

TONOPAH TOWN BOARD

MEETING MINUTES

NOVEMBER 14, 2012

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

1. Public Comment

No action taken by the Board.

2(a). Review and approval of minutes, in context, from regular meeting held on September 26 2012.

Horace Carlyle made a motion to approve the minutes, in context, from regular meeting held on September 26, 2012. Duane Downing seconded. Motion passed 3-0-1-1 (Jon Zane abstained and Javier Gonzalez was absent).

(b) Review and approval of minutes, in context, from regular meeting held on October 10, 2012.

This item was tabled.

(c) Review and approval of minutes, in context, from special meeting held on October 16, 2012.

Horace Carlyle made a motion to approve the minutes, in context, from special meeting held on October 16, 2012. Ron Kipp seconded. Motion passed 3-0-1-1 (Duane Downing abstained and Javier Gonzalez was absent).

(d) Review and approval of minutes, in context, from public workshop held on October 24, 2012.

Duane Downing made a motion to approve the minutes, in context, from public workshop held on October 24, 2012. Horace Carlyle seconded. Motion passed 3-0-1-1 (Ron Kipp abstained and Javier Gonzalez was absent).

- (e) Review and approval of minutes, in context, from regular meeting held on October 24, 2012.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on October 24, 2012. Horace Carlyle seconded. Motion passed 3-0-1-1 (Ron Kipp abstained and Javier Gonzalez was absent).

3. Discussion and possible decision to cancel or reschedule and st the date, time and location for the second Town Board meeting in December

Jon Zane noted that the first meeting in December is scheduled for the 12th. Duane Downing noted that the second meeting is tentatively scheduled for the 26th. James Eason explained that the Board is only required to have one meeting a month. As long as the Board signs all of the vouchers at the first meeting, the second meeting can be cancelled. Jon Zane noted that if any vouchers come up at the end of the month, a special meeting can be called.

Horace Carlyle made a motion to cancel the regular second scheduled meeting for December 2012 because of the Christmas holiday. Duane Downing seconded. Motion passed 4-0-1 (Javier Gonzalez was absent).

4. Review, discussion and possible decision to grant permission to Tonopah Rotary Club to hold a "Brick" Fundraiser to lay bricks on selected Town Property

Joe Westerlund explained that Rotary is always looking at different fundraisers for the Town to try and get the organization more recognized in the community. Rotary donated \$1,000 to the sidewalk project and was looking for a brick to put in to show that they had sponsored the project. He noted that the Town is looking at doing brick projects in different areas. Rotary would like to do a brick fundraiser where they will sell the brick to an individual or organization who can etch them. Rotary is looking for areas they can do this project on. He explained that the Town can either wait a little bit or go ahead with the project and go back and replace bricks later. Rotary wants to donate that money to other brick projects. They want to know if the Board has properties it would like to do this with. He explained that this sort of fundraiser is usually well received in towns. Once Rotary completed the fundraiser, they would work with the Town to make sure the bricks are placed correctly. Jon Zane explained that there are so many places around town that could utilize the brick rather than the grass.

Horace Carlyle wanted to know who the contact person would be. James Eason explained that the contact would be Town staff. Some of the areas being looked at are all of the parks and the parking lot downtown. He suggested letting Rotary decide which area they would like to concentrate on. The Town will move forward with current plans. Joe Westerlund explained that Rotary will find functions to go to and set up a table to sell the bricks. They would like to have a few spots to choose from and let the buyers choose where they would like their brick to go. He noted that this can be an ongoing projects with the money going back to buy more bricks.

James Eason explained that if Rotary decides to move forward with the fundraiser, a separate account can be set up under the endowment where the donations can go. Ron Kipp explained that he has seen a similar project like this in his hometown. They did that as a way to honor military personnel. It became a successful project. Joe Westerlund noted that a certain section can be designated for that. Duane Downing noted that there would need to be a time frame for the placement of bricks.

Duane Downing made a motion to grant permission to Tonopah Town Staff to direct Tonopah Rotary Club to hold a brick fundraiser to lay the bricks on selected Town property as seen fit by Town staff. Ron Kipp seconded. Motion passed 4-0-1 (Javier Gonzalez was absent).

The Tonopah Town Board recessed to the Tonopah Library Board of Trustees at 7:19 PM.
The Tonopah Town Board returned at 7:28 PM.

5. Review, discussion and possible decision to approve an amendment to the engineering agreement with Shaw Engineering to complete design, construction management, and resident inspection for the project of pipe replacement from Booster #2 to Ararat and pipe from and Booster #1 to current main replacement project.

James Eason explained that there is funding left over from the water project. The Town is requesting that the additional funding be used for the next phase, which will go from Booster 2 to Town. The EA has been completed but the Town still needs to complete the Cultural Assessment, the surveying, and the engineering. A grant application to USDA is currently being put together for funding for Phase 2. There will be a meeting on November 15, 2012 where the funders will discuss the project.

Horace Carlyle noted that the fiscal impact listed is \$532,500 but the agreement lists the total as \$475,000. James Eason suggested making the motion for an amount not to exceed \$532,500. This is also contingent upon USDA approval.

James Eason explained that the funds requested are from the already approved loan amount. Since the project is under budget, the Town is requesting those additional funds be redirected to finish the rest of the Cultural Assessment, the right-of-way, and to do the engineering and survey work needed for the project.

Horace Carlyle made a motion to approve an amendment to the engineering agreement with Shaw Engineering not to exceed \$532,500 to complete design, construction management, and resident inspection for the project of pipeline replacement from Booster #2 to Ararat and pipe from Booster #1 to current main replacement project with funding to come from USDA Grant Funds contingent upon approval by the USDA. This should be contingent upon each task being given its own notice to proceed and also contingent upon USDA approval. Duane Downing seconded. Motion passed 4-0-1 (Javier Gonzalez was absent).

6. Review, discussion and possible decision to renew the contract with FacilityDude.com for one year of Utility Trac Plus™ at a cost of \$1,915.00 to track utility usage on Town properties

James Eason explained that the staff recommendation is to continue this service for one more year. The bills are entered into the system every month, the reports are pulled and they flag any issues they may have. He noted that if the Board approves this, staff will enter up to five years of past history to give a snap shot of utility usage prior to, during, and after the projects.

Horace Carlyle wanted to know where the funding will come from. James Eason explained that funding will come from Contracts.

Duane Downing made a motion to approve to renew the contract with FacilityDude.com for one year of Utility Trac Plus™ at a cost of \$1,915.00 to track utility usage on Town properties. Horace Carlyle seconded. Motion passed 4-0-1 (Javier Gonzalez was absent).

7. Discussion and possible decision relating to Town of Tonopah Personnel Policy, Section 7 – Benefits.

Horace Carlyle noted that he is confused by the interaction between the County and the State program. The availability of the public employment retirement benefit program was terminated for most new entrants in 2008. The responsibility has been shifted to the different entities that were covered. He explained that he attempted to do with the language was to simplify and put back what was terminated in 2008 for retirees. Employees coming up for retirement would have the same basic benefits or the possibility to retire as they would if the existing benefit had continued under the public employee benefit program. He noted that before, if an individual was in PERS and did not like the insurance program offered by their employer, they had the option of enrolling with the State program after retirement. That option is no longer available. They do not allow any new applicants after 2008.

Horace Carlyle feels the Board should put a cap on benefits. James Eason explained that, currently, the Town's total contribution for health care is \$133,000 and PERS is a 21.5% number. Horace Carlyle feels the Board will have to be more conscious of the healthcare costs. He noted that the Board is not going to impose any drastic changes that will affect a current employee but it will give it operating room for the Board to review this yearly.

James Eason explained that there are two sides to the State's benefits package, the retirement side and the healthcare side. Nye County has elected, on the retirement side, to participate in the PERS plan. Since the Town of Tonopah is an entity under Nye County, it follows what Nye County has done. Every year, the PERS Board looks at their investments and they look at whether they are making or losing money based on their investments. If investments are down, the rate per employee goes up. He noted that PEBS is the healthcare side of the State system. All of the school districts in the state were denying the retired teachers and administrators the option of participating in their system and were instead pushing them into PEBS. The State put the cap on the PEBS system because it could not handle the amount of retirees. He explained that Nye

County never chose to participate in PEBS and always chose to offer their own plan. The Town has always chosen to follow Nye County in that respect. He explained that the Town contributes money for each employee into PERS. After five years of contributing, an employee is then vested in PERS. An employee can take a penalty and draw from PERS early. Language can be added to protect against that by stating that in order to gain benefits, a retiree has to retire without penalty. He suggested also adding in the requirement of working a minimum of ten years for the Town and drawing PERS immediately after retirement.

James Eason explained that the insurance industry is currently moving from a soft market to a hard market. The insurance companies use actuarial tables to predict how many claims they will pay out. A portion of those claims come from people who are paying. The other portion comes from investments. The soft side comes from investments and the hard side comes from those individuals paying. He explained that the premiums are going to increase because the insurance companies are not making as much money from their investments.

James Eason explained that under the Town plan, there are current employees and retirees. The Town is currently paying 100% for both. There is one more category and that is future active employees and future retirees. The Board needs to decide what it will pay for them. Duane Downing feels the Town should pay 100% with conditions. Horace Carlyle explained that the Town has no way to really increase revenue. James Eason explained that over a seven year period, the Town cut back expenses to a bare minimum and over the last three years have been slowly increasing them.

Horace Carlyle explained that he does not feel the Town can afford to continue to pay a new hire retirement. He feels the Board should put in a portable healthcare plan. The employee would get \$1 an hour. After 5 years they would be 50% invested in that and after 10 years they would be 100% invested. It would be their money. If they leave after 5 years, half of what they paid would be theirs and after 10 years the full amount would be theirs. James Eason explained that the PERS system is the model Mr. Carlyle just described. A retiree can take their money from PERS and leave. He explained that the only thing that makes these systems work is by having more people put in than are taking out. He noted that one way the Town has kept costs down is to cut back on staffing. This does not help on the PERS side because that is one less person to pay into PERS.

Horace Carlyle feels that the Town cannot cap benefits if it continues to offer retirement benefits to new hires. He feels that the Town has to maintain uniform benefits for retirees. James Eason explained that the Town can offer different benefits for retirees. Retiree benefits depend on the hire date. Horace Carlyle feels the Town needs to set up a separate account for OPEB.

James Eason explained that the Town of Tonopah is in a unique position. The Town has a little extra money because it has tightened the expenditures. He feels that the unfunded liabilities may start being used as a rating for bonds. The Board needs to decide what to do with the future retirees. Duane Downing feels the Board has to keep something for future retirees. James Eason explained that the increase in PERS has been a raise every employee has received when it has increased. He explained that most employees would not see that as a raise. It is coming out of the

bottom line of overall revenues and is completely funded by the Town. Duane Downing noted that employees under the County have to pay half of the increase in PERS.

James Eason explained that the OPEB is the future obligation for current employees. The Town is putting away a percentage every year for this. This fund should grow and it will be for future healthcare obligations for current employees. This fund would be used to help supplement healthcare costs. It should continue to grow annually. The Town is now contributing an additional \$2,000 per employee.

James Eason explained that the Town set the recommendation of a \$10,000 cap as a place holder. It is a five year window and it gives those who are looking to retire time and the safeguard to know they will not have to pay for healthcare. He explained that current employees would end up with a cap on benefits. Duane Downing explained that it is key to word it so that retirees need to draw PERS without penalty at the time of leaving to be eligible.

Duane Downing feels that if there is any way for the Town to offer something for future employees it needs to as an incentive to keep employees long term. James Eason explained that staff can come up with some variations. He explained that if the Town does give the employee a check when they retire for their benefits, the Board needs to look at how it would impact them from a tax standpoint.

James Eason explained that the Town will insert recommendations into the Personnel Policy. They will be sent to Pool/Pact to review and then presented to the Board so the Board can decide which recommendations they would like to approve.

This item was tabled.

8. Tonopah Department Budget Reports

Duane Downing noted that there was room tax for National 9. Chris Mulkerns explained that they are caught up on their penalties.

No action taken by the Board.

9. Tonopah Development Corporation Report

No action taken by the Board.

10. Public Comment

No action taken by the Board.

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

James Eason explained that the Town just received the color pallet for the Convention Center roof. The start time for the roof is the first week in December. There is a request with Charles

Abbot and Associates to do the roof inspection. The water project is on back road behind the well field. The reuse project is up to the fire training station. He explained that there will probably be an item to approve a letter to USDA turning down the funds for the Convention Center Project on the next agenda. He noted that he has had inquiries from private entities on leasing different properties out, including the Belvada and the Old Firehouse.

James Eason explained that the exercise equipment is being ordered. The Daughters of the American Revolution came together in Tonopah and dedicated flags around the community, including the Library, swimming pool, the Mining Park, the Convention Center, and Station 2. Harris Fence donated concrete. Stretch Baker donated transportation of the flag pole for the Mining Park. Flags Unlimited donated the flag pole and the flags.

Horace Carlyle wanted to know if the Board needed to participate in the NDEP hearing on December 5, 2012. Chris Mulkerns explained that this is regarding the arsenic extension. The requirement was to post the notice. James Eason noted that the Town does not need to appear.

Ron Kipp wanted to know if the NRS question in the BEC contract was ever addressed and taken care of. James Eason noted that it was taken care of.

Ron Kipp noted that oil was discovered in Hot Creek and wanted to know if Tonopah would get anything out of that. James Eason explained that it would all go to the County. He noted that the Town will benefit in an indirect way as the Town will be the closest place for labor. Duane Downing noted that there is a find that will work out but it will be years away.

James Eason explained that on December 13, 2012, *Today in America* will be here to film the segment. Joni Eastley, Joanne Campbell, Bruce Jabbour, and Mariah Rivero will all be interviewed.

12. 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.

13. 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.

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

This item was tabled.

15. 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.

16. 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.

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

This item was tabled.

18. Correspondence

Nye County Emergency Management Newsletter

NDEP Letter – 10/23/2012

Notice of Public Meeting Affecting Your Public Water System – 10/25/2012

8 Workplace Rights Your Employer Might Not Tell You About – 11/1/2012

Nye County Board of Commissioners Meeting Agenda – 11/09/2012

Round Mountain Town Board Meeting Agenda – 11/13/2012

Pahrump Town Board Meeting Agenda – 11/13/2012

Beatty Town Advisory Board Meeting Agenda – 11/14/2012

Nye County Animal Advisory Committee Meeting Agenda – 11/15/2012

EM News Flash: Nevada National Security Site Kiosk is on the Move – 11/14/2012

Letter from Daniel C. McArthur, Ltd. – 11/14/2012

Duane Downing noted that he received a letter from Daniel McArthur on his audit survey. James Eason explained that the survey is part of the normal audit process.

19. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. James Eason noted that the auditor was in Town doing the audit. Duane Downing made a motion to approve the vouchers as presented for payment. Horace Carlyle seconded. Motion passed 4-0-1 (Javier Gonzalez was absent).

20. Adjourn

Meeting was adjourned at 9:25 pm.

Minutes transcribed by:

Mariah Rivero

Approved:

Jon Zane, Chairman

Horace Carlyle, Vice Chairman

Javier Gonzalez, Clerk

Duane Downing, Member

Ron Kipp, Member