

**ROUND MOUNTAIN TOWN BOARD
SPECIAL MEETING
DONALD L. SIMPSON COMMUNITY CENTER
650 CIVIC DRIVE, HADLEY SUBDIVISION
ROUND MOUNTAIN, NEVADA
rmtownadmin@gmail.com
TUESDAY, APRIL 19, 2016 – 4:30 P.M.**

MINUTES



Members Present: Greg Schoen, Chair
Lisa Davila, Clerk
Wesley Hubred, Member

Members Absent: James Swigart, Vice Chair
Roger Morones, Member

Also Present: Pearl Olmedo, Town Manager
Tini Mittelstadt, Administrative Aide

Citizens Present: Pearlene Nockideneh

CALL MEETING TO ORDER

Schoen called the meeting to order at approximately 4:45 p.m.

PLEDGE OF ALLEGIANCE

The pledge was recited.

GENERAL PUBLIC COMMENT (first)

There was none.

APPROVAL OF APRIL 19, 2016 AGENDA

Olmedo requested to remove item 4.

ACTION: Davila motioned to accept as amended. Hubred seconded the motion; motion passed 3-0.

READING, CORRECTION, AND APPROVAL OF THE JANUARY 26, 2016 AND FEBRUARY 17, 2016 MEETING MINUTES

Agenda item removed.

DISCUSSION AND POSSIBLE DECISION TO APPROVE TENTATIVE BUDGET FOR FISCAL YEAR 2016 – 2017

Olmedo noted they had the packet. The front page has the highlights – we expect to receive revenue of \$315,068, noting we don't budget for net proceeds and consolidated tax. When we do receive them that is money in the bank. Breakdowns of how I came up with those figures are located on page 5. We have an assessed evaluation in the amount

of \$104,002,596, the total assessed evaluation, 1.1316 is the allowed tax rate, and then the allowed ad valorem revenue is \$1,176,893. The total ad valorem with no cap is \$329,064. Our tax rate is levied at 0.3164, set when Donna Kelley and Dan Sweeney took over at that time, they went up to State, and requested this tax rate, so it has been in effect since then, this just to give you a little history of where the figures come from. Column 9 is the budgeted ad valorem at \$315,068. All the math is in here, if you look up at the top, it explains how I came up with the figures. Row B, if you see B column 2, that is the net proceeds of the minerals that the States comes up with, and these figures come from State forms sent forth to us, the final projections we received in March. March 25th is the publication date, this is where I get all of the figures from – the final revenue projections. As you can see, I don't even come up with a figure for row B in any of those columns, because we don't project net proceeds.

Schoen asked Row B, column 3, is that our share projected?

Olmedo stated that is our share projected, and if we were to include net proceeds in our budget then we would multiply that by the tax rate we are levied; which is the .3164. We have never come up with that figure, we just assume it is money in the bank.

Schoen stated right, but what dollar amount so we know what we will actually receive from net proceeds this year?

Olmedo stated yes, we get it anyway; let me do the calculations, it is roughly about \$358,000 going off the State figures.

Schoen replied ok, good enough.

Olmedo noted that is how I come up with the revenues for us. This year we have six budget funds, where we use to have four, we went up to six. The reason being is we accrued the public safety for fire and sheriff department, so that is why we bumped up to six.

Davila stated ok, I have a question about that because I am not understanding and I have done some research and contacted some people. Can you explain to me in short form, how that will affect our budget? You know currently we have things for the firehouse out of our budget. We give them the stipends, how is that going to affect anything, I mean, will it help us in our budget, will hurt us?

Olmedo stated I see that it will help us; instead of using our operating funds for the fire department, we can offset those figures, let's say the air packs, they are high dollar pieces of equipment. Rather than taking from our governmental funds, out of the overall general fund, we can take it from the public safety sales tax. Just like the road tax, I don't know if you remember, there are some things that we utilize for the road fund, and we take out of there using those tax dollars, like snow plowing expenses. If we didn't have that special road tax from the fuel tax, then it would be coming from our overall general fund, because we get those revenues from the fuel tax we can now take fuel every time we run the snow plow or the street sweeper from that road fund. Essentially, it is extra monies we get and it doesn't affect our general fund monies.

Davila noted so it is going to benefit us in the long run.

Olmedo stated I believe it is going to benefit us. Right now we have in that account we have, look on page 17 and 18, page 17 is the sheriff fund, we currently have \$31,956, so that is an extra \$30,000 in each account that we didn't have. So to me it is a plus.

Davila replied it's a plus, ok. Second question, I know that the Town is giving a stipend to the fire department in the amount of \$1,000. What line item is that in?

Olmedo replied that would be in the overall operating fund for the fire department. It is on page 12. It is under public safety in the service and supplies column. The service and supplies column is your operating fund, your

advertisements, your travel fund, all those different little unique items that we have, it is one consolidated number in service and supplies.

Davila stated ok, I know that they have, do you know off the top of your head, how much they have in that particular account for the fire department?

Olmedo asked for the special tax or the...?

Davila stated the stipend.

Olmedo stated we pay them out \$1,000, so essentially \$12,000 a year is what they get.

Davila asked do we know how much it is currently sitting at? My only question is, would it behoove us, to bring that back down to like \$500 or something in lieu of? Everything else that is going to be happening, there is a potential to save money, please dive in and correct me if I'm wrong, from working there, I know that they use it to buy different little things for different events. Whatever that may be, from food to beverages to whatever. I mean do you think we need to keep sinking that kind of money into that, or would \$500 for them a month makes sense, they are not using it?

Olmedo stated I think it is a good number for now. I wouldn't increase it, we also have to remember this special, the public safety sales use tax, is not money geared for normal operating dollars. It is its own special little unique account for capital outlay projects from what I understood, is how that money is utilized. The things that are on the capital outlay, let's say, I don't have anything planned for capital outlay, out of the fire departments fund, because I figured we could utilize that public safety sale use tax towards the capital items.

Davila noted and their stipend monies will just remain?

Olmedo stated it will just remain. We can revisit that before the final budget, it used to be \$800 before.

Davila stated that is what I was saying. I know they had quite a bit of money last time we checked it, if it is not being utilized, I would like to see it back into the budget.

Olmedo suggested next time we will bring the fire chief in? And let him plead their case.

Schoen noted that's probably a good idea.

Olmedo stated that would be the best idea.

Davila replied thank you.

Olmedo went on to say, so all these little things are a breakdown of how I come up with everything up here on the front page. We are looking to spend 2.1 million dollars, so \$2,104,215 is what we are saying we are going to spend from a total of six funds – six departments. With the proprietary fund, that would be the enterprise, which is the water company. We will be spending \$460,181 for this upcoming fiscal year. It is a high number for the both of them, it doesn't mean that we are going to burn through all of it. It is saying that is the potential we have, it is based upon the entire operating requests we have, all the capital, salaries, and benefits. That is pretty much where we are sitting at. This has already been sent to the State, it was due by Friday. I was under the impression all this time, you know, learning curve, now that I don't have a buffer; the reason why we were able to send to State was I didn't realize I didn't need the Board to approve the tentative budget prior to sending to the state.

Schoen stated yes, it is just tentative.

Olmedo replied it is just tentative, the County said kudos to the Town of Round Mountain for getting the Board involved for the tentative portion to the final. Apparently the final needs Board approval; making sure the final was signed off by all the parties. The final budget is due by June 1st, so May 19th I am asking everybody to please have a quorum here so we can sign off on the final budget. That would be a public hearing and adopting the final budget. There will be changes from tentative to the final. Next board meeting I will have the breakdown to what I sent to State. If there are any changes, any decreases any increases they will be shown from tentative to the final.

Davila stated I know that I had asked that we address the \$1,300 a month, did you correct that or, because I know that Greg had said something about keeping it in there as a contingency plan. But once again, please chime in, but historically we have never had a \$1,300 line in there for a contingency plan, and I just don't think that we need it.

Olmedo noted historically, without saying too much, because it is personnel, it has been addressed. In past, historically we use to pay out \$500 a month, until all certifications that were needed, were passed.

Davila stated that is a doable number.

Olmedo replied with that, we are getting there. We are working towards it.

Davila stated ok.

Schoen stated perhaps with an agenda item, addressing it. Concerns, maybe a personnel update, to the extent that we can, kind of like an action plan.

Olmedo noted there is one in place.

Schoen stated you can agendize it; so you can inform us, what the action plan is, or a time frame to make certain events happen, those kind of things.

Davila replied I don't know how you would word it, but yeah, something so that there could be some open discussion. Especially at this time, I think that it is important.

Olmedo noted the only thing I can say, is that there is one set in place and that there is a time frame.

Schoen stated well like I said, if you make it into an agenda item for the next meeting and then you can give us a little bit better the definition of what that is kind of thing.

Olmedo replied ok, sounds good.

Schoen asked Lisa, is that ok?

Davila replied yeah, it sounds good to me, thank you.

Morones asked Pearl has there been any discussion, we talked about sending two of them to do training for the pool?

Olmedo noted yes, that has been discussed, you know, I am caught between, should we jump the gun and go ahead and send them, with the expectation that we might not open the pool this summer. That we are going to utilize this summer to correct everything that is wrong there. I looked at it and thought do we spend the money right now in this budget year or wait until after July 1st, but if you want me to, I can send an employee.

Schoen asked when is the next available class?

Olmedo replied in the month of May.

Schoen asked what is the approximate cost?

Olmedo noted \$300 at the most.

Morones stated I would say, think more of sending them. And that way when the pool opens, we have it already done.

Schoen agreed. If we have the thing, and we get the pool open even for a short period of time, it's done.

Davila agreed. And since we have it in this year's budget, if the pool were to open and we are not doing it. I think it would be in our best interest because this time next year, they may just be up for recertification, but it will already be done and it place. What is your opinion on that?

Olmedo replied it makes sense. Maybe we could open the pool a lot sooner.

Schoen stated well again, we have to advertise for bid for what two weeks? As soon as we advertise and when we receive a bid, then we can award.

Olmedo replied we can award. The Town of Tonopah, the way they did it was, they did the seven-day minimum requirement. And at the end, let's say the paper comes out, we submit it next week, it shows next Thursday, seven-day cycle, the very next day, they had a special meeting to award that, so on Friday, that is what they did. She said from start to finish from advertising to awarding was 21 days. That is how fast they were able to move.

Davila asked did that gentleman ever come out here?

Olmedo replied no, he is going to try to make it Thursday, he is in the middle of Tonopah's project, he can't promise anything. If he can't make it Thursday, he is going to have to push it back a week and even then that is up in the air.

Schoen stated I would think that the possibility existed that he could pick up another job; again I am talking in general, that he could surely take a couple hours to come up here and look even if it was in the evening. If we could get in general terms, I don't know when he would be completed in Tonopah.

Olmedo replied I am not sure.

Schoen stated that would be one question for him. If he was able to procure a contract from us, how soon could he be here, and what would his time frame be. Based on what he saw on our pool, I have gotten some feedback from folks and I guess I can only say, if there was a way to get the pool open for part of the summer. In my mind that would be a good thing. I don't know if that is possible. It depends on the contractor and his schedule and all the business. I think if we could lean on him.

Olmedo noted I can call him again, maybe this evening and see if he would rather come in the evening time.

Schoen stated whatever works for him. Tell him we would like him to come, we are anticipating, trying to put a package together and get it on the street. See if that would help him maybe get up here a little quicker. Who knows what his schedule is or what else, I don't even know if it would work. At least we as the Board and you as the Town Manager would be perceived as doing what we can do, to try to get it opened.

Davila asked have you guys gotten any feedback from the public saying that the pool won't be opened?

Olmedo stated for the most part, a lot of them understand, after explaining what is going on.

Schoen noted I have gotten some up at the Mine.

Olmedo stated it is good and bad.

Schoen noted they kind of understand, but still wish it was going to be opened.

Davila noted that is what I have gotten.

Olmedo stated it is the swim team that's down and out, and would like to see it opened. I have let them know that we could work with them and the families and haul them into Tonopah for swim team practice. After the three weekends in June, they are done. So that is the concern, is that they would have some swim time before the June meets. We could do something unique; noting the Town of Tonopah gave them 40 days to complete the project.

Schoen stated the question would be once he looks at our pool, I have no idea about Tonopah's, but what he would think time wise, he would need to do ours. Just so we know, if it is 40 days then it's 40, if he says it is a three-week job; then that is a different deal, just so we have an idea.

Olmedo noted I understand, I am curious at the cost, and how bad the damage is.

Schoen stated we have to be careful, again we can't solicit a firm bid; he could sure give us a ballpark so we kind of know where we land on the whole thing. So if you could call him.

Olmedo replied I will definitely call him. I was hoping to have some figures to you by next Tuesday, so we could see where we are going from. That is pretty much it, the changes that I was talking about of course was the capital improvement project for the pool. I don't know if the numbers will increase or decrease.

Davila stated there really isn't nothing you can do about that.

Olmedo replied no, there is nothing. I gave that ball park figure of \$150,000 or \$170,000 but we don't know where we are at until we have somebody give us a rough quote.

Schoen asked explain to us the general fund starting and ending balance on page 15.

Olmedo explained ending fund balance after all is said and done, it states at the end of June 30, 2017 we are looking at 1.3 million. That is going of budgeted figures this fiscal year, this cycle, and that going off of estimating how much we spend out of each department. I was explaining that with the employees this morning a worst case scenario, this 1.3 is a rough estimate for the year ending June 30, 2017; this figure is not taking into account the million we transferred from the general fund. This is a rough estimate; I am going with worse case and saying our ending fund balance is \$386,799.

Schoen asked what are the total assets of the Town?

Olmedo noted go to the total general fund commitment and fund balance, that is pretty much it, you see that actual prior year ending June 30, 2015 is 4.3 the end fund balance is 3.4 that is actual, and then we go into column 2 and that is your estimates. I am doing worst case scenario in column 2 with all figure and saying that we are going to spend the majority of the money, but that is not necessarily so, we still have a healthy ending fund balance, column 2 and 3 are your round about figures.

Schoen stated what I am asking, is we might have a healthy fund balance, but that fund balance has decreased, if I am understanding this correctly. From 6/30/16 to 3/30/17 by not too far under a million bucks. Is that right? 4.42 to 3.49. So if we were going to continue to spend and collect at more or less the same rate at 2018 we would be down to 2.4 and by 2019 we would be 1.4 and by 2020 you would be down to .4. That tells me something, I will be long gone, something is going to have to happen.

Olmedo stated yes and I agree some changes are going to have to be made.

Davila noted that is why I think it is important that we are looking at all these little things, because when you add them all up, it may look small when you are addressing it \$1,300, \$500, but when you put it as a whole back into the budget then you are going to make a dent. That is what we have to look at, I think that we get so caught up in other stuff that and say we have to take a look at this.

Olmedo noted in the staff meeting this morning, worst case scenario is, and sticking to these figures that we been contending with since before, not taking into account that we have a healthy balance. I am going off of this. I am going off of estimations; I am not even considering the money that we have in the bank today.

Davila stated and you shouldn't, it is a good way to operate.

Olmedo noted we may have to cut down 1.2 personnel. Let's say right now we have a total of 8 full time employees budgeted, we might have to go down to 6.5. to 7, those are some of the things that we really need to consider. You need to be considerate with your comp time accruals, that accrue into overtime, they are all aware we need to be smart about it and all these little changes that we make today will help in the future. For instance, it was allowed that some individuals were taking vehicles home, we changed that. We are now back to how it was. The Town Manager was the only one allowed, and the rest us didn't have a vehicle to take home. We are making some changes; there is a possibility that these figures could be true.

Schoen stated it obviously depends on the Mine and the gold prices drive a lot of this, net proceeds are what that means, the gold price at 1250 or something and you look at the cost of production and all the things that go into it, there is not a big margin there. I don't know what the percentages are, but the possibility that two years from now in 2019 maybe 2020, if the Mine employment starts to shrink and all of our revenue things are going to start to shrink right along with it. I had a conversation with someone at the Mine today, about the pool in particular, I don't care whether it is the pool or whatever those services that you provide, it is great that we can provide them, but if you look at something, I was making the point, if you look at the golf course, I said, I don't know if the Mine would carry the golf course if you had five guys playing golf. That is a lot of money to support five people playing golf. I just used the pool as an example, we spend a lot of money on the pool, to support how many different people, they may swim four times a day, but how many different people actually use the pool? I am not just picking on the pool, I mean everything that the Town has been able to do has been great, but we don't know if that is sustainable for a long time. We are going to have to start thinking how one would approach the budget over the next couple of years, some cuts may be easy and some cuts may not be easy, it may come to that point. They may have to trim some services and expenditures. I agree with Lisa let's look at these little things, they will add up, are they really things that are necessary or have we just kind of gotten use to them because we could afford to have them.

Davila stated I think that is it. We are used to operating, especially the Town, I haven't been here that many years as anybody else, I have seen, and I have had the great pleasure of working there and here and seeing that there are some things we can tighten the belt on.

Olmedo noted with that, just because we do, let's say with Administration, I have to say in administration, we have only used 20 to 30 percent of the budget, since 2013. Just because we have five hundred thousand dollars allotted for administration doesn't mean you have to blow 100% of it.

Schoen stated if that is truly the case, we look at budget verses spending history. Maybe at some point in time we have to realign the budget numbers to show the public.

Olmedo noted that we are being conservative.

Schoen replied that we are not on the track to spend all the money that we have in the bank in the next four or five years, like you said, we know we don't spend it all, but when somebody sees that budget number, and then you try to

explain, maybe we only spend 30% or 40% of some fund and 25% of another and 75% of another, maybe at some point in time we need to adjust the budget numbers.

Olmedo stated we do, it helps having some of that cushion in there, because really, we only see minor things go up in dollars.

Schoen replied sure, everything is going to increase.

Olmedo explained Xerox, when Lisa and I started together it was \$10.00 a month, it has gradually increased to \$11.00, and then, if you notice on the invoices it went to \$13.00 now we are up to \$15.00, things are gradually increasing. I guess you can say, in a sense, we over budget some things in the event that there is a huge change in some of those cost to operating dollars that are here and then a 70% increase.

Schoen noted maybe when the final comes up, I am just thinking how we can, if somebody asked the question. How could we communicate to the public, that yes this is our budget for 2015-2016, but out of that we spent X amount, just to show the budget number may be big but that doesn't mean we are out there spending it all.

Olmedo asked so are you wanting to a comparison of what we budgeted and what we actually spend?

Schoen replied yes, and I think you kind of do that. How could we communicate that to the public?

Olmedo stated attend the meetings.

Schoen noted well yes, and I had that conversation with some people.

Olmedo stated unfortunately it is, attend the meetings.

Schoen replied I understand, but let's say we had on a quarterly basis, kind of a budget verses expense, it could be on one piece of paper, it could be that simple; 2015-2016 projected, 2015-2016 actual and then you could start it for this next budget cycle, and then just update it quarterly. And if anyone asks, you can say here, we just want to show how we are doing. I had a conversation some people up there about getting themselves to these meetings, it started out about the pool and I said, we don't know everybody's concerns unless you show up and talk to us. They might catch us at the store or on the street corner, but it would help if they came here. I think once you have something like that set up, it would be very easy to update it.

Olmedo replied of course, and for those of you that are new, and not aware of what is going on here, if you haven't been here putting in the time, it would be easier for you to see and it would make more sense.

Davila noted I think that is a good idea, I think it makes sense and I like that.

Schoen asked do we actually need a motion to approve the tentative?

Olmedo replied yes please, I am going to go with what we have practiced.

ACTION: Davila motioned to approve the tentative budget for fiscal year 2016 – 2017. Hubred seconded the motion; motion passed 3-0.

CORRESPONDENCE, AWARDS, AND ANNOUNCEMENTS

1. Resignation Letter from Greg Schoen, dtd. 4/15/16.

Olmedo noted the amended AOC from the State was received and everything looked good. It reflected the September 30th completion date for the Sewer Project. We are to start taking samples as of September 30, 2016. Those are two changes that I noticed, everything else seemed in line, signed off and sent the originals back, they will sign off on their end and send it back one copy to me.

Schoen asked if Mike Hardy was comfortable with September 30th completion date.

Olmedo replied he did seem pretty comfortable with that. Lumos along with Pearson Construction will be down Monday. Myself and Josh will be doing an onsite walk through with them and getting the construction timelines finalized, so I hope by next Tuesday I will have a date when they can start construction.

Schoen noted if it is of any use, don't forget Dan. If there is something he can head, if he is available or around.

Olmedo replied I did mention, but he is not going to be in Town. I sent off Gregg Schoen's letter of resignation to the Clerk's Office, they are going to advertise for vacancy as soon as they can get it into the paper. I sent a letter to Mary Wootton and Greg Schoen for the 4th of July, letting them know that the Town Board approved, I also sent one to the Clerk's Office as well.

Schoen noted I think that is on the Board of Commissioner's agenda.

Olmedo replied the first meeting in May. Fire Works West sent a list of 5 people to contact. Companies they have delivered to, Tonopah is one of them. I haven't had a chance to talk to them yet, they are not there.

Tini Mittelstadt stated I went on their sight today, and there is nothing on there, you know how there are little stars, nobody has made any comments what so ever.

Olmedo noted we are waiting to hear back from everybody to see what their opinion is. I would also like to get Dan's input and see what he thought; I think he would be one to hear from.

Schoen asked was there a deadline for signing the contract with them?

Olmedo replied no, as long as we have something set in place before July 4th.

Schoen noted we are about to order the fish and fish food. Don't we close the pond around June 1st?

Olmedo replied June 1st to August 1st.

Schoen noted I don't know if you have the signs or we have the signs but, I know we will get the fish ordered and give the fish food to Dan, typically he take care of feeding the fish.

Olmedo asked do you know when the delivery date is?

Schoen replied no, as soon as I get one, we will let everyone know, we bring everybody down and we take pictures and anyone else can attend too.

Olmedo noted the reason I ask, last year the public wanted to know when delivery date was so they could be there.

Schoen replied we will know ahead of time a week or two.

Olmedo asked if you could put that in the Valley View. Just a side note, the 4-H is trying to get involved with the youth in Smoky Valley, they are planting a couple trees here at the ballfield. To teach them about responsibility, why the trees are important and that is happening this Friday. There will be a group of kids from 4-H planting 2 trees.

Maintenance will pre-dig the holes for them. 4-H program donated the trees; they are also going to have a fishing day to teach them the proper way to fish and the responsibilities, here at the pond. We did reach out to Mr. Hendriks to make sure it was ok, and that we weren't stepping on anybody's toes. He said it was ok, he would look into it to make sure they are not required to have a license.

Hubred noted that was the question I was going to ask, since it was considered a private pond.

Tini Mittelstadt noted I have talked to 2 different Fish and Game, at the pond and I have gotten two different answers. One said no it is private, one said yes, it is a private pond but it is open to the public.

Hubred replied that is what I would think, since it is opened to the public that you would need it and I do know that Nevada Department of Wildlife does have a day that they offer a free fishing day.

Tini Mittelstadt stated June 14th or 17th somewhere in that area.

Schoen replied I don't know if we as a Town could request from NDOW a day for a specific purpose that would not require kids to have fishing licenses.

Olmedo noted they probably would respond, it is June 14th.

Tini Mittelstadt noted they usually have a sign at the library.

Hubred asked do we have a tentative date for the renaming of the public building, has anyone said anything.

Olmedo replied no, I asked Sweeney and he said he would get back with me.

Hubred noted at our last meeting Thursday, it was brought up.

Olmedo replied we figure it will be on a Thursday, every Thursday the fire department has a training meeting. So we figure he will go for one of those days. Would you all like to have a going away, congratulatory party for Greg? After some discussion, Greg said he would rather not do anything, and agreed to have cake.

GENERAL PUBLIC COMMENT (second)

There was none.

ADJOURN MEETING

Davila motioned to adjourn at approximately 5:35 p.m. Hubred seconded; motioned passed 3-0.