

TONOPAH TOWN BOARD

MEETING MINUTES

JUNE 13, 2012

Tonopah Town Board Chairman Jon Zane called the meeting to order at 7:04 pm. Also present were Horace Carlyle, Javier Gonzalez and Duane Downing. There were ten other people in attendance.

1(a) Review and approval of minutes, in context, from budget hearing held on May 18, 2012.

Duane Downing made a motion to approve the minutes, in context, from budget hearing held on May 18, 2012. Horace Carlyle seconded. Motion passed 4-0.

The Board re-voted on this item.

Javier Gonzalez made a motion to approve the minutes, in context, from budget hearing held on May 18, 2012. Horace Carlyle seconded. Motion passed 4-0.

(b) Review and approval of minutes, in context, from regular meeting held on May 23, 2012.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on May 23, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

The Board re-voted on this item.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on May 23, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

(c) Review and approval of minutes, in context, from special meeting held on June 06, 2012.

Duane Downing made a motion to approve the revised minutes, in context, from regular meeting held on June 06, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

The Board re-voted on this item.

Duane Downing made a motion to approve the revised minutes, in context, from regular meeting held on May 23, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez abstained).

2. Public Comment

Horace Carlyle noted that the Open Meeting Law had been revised and was not sure the Board could take any action before public comment. Joni Eastley recommended that the Board go back and look at the agendas from January 1, 2012 and possibly reapprove any action items approved before public comment.

No action taken by the Board.

3. Possible approval of 5/8ths of 1% Room Tax Grant to advertise and promote the Nevada State Mining Championships.

Joni Eastley noted that the request for the grant was after the fact but there was a significant lack of volunteers for Jim Butler Days. She sent posters to all of the mining colleges in the West and there were people from Arizona, New Mexico, Utah, California, and Nevada, including the Mackay School of Mines. The event continues to get bigger every year. She noted that the weather did not seem to affect the events. There were just as many if not more participants than the previous year. The only thing the weather seemed to affect were the number of spectators.

Horace Carlyle made a motion to approve the 5/8th of 1% Room Tax Grant to advertise and promote the Nevada State Mining Championships in the amount of \$2,240.86. Javier Gonzalez seconded. Duane Downing wanted to know where the budget for the Room Tax Grant is at. Chris Mulkerns noted that year-to-date expenses are \$22,070 and the budget is \$35,000. Motion passed 4-0.

Joni Eastley noted that they will begin work as soon as possible in breaking ground for the new competition area.

The Tonopah Town Board recessed to the Tonopah Library Board of Trustees at 7:16 pm.
The Tonopah Town Board returned at 7:33 pm.
The Board returned to Item 1.

4. Approval of Debt Management Policy for the Town of Tonopah for Fiscal Year 2012/2013 and Approval of Indebtedness Report for Fiscal Year 2012/2013

Chris Mulkerns explained that the Debt Management Policy is basically the same as every year except the numbers in the third paragraph have changed based on the limit as of June 30, 2012. At the bottom of the first page, Sale of Debt, the amounts for the revenue bonds for the Water and Sewer Projects have not changed. The numbers on the second page have been revised. The Town anticipates selling a revenue bond in the amount of \$3,907,000 to either USDA-RD or the State Treasurer in the upcoming year. The Town also anticipates selling a revenue bond to USDA-RD for up to \$1,453,000.

Chris Mulkerns explained that the indebtedness report lists the total debt and the actual annual payments through the year 2017.

Horace Carlyle made a motion to approve the Debt Management Policy for the Town of Tonopah for Fiscal Year 2012/2013 and to approve the Indebtedness Report for Fiscal Year 2012/2013. Javier Gonzalez seconded. Motion passed 4-0.

5. Approval of the Town of Tonopah Capital Projects, Special Capital Projects, Mining Park Capital Projects, Mural Fund, and Tonopah Public Utilities Five Year Capital Improvement Plans for Fiscal Year 2012/2013

Chris Mulkerns explained that in Capital Projects, the Town has budgeted \$725,000 for building improvements and construction, \$13,620 for vehicle or equipment purchase for this year and \$20,000 for building improvements for the following years. James Eason explained that the purchase of a vehicle will not occur until the next budget year.

Chris Mulkerns explained that for FY 12/13, the Board has budgeted \$45,265 for Building Improvements and Construction on the Convention Center from Special Capital Projects and \$35,000 per year after that until 2017. For the Mining Park Capital Projects Fund, there is \$37,078 in the fund and it is specified for Building and Facility Improvements. James Eason explained that the Town has been letting the fund grow. He noted that the project of utmost importance in the next few years is the restoration of the Silver Top Head Frame. The Town has already completed the study and just need the funds to complete the project.

Chris Mulkerns explained that there is nothing in the Water Capital Projects Fund. Under the Sewer Capital Projects, \$70,000 was budgeted in FY 11/12, with \$40,000 for vehicle/equipment purchase and \$30,000 for system improvements. Through 2017, \$25,000 has been budgeted each year. Horace Carlyle wanted to know how the money for system improvements will be spent. Chris Mulkerns explained that part of it is for the Reuse Project.

Chris Mulkerns explained that in FY 12/13, \$18,785 is budgeted in the Mural Fund for Building and Equipment Improvements. It goes towards maintaining and paying the insurance on the murals and monuments. James Eason explained that the fund will be growing in two parts, through the interest and a portion of the revenue from the McDonald's agreement.

Horace Carlyle made a motion to approve the Town of Tonopah Capital Projects, Special Capital Projects, Mining Park Capital Projects, Mural Fund, and Tonopah Public Utilities Five Year Capital Improvement Plans for Fiscal Year 2012/2013. Duane Downing seconded. Motion passed 4-0.

6. Review, discussion and possible decision and selection of lending institution for interim financing for the Tonopah Arsenic Water Project

Susan Dudley explained that the Town is doing a water project. It will go out to bid on June 21, 2012. It is currently before the funders and the Bureau of Safe Drinking Water for review. Once the bid is awarded, the contractor needs to be paid. In order to do that, the Town has to borrow an amount of money equal to the loan USDA has committed to the Town, \$3,907,000. The Town put out a request for proposals to five banks and three responded. All three banks agreed to loan

the \$3,907,000. The interest rate for Wells Fargo is 2.5% annually as of June 06, 2012 subject to change based on market conditions until August 08, 2012 when the Town expects to close on the loan. The rate will be set on August 08, 2012. The interest rate for CoBank is 2.7% variable and is tied to the weekly LIBOR. The interest rate for Zion's Bank is fixed at 2.28% until August 8, 2012.

Draw amounts can be taken for each bank. Wells Fargo allows draw amounts of \$50,000 increments. CoBank allows draw amounts as needed. Zion's Bank allows draw amounts of \$100,000 increments. She noted that the amounts of the increments is not important but the fact that the Town can take increments is what is important.

The principal and interest payments for Wells Fargo are to be determined. The payments for CoBank are monthly. In addition to the 2.7% variable rate, CoBank will also require a fee of $\frac{1}{4}$ of 1% of the unused balance. The monthly payment will include the interest on what is drawn and $\frac{1}{4}$ of 1% on the unused balance. The payments for Zions Bank include semi-annual interest and principal at maturity unless prepaid.

The terms of the loan for all three banks are 18 months or sooner. For Wells Fargo, the Town can prepay with 10 days notice with no penalty. For CoBank, the Town can prepay with no notice and no penalty. For Zions Bank, the Town can prepay with 10 days notice with no penalty.

For the closing costs, Wells Fargo will charge \$12,000, CoBank will charge \$19,535, and Zion's Bank will charge \$5,000. The bank fees for Wells Fargo cover bank counsel fees and range from \$3,000 to \$5,000. The additional fees for Zion's Bank are \$500 for a one time set up fee and \$500 annually. If the loan is only out for five or six months, they may waive the \$500 annual fee.

Wells Fargo will require the Town to establish the construction account with them. They also request that the Town include the bank in future banking requests. CoBank has no additional requirements. Zion's Bank is subject to a commitment letter from USDA. The bank also wants to review the bid forms from the opening to make sure there is no bid bust and that USDA funds will sufficiently cover the bid amount. All proposals included that the \$3,907,000 will be secured by the USDA loan, the State Revolving Loan Fund, and revenue from TPU.

All of the interest rates are subject to the Qualified Tax Exemption Obligation of the IRS Code. If an entity does not borrow more than \$10 million in a year, the bank qualifies for a tax write off. If the Town exceeds the tax exempt qualification, there will be a 4% penalty on the entire amount of the loan. To avoid any potential of exceeding \$10 million in any calendar year, the Town will not close on the revenue bond until January 2013.

Staff recommendation is to choose Zion's Bank based on the fixed interest rate, the closing costs, and the bank fees. Susan Dudley noted that the construction account for the project is already set up with Zion's Bank.

Susan Dudley explained once the Board chooses the interim financier, the bond counsel will start the paperwork for an interim debenture bond. It is an ordinance but because of the timing of the closing, the Town will not go through the full ordinance procedure. The Town will proceed as if

an emergency exists. The Board will adopt it and sign it the same night. It will be published in the paper and the Board will be able to close on it at the next meeting. The Interim Debenture Bond will be before the Board on July 11, 2012, it will be in the paper by July 19, 2012 and the Board will close on the Bond August 08, 2012.

Duane Downing made a motion to accept Zion's Bank for interim financing for the Tonopah Arsenic Water Project. Horace Carlyle seconded. Motion passed 4-0.

7. Review, discussion and possible decision and adoption of resolution authorizing augmentation of the 2011/2012 budget of the Town of Tonopah

Chris Mulkerns explained that this is augmenting the Capital Projects fund for FY 11/12. The \$98,300 is what the Board budgeted to go towards the new debt for the Convention Center Project. Horace Carlyle clarified that regardless of what happens, the \$98,300 is not locked into the Belvada project and will still be able to be used for whatever the Board decides.

Horace Carlyle made a motion to approve Resolution 12-03, Resolution to augment the 2011/2012 budget for the Town of Tonopah in the amount of \$98,300. Duane Downing seconded. Motion passed 4-0.

8. Review, discussion and possible decision to sign budget transfer in Town of Tonopah FY 11/12 budget

Chris Mulkerns explained that this is basically reading into the record the budget transfer.

Transfer from Tonopah Town General Fund:

Account Number	Account Name	Move To	Move From
21101-10-21-00	Tonopah General Fund		\$98,300
21401-10-4999	Capital Projects Fund	\$98,300	

Duane Downing made a motion to accept the decision to sign budget transfer from General Fund to Capital Projects Fund in the amount of \$98,300 for Fiscal Year 2011/2012. Javier Gonzalez seconded. Motion passed 4-0.

9. Review, discussion and possible decision to award the bid for the Tonopah Convention Center and State Bank and Trust Co. (Belvada) Renovations

Susan Dudley explained that the bids were opened. There were two. The bid documents stated that the Town has 20 days to award the bid and be under contract. The contractor has said: "We hereby extend our bid guarantee for an additional 30 days beyond the 20 days required in the contract documents. If further time is required please contact us to discuss further."

This item was tabled.

10. Review, discussion and possible decision and adoption of a resolution authorizing an interfund loan to the Town of Tonopah Capital Projects Fund from the Town General Government Fund

James Eason explained that this process is still needed at this time. In order to move forward with this project, the Town needs to move forward with this item.

Susan Dudley explained that if the Board adopts the resolution tonight, no transfers should be made until the Board has decided what to do. If the Board decides not to loan the money, it will just rescind the resolution at a future date.

Horace Carlyle made a motion to adopt resolution authorizing an interfund loan to the Town of Tonopah Capital Projects Fund from the Town General Fund in the amount of \$725,000. Javier Gonzalez seconded. Motion passed 3-1 (Duane Downing – nay).

The resolution was read into the record.

11. Tonopah Department Budget Reports

Horace Carlyle asked for clarification on National 9 Room Tax. James Eason explained that they are paid from August through December, including penalties. The next check should be coming.

James Eason noted that interest has been paid up through November and the Treasurer's Office is working through the process.

No action taken by the Board.

12. Tonopah Development Corporation Report

Joni Eastley explained that they are working on the billboards and the McDonald's contract is back on again. They are sending \$400 per month and that will be split between the Town and TDC.

No action taken by the Board.

13. Public Comment

No action taken by the Board.

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

James Eason explained that the abatement work began on the Belvada Monday morning. The electrical has been hooked up to the building and has been run on each floor. They will be here for four weeks.

The hydro-seeding was completed. Joe Friel, Highland Park, and Barsanti Park were all seeded. There will be increased water bills because the seed needs to be watered 7 days a week for three weeks.

James Eason thanked Town staff, TPU staff, and volunteers for their help at the swimming pool. There were pipes that froze. Those have been replaced and the concrete will be poured on Friday. The pool is scheduled to open next week.

There was a horse show last weekend at the fairgrounds. The Rotary Fishing Derby is on Sunday. There is also the 4-H Fair next weekend.

James Eason explained that he spoke with the Civil Air Patrol. They were on seven rescues this year and they wanted to thank the Town of Tonopah for its support.

Mariah Rivero explained that the Naval Historical Center in Washington, DC has approved the Town's request for the loan of the bell from the USS Tonopah. It will be coming to Town on June 25, 2012. It is a three to five year agreement with the possibility of renewing the loan.

James Eason noted that the Board is invited to meet the Tonopah Historic Mining Park Foundation Board. They will be holding their meeting on June 22, 2012. They will be holding a dinner at the Mizpah that evening. On Saturday June 23, 2012, there will be blacksmithing classes at the Mining Park. On Monday June 11, 2012, Gary Davis and his car club stopped in Tonopah.

James Eason noted that the ADA lift for the pool has been ordered.

Horace Carlyle wanted to know if the Verizon tower will affect the Town. James Eason noted that this is connected to the work by Connect Nevada. He explained that they want a committee made up of people from Tonopah. The goal is to bring high speed internet or data to the areas that are currently lacking. Horace Carlyle noted that he has been contacted by the Chairman of the Pahrump area. He will provide more information about what is needed to participate. The committee needs to supply some basic information about what is available in the community.

Horace Carlyle asked about the letter from the Nevada Department of Transportation. James Eason explained that this is regarding the street light. He noted that when he spoke with NDOT, he was informed that this is the program to look into. He explained that he has not yet spoken with NV Energy.

James Eason noted that the Town has submitted two options for a grant from Parks and Recreation. The first is for exercise equipment at Highland Park. It will help reduce some of the grass areas there. The other option is for playground equipment for Butler Park and Joe Friel. Rotary has put in a grant for Sportsman's Park.

15. 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.

16. 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.

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

This item was tabled.

18. 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.

19. 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.

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

This item was tabled.

21. Correspondence

Ad for Nevada Civil Air Patrol Magazine

Letter from Nevada Department of Transportation – 04/25/2012

Letter from State & Lake Nevada, LLC to BLM – 05/15/2012

Email for Tonopah Historic Mining Park No Host Dinner – 06/04/2012

Nye County Board of Commissioners Meeting Agenda – 06/05/2012

Round Mountain Town Board Special Meeting Agenda – 06/05/2012

Letter from Constance Beninghove – 06/07/2012

Nye County Airports May 2012 Status Report – 06/07/2012

Round Mountain Town Board Meeting Agenda – 06/12/2012

Beatty Town Advisory Board Meeting Agenda – 06/13/2012

Nye County Parks and Recreation Commission Teleconference Agenda – 06/15/2012

Nye County Water District Governing Board Meeting Agenda – 06/18/2012

22. Approval of Vouchers for Payment

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

23. Adjourn

Meeting was adjourned at 9:00 pm.

Minutes transcribed by:

Approved:

Mariah Rivero

Jon Zane, Chairman

Horace Carlyle, Vice Chairman

Javier Gonzalez, Clerk

Duane Downing, Member