just completed. After going through everything, they realized that there was a need for a single audit because the Town went past the threshold of \$500,000 in federal funding. James Eason noted that this will be the same for this year. Chris Mulkerns explained that the Board already approved the letter for FY12/13 and it did include the provision for a single audit. The Town should have the FY 11/12 single audit by October.

Javier Gonzalez made a motion to authorize Chairman Horace Carlyle to execute amended engagement letter to appoint auditor for fiscal year 2011/2012 to include single audit. Ron Kipp seconded. Motion passed 4-0.

5. Discussion and possible action to ask Nye County Treasurer to take all legal actions to collect all monies owed by National 9 for past due Room Tax Payments. Determine what action the Tonopah Town Board can take to ensure that the issue does not occur as a current and past business practice

Horace Carlyle explained that there was no payment for six to seven months. The summary shows no penalty for those seven months and the penalties that are showing are for 2012. If nothing is paid for 60 days, he feels the Board should consider directing staff to notify the Treasurer to start collection or take all legal action that can be taken to collect.

James Eason explained that there is an ordinance that has been adopted by the County and this is what the Treasurer follows. Duane Downing noted that per the email from Kim Lara, under article 22.04.400, the Town can request a show cause hearing at the point where they are delinquent in their taxes. The show cause hearing can be to revoke the license.

James Eason explained that the penalty is 10% at 15 days after the due date. This is calculated by the Treasurer. He noted that this has been an ongoing issue for eight years.

Duane Downing suggested that if they are 90 days late again, the Board should request a show cause hearing. James Eason explained that the Board can issue a complaint. Duane Downing recommended that if any entity becomes 90 days or more late on their tax payments, Staff should present this information to the Board to make a decision.

James Eason explained that the ordinance does not give a time frame. If after 15 days the revenue is not received, the Board can request a show cause hearing. He suggested not setting a time limit thus allowing the latitude to work within the ordinance.

No action was taken by the Board.

6. Tonopah Development Corporation Report

No action taken by the Board.

7. Public Comment

No action taken by the Board.

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

Horace Carlyle requested clarification regarding information from BEC Environmental, Inc. James Eason explained that he spoke with a contractor today. They want more information than just potential customers and employers. He noted that the banks are tightening up and the biggest hurdle for housing in Tonopah is financing. The developer he spoke with today has a credit union interested in financing one house.

Duane Downing noted that his schedule is changing. There will be one or two meetings between now and August that he will miss. James Eason explained that the July 24, 2013 meeting is a very important one as the Town will be setting up the schedule for the Water Project. The Town will be going out to bid on August 11, 2013. The Town is looking at the middle of October to begin construction.

Horace Carlyle wanted to know if there were any applications for the Board. Javier Gonzalez noted that there were three applications.

James Eason explained that the Board received the Pool/Pact overview of the last legislative session. On July 12, 2013 there will be a State Land Use Planning Advisory Council Meeting at the Mizpah. There is a drug and alcohol training at the Convention Center on Friday. He explained that the Convention Center Roof Project has been closed. Chris Mulkerns has received the last bit of training for the Reuse. Horace Carlyle requested that Town Staff send out reminders of some of the trainings if the Board is able to attend.

Ron Kipp wanted to know if the swimming pool is up and going. James Eason explained that the pool is up and going. The heater in the baby pool is running but the heater in the big pool is not. There was a cracked regulator.

9. 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.

10. 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.

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

This item was tabled.

12. Correspondence

Letter from United States Arm Wrestling Association, Inc.

Horace Carlyle wanted to know if there is a way to send a Letter of Appreciation to the committee.

Round Mountain Town Board Regular Meeting Minutes – 06/11/2013

Email from BEC Environmental, Inc. – 06/18/2013

Nye County Board of Commissioners Meeting Agenda – 06/18/2013

Pool/Pact Overview of Workers' Compensation and HR-Related Legislation – 06/20/2013
Beatty Town Advisory Board Regular Meeting Agenda – 06/24/2013
Round Mountain Town Board Regular Meeting Agenda – 06/25/2013
Pahrump Town Board Regular Meeting Agenda – 06/25/2013
Nye County Board of Commissioners Teleconference Meeting Agenda – 06/27/2013

13. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. Duane Downing made a motion to approve the vouchers as presented for payment. Javier Gonzalez seconded. Motion passed 4-0.

14. Adjourn

Meeting was adjourned at 8:10 pm.

Minutes transcribed by:

Approved:

Mariah Rivero
Mariah Rivero

Horace Carlyle
Horace Carlyle, Chairman

Duane Downing
Duane Downing, Vice Chairman

Ron Kipp
Ron Kipp, Clerk

Javier Gonzalez
Javier Gonzalez, Member

Vacant, Member