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A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, February 7, 2008 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Marv Teixeira
Supervisor Robin Williamson, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor Pete Livermore, Ward 3
Supervisor Richard Staub, Ward 4

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Melanie Bruketta, Chief Deputy District Attorney
Katherine McLaughlin, Recording Secretary
Transcribed by: Recording Secretary Kathleen King

NOTE: A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record, on file in the Clerk-Recorder's Office. These materials are available for review during regular business hours.

CALL TO ORDER, DETERMINATION OF QUORUM, PLEDGE OF ALLEGIANCE, AND INVOCATION (8:30:31) - Mayor Teixeira called the meeting to order at 8:30 a.m. Roll was called; a quorum was present. Supervisor Aldean led the pledge of allegiance. First United Methodist Church Reverend Bill McCord gave the invocation.

PUBLIC COMMENTS AND DISCUSSION (8:31:28) - Sam Dehne advised of having graduated from the Air Force Academy and of having served as an Air Force pilot. He noted the two representatives from the District Attorney's office present at the meeting. He discussed a recent production of the "Sam Dehne Story" at John Ascuaga's Nugget. He noted that Linda Ritter would be resigning her position as City Manager, and commended her on the "damn good job" of "keeping things under control" in spite of "no scheduled airline service" in Carson City. He further noted that today's agenda was one of the first in two years that did not include a liquor license application. He discussed his Gooseberry Mine, a "560-acre gold mine that used to employ over 150 citizens with very good jobs." He advised that the State of Nevada and the federal government "have really gone out of their way to work a hardship on our operation. They've confiscated all of our equipment, sold it at ten cents on the dollar, basically forcing us into bankruptcy and there's some sort of scheme going on that anybody with an ounce of sense can see." He stated, "They're not going to get away with it."

Mayor Teixeira called for additional public comment. (8:35:58) At Supervisor Williamson's request, Reverend McCord advised that the First United Methodist Church has been collecting phone cards and sending them to the U.S. Military Hospital chaplain's office in Landstuhl, Germany "because there are no provisions for those coming into the hospital to make calls to their family ..." Reverend McCord requested anyone interested in sending a phone card to contact the First United Methodist Church. (9:12:13) Reverend McCord advised that four Carson High School students would be attending the State Wrestling Tournament in Las Vegas. Mayor Teixeira and the Board members wished them much success.

1. ACTION ON APPROVAL OF MINUTES - October 18, 2007 and November 1, 2007 (8:37:29)
- Supervisor Aldean moved to approve the October 18, 2007 minutes, as presented. Supervisor Williamson seconded the motion. Motion carried 5-0. Supervisor Aldean noted necessary corrections to the public

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comments section and to item 4-4 of the November 1st minutes. Mayor Teixeira entertained a motion. Supervisor Aldean moved to approve the November 1, 2007 minutes, as corrected. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. CHANGES TO THE AGENDA (8:39:47) - Mayor Teixeira advised that the Board of Supervisors would not recess into closed session for item 12, but would take action on the agreement. Mr. Werner advised that item 11(A) would be continued. (10:10:16) Mayor Teixeira modified the agenda to address item 10(C) prior to item 9(A). (11:41:55) Mayor Teixeira further modified the agenda to address item 11(B) prior to item 10(A).

3. BOARD OF SUPERVISORS CONSENT AGENDA (8:41:08) - Mayor Teixeira entertained requests to hear items separate from the consent agenda. When none were forthcoming, he entertained a motion. **Supervisor Livermore moved for approval of the consent agenda that consists of seven items: four items from Purchasing with item 3-1(A) Resolution No. 2008-R-5 and item 3-1(C) Resolution No. 2008-R-6; item 3-2 Parks and Recreation; item 3-3 Development Services; 3-4 Airport Authority for a total of seven consent agenda items, as presented. Supervisor Staub seconded the motion. Motion carried 5-0.**

3-1. PURCHASING AND CONTRACTS

3-1(A) ACTION TO ADOPT A RESOLUTION AUTHORIZING THE BOARD OF SUPERVISORS TO DETERMINE THAT THE UNIVERSAL WEIGHT EQUIPMENT HAS REACHED THE END OF ITS USEFUL LIFE AND WILL BE DONATED TO SIERRA LUTHERAN HIGH SCHOOL, A NON-PROFIT ORGANIZATION CREATED FOR EDUCATIONAL PURPOSES, AS SET FORTH IN NEVADA REVISED STATUTES 372.3261

3-1(B) ACTION TO DETERMINE THAT CONTRACT NO. 0708-104 IS A CONTRACT FOR HARDWARE AND ASSOCIATED PERIPHERAL EQUIPMENT AND DEVICES FOR COMPUTERS AND THEREFORE NOT SUITABLE FOR PUBLIC BIDDING PURSUANT TO NRS 332.115, AND TO APPROVE CONTRACT NO. 0708-104, A REQUEST TO ENTER INTO A PRICE AGREEMENT WITH INSIGHT PUBLIC SECTOR, INC. THROUGH JANUARY 31, 2009

3-1(C) ACTION TO ADOPT A RESOLUTION ADOPTING AND APPROVING AN INTERLOCAL AGREEMENT FOR FORENSIC SUPPORT SERVICES BETWEEN THE COUNTY OF WASHOE, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA, ON BEHALF OF THE WASHOE COUNTY SHERIFF'S OFFICE AND CARSON CITY, A CONSOLIDATED MUNICIPALITY AND POLITICAL SUBDIVISION OF THE STATE OF NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO

3-1(D) QUARTERLY REPORT FOR THE PERIOD OCTOBER 1, 2007 THROUGH DECEMBER 31, 2007 FOR EACH PUBLIC WORK AWARDED PURSUANT TO NRS 338.1444(1)(a)

3-2. PARKS AND RECREATION DEPARTMENT - ACTION TO RATIFY THE SIGNING OF A DEED BY MAYOR TEIXEIRA IN ORDER TO CORRECT AN ERROR MADE IN THE PURCHASE OF THE ANDERSEN TRUST PROPERTY

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3-3. DEVELOPMENT SERVICES - ACTION TO APPROVE THE DEDICATION OF A PORTION OF ASSESSOR'S PARCEL NO. 002-138-06, OWNED BY CARSON CITY, TO RIGHT-OF-WAY FOR NORTH STEWART STREET

3-4. AIRPORT AUTHORITY - ACTION TO APPROVE THE ASSIGNMENT OF A CARSON CITY AIRPORT LEASE AGREEMENT FROM PATRICK DANG ENTERPRISES, LLC, TO AIRPORT STRUCTURES, LLC, WHICH INCLUDES THE EXTENSION OF THE CONSTRUCTION SCHEDULE

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

4. DISCUSSION AND ACTION TO ACCEPT THE RESIGNATION OF LINDA P. RITTER AS CITY MANAGER FOR CARSON CITY AND TO APPROVE THE SIGNING OF THE AGREEMENT BY AND BETWEEN CARSON CITY AND LINDA P. RITTER WHICH RELEASES CARSON CITY AND LINDA P. RITTER FROM THEIR MUTUAL OBLIGATIONS UNDER THE AGREEMENT BETWEEN CARSON CITY AND EMPLOYEE, DATED APRIL 21, 2005, AND APPROVES THE EMPLOYMENT OF LINDA P. RITTER AS A PART-TIME EMPLOYEE OF CARSON CITY THROUGH AUGUST 1, 2009; TO APPROVE THE SIGNING OF THE PHASE-IN RETIREMENT AGREEMENT BY AND BETWEEN CARSON CITY AND LINDA P. RITTER TO PROVIDE FOR THE PHASED-IN RETIREMENT OF LINDA P. RITTER, PURSUANT TO NRS 286.477, AND TO APPROVE THE SIGNING OF THE MUTUAL RELEASE OF ALL CLAIMS BY AND BETWEEN CARSON CITY AND LINDA P. RITTER (8:42:03) - Mayor Teixeira introduced this item and referred to the agenda materials. Supervisor Williamson expressed understanding for Ms. Ritter's reasons for submitting her resignation, one of which being the financial well-being of Carson City. She advised that Ms. Ritter will "continue to work on things that she thought were important, but also continue to serve the community." Supervisor Williamson saluted Ms. Ritter's efforts, and advised that Sam Dehne's comments were reflective of some she had previously received. Supervisor Williamson thanked Ms. Ritter for her service to the community, and expressed regret over her resignation.

Supervisor Aldean echoed Supervisor Williamson's comments, and advised she would reluctantly vote in favor of accepting Ms. Ritter's resignation. She lauded Ms. Ritter's job as city manager, and expressed appreciation that she will continue to be involved in assisting with City administration and in dealing with some of the challenges moving forward. She noted necessary revisions to pages 3 and 4, paragraph 4D, of the Agreement to correct the reference to paragraph C.

Mayor Teixeira entertained public comment. (8:44:35) Sam Dehne commended Ms. Ritter on her job as city manager. He explained his understanding of the agreement between the City and Ms. Ritter to continue as a part-time employee. He commended this action as "a good thing" and expressed appreciation that "everything is apparently working out all right." He commended Ms. Ritter's oversight of the Nevada Day Parade, "one of the best parades in all of Nevada and all of America."

Mayor Teixeira entertained additional public comment and, when none was forthcoming, a motion. **Supervisor Staub moved to accept the resignation of Linda P. Ritter as City Manager for Carson City, and to approve the signing of the Agreement by and between Carson City and Linda P. Ritter, which releases Carson City and Linda P. Ritter from their mutual obligations under the Agreement between Carson City and Employee, dated April 21, 2005, and approves the employment of Linda P. Ritter as a part-time employee of Carson City through August 1, 2009; to approve the signing of the Phase-in Retirement Agreement by and between Carson City and Linda P. Ritter to provide for**

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the phased-in retirement of Linda P. Ritter, pursuant to NRS 286.477; and to approve the signing of the Mutual Release of all Claims by and between Carson City and Linda P. Ritter, as amended on the record today. Supervisor Livermore seconded the motion. Mayor Teixeira requested a roll call vote. Supervisors Staub, Livermore, Aldean, and Mayor Teixeira - yes; Supervisor Williamson - no. Motion carried 4-1.

5. MAYOR - DISCUSSION ON THE APPOINTMENT OF A CITY MANAGER AND POSSIBLE ACTION TO APPOINT A CITY MANAGER AND SET THE SALARY OR DIRECT HUMAN RESOURCES TO ADVERTISE AN OPENING FOR THE CITY MANAGER POSITION (8:47:35) - At Mayor Teixeira's request, Mr. Werner stepped to the podium. Mayor Teixeira advised of Mr. Werner's expression of interest in the position of City Manager. Mr. Werner acknowledged having served as a city manager in the State of Washington. Mayor Teixeira acknowledged Mr. Werner's qualifications, and advised he is well respected by the City's management team. He advised that various department heads had encouraged Mr. Werner's appointment to the position of City Manager. He expressed the opinion that it would be in the best interests of the community "to take [Mr. Werner's] expertise and his knowledge and the support he has from the other managers within our City organization and go forward at this time." Mr. Werner acknowledged a willingness to move into the position at its current salary.

Supervisor Livermore expressed support for working with Mr. Werner in the capacity of City Manager. He advised of having known Mr. Werner for many years, and congratulated him on his willingness to step forward. He expressed the opinion that the City organization will be supportive as well. Supervisor Aldean reiterated misgivings over Ms. Ritter's resignation, but expressed the opinion that Mr. Werner has the expertise, the knowledge, and the confidence from other department managers and employees to do an exemplary job.

Mr. Werner thanked the Board members for their comments, and discussed the opportunity to step in and assist the City through its struggles. He advised of having enjoyed working with Ms. Ritter. He noted that his management style is different, and discussed the work Ms. Ritter will be doing for the City.

Mayor Teixeira called for additional Board member comments and for public comments. (8:52:20) John Wagner expressed support for Mr. Werner's appointment. He noted that "engineers are people who solve problems," and expressed the opinion that someone who could "work with other people and solve problems" is a "big plus for our community."

(8:52:55) Sam Dehne commended the selection of Mr. Werner, and requested more background information on Mr. Werner's current position for the benefit of the viewing public. He recommended that Mr. Werner contact the Reno City Manager, Charles "the Wizard" McNeely, and Financial Director Annie "the Magician" Green as "they always seem to find a bottomless pit of money somewhere ... no matter how bad things might look."

At Mayor Teixeira's request, Mr. Werner provided background information on his residence in Nevada, as a native born in Smith Valley and raised in Lincoln County. He advised of having moved to Carson City in the late 1950s / early 1960s, and of having graduated from Carson High School. He earned his engineering degree from the University of Nevada. His first job was to establish the Lyon County Public Works Department, which included adopting ordinances for land development, subdivisions, zoning codes, etc. as well as assisting Lyon County in developing its first land use master plan and associated regulations. He discussed his experience as a Public Health Engineer for the State of Nevada, and as an engineer for

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the State Environmental Commission and the Legislature to develop water pollution control regulations. He was subsequently hired as the Carson City Deputy Utilities Director to address problems with the wastewater treatment plant, which was ultimately expanded. Mr. Werner advised of having served as the City's Public Works Director until 1984, when he resigned to take a position as the Deputy Public Works Director in Puyallup, Washington. Due to a situation involving "a changing of the guard," he served as the Puyallup Interim City Manager for approximately a year. He subsequently served in Douglas County for a period of time, owned a private engineering firm for approximately ten years, and came back to Carson as the City Engineer in 2000. Following a reorganization, he was appointed to the position of Development Services Director to work with the Building, Planning, Engineering, and Business License Divisions. The Board members, City staff, and citizens present applauded Mr. Werner.

Mayor Teixeira entertained a motion. **Supervisor Livermore moved to appoint Larry A. Werner as City Manager and set his salary at the current compensation of the retired city manager. Supervisor Staub seconded the motion.** Mayor Teixeira requested a roll call vote. **Supervisors Williamson, Aldean, Livermore, Staub, and Mayor Teixeira - yes. Motion carried 5-0.** The Board members, City staff, and citizens present applauded Mr. Werner's appointment.

6. NEVADA DIVISION OF FORESTRY - PRESENTATION AND REPORT ON THE SIERRA FOREST FIRE PROTECTION DISTRICT ACTIVITIES IN CARSON CITY (8:59:33) - Nevada Division of Forestry ("NDF") Fire Management Officer Michael Klug provided an overview of his presentation. He noted that last year was "another bad fire season" with approximately 900,000 acres lost primarily in the northeastern part of the state between Winnemucca and Wells. He advised that NDF crews spent over a million hours fighting fires. He noted there were very few fires in Carson City. He discussed trends in fire occurrence and severity in conjunction with the state's fire history. He advised that over 6 million acres of rangeland have been burned throughout the state in the last nine years. He noted the serious impact to the environment and to the rural economies, particularly in the ranching communities. He discussed causes of the "dramatic change in fire severity," including climate change, with the long-term drought across western states, less snow pack in the winter and warmer springs; the loss of native sagebrush communities and subsequent spread of invasive species such as cheatgrass; and population growth.

To reduce the wild land fire problem, Officer Klug advised that NDF has recognized the importance of "not just putting fires out." "Our firefighters spend a lot of time doing fire prevention, trying to reduce the occurrence of fires." Officer Klug discussed the past NDF focus on educational programs for children and other areas, such as construction activities, in which fire occurrences have increased. He discussed the importance of public education programs, defensible space inspections, and increasing fire safety awareness. "The more people can do on their own, ... makes it a lot easier for us because then we can concentrate our efforts on actually putting out the fire." Officer Klug discussed fire preparedness, including NDF hand crews, helicopters, and a close working relationship with all the fire departments in the state; fuels management projects, rehabilitation and erosion control; and NDF involvement in the Governor's War on Cheatgrass, a multi-state effort between Nevada, Utah, Idaho, and Wyoming.

Officer Klug explained that the frequency, intensity, and size of fires is rapidly increasing and will continue to do so in the foreseeable future. NDF has developed "a whole range of forest and fire management programs," while recognizing that the wild land fire threat is a multi-faceted problem which no one agency can combat alone. NDF has many partners, including the Carson City Fire Department, the Cooperative Extension, fire departments throughout the state, federal and state agencies, fire safe councils, and The Nature Conservancy.

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In response to a question, Officer Klug advised of the expectation that the recent U.S. Forest Service budget cuts will have a tremendous effect. He expressed the belief that Congress is interested in restoring the funding. He advised that the federal government provides a lot of grant funding to the states which is passed through to fire safe councils and local fire departments. "Most of it goes toward the fuels management projects," and Officer Klug advised that a great deal of grant funding has been allocated for fuels management in the Clear Creek Canyon. He further advised that grant funding was allocated to the Carson City Fire Department to create fuel breaks in Timberline and adjacent subdivisions. "It's a lot cheaper ... to go out and mitigate some of these problems prior to the fire starting."

In response to a question, Officer Klug advised that the NDF fire station on College Parkway is fully manned approximately six months each year. Training begins in May and goes through October. A smaller crew works on fuels management projects during the winter months. Officer Klug acknowledged a special assessment to the residents on that side of town supports the fire station. In response to a further question, Officer Klug advised that a reserve fire crew mans the fire station if the regular crew is called out to a fire. In response to a further question, Officer Klug advised that the fire station would only be empty on rare occasions and only "when we're really busy locally." He acknowledged that NDF personnel would present a budget to the Board in the near future. Supervisor Livermore requested the budget to "reflect the cost that you are paid when you go to wild land fires, that others are helping pay for those engines when you take them out of service from this fire station." Officer Klug explained that when the engines go off district, the State of Nevada reimburses the local Sierra Forest Fire District in Carson City for the use of the engines and the crew time. Fire crews' over time is paid by the state and "wear and tear and use of that engine" is reimbursed to the local budget.

Mayor Teixeira entertained public comment. (9:11:41) John Wagner inquired as to that portion of the U.S. Constitution which provides for allocating grant funding to the states. Mayor Teixeira thanked Officer Klug for his presentation.

7. SUPERVISOR ALDEAN - ACTION TO CONTINUE CONSIDERATION OF THE APPEAL OF THE PLANNING COMMISSION'S DECISION TO REDUCE THE REQUESTED SIGN HEIGHT FOR A FREESTANDING SHOPPING CENTER SIGN FROM 65.5 FEET TO 45 FEET, AS PART OF A SPECIAL USE PERMIT APPROVAL, SUP-07-161, TO ALLOW A THIRD FREESTANDING SHOPPING CENTER SIGN WITHIN THE NORTH CARSON CROSSING SHOPPING CENTER NEAR THE FUTURE HOME DEPOT STORE ADJACENT TO THE FREEWAY, ON PROPERTY ZONED LIMITED INDUSTRIAL (LI), LOCATED ON MARKET STREET ON THE SOUTH SIDE OF COLLEGE PARKWAY, APN 002-755-161 (9:13:15) - Supervisor Aldean introduced and provided background information on this item. She advised of having met with North Carson Crossing, LLC Managing Partner Kent Witt and his representative on January 18th to discuss possibilities for addressing concerns expressed by neighboring property owners and to consider alternative locations for the sign. She found Mr. Witt to be very receptive and advised that he subsequently submitted a written request for continuance of the appeal. She expressed the opinion there is an opportunity to resolve the dispute amicably, and encouraged the Board to support the continuance.

Mayor Teixeira called for Board member comments. Supervisor Staub referred to the Board's action taken at the January 3, 2008 meeting, and noted that no request to reconsider the appeal had ever been submitted to the Board. He inquired as to the request to continue. Ms. Bruketta advised of the District Attorney's opinion that because there were only four members of the Board present at the January 3rd meeting, and the vote was 2-2, a decision was not made on the appeal. Supervisor Staub expressed disagreement with the process based on the understanding that the 2-2 vote indicated a denial of the application which constituted

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action on the application. Ms. Bruketta reiterated the District Attorney's opinion that a decision had not been made on the appeal, based on research conducted regarding tie votes. Supervisor Aldean advised that Supervisor Livermore had made a motion for reconsideration. "Rather than bring that forward as a motion for reconsideration, [Supervisor Aldean] thought it would be more prudent to allow the applicant to work with his neighbors to determine whether or not there was a way of resolving this conflict amicably." Supervisor Aldean advised that, following their meeting, Mr. Witt agreed to continue working with his neighbors and to complete the line of sight analysis. She "felt it was prudent to delay further consideration of this matter until those meetings had taken place." Supervisor Staub expressed concern over the Board of Supervisors acting in an appellate capacity on the application from the denial by the Planning Commission of the 65.5-foot sign and approval of a 45-foot sign. He noted the practice to not consider new evidence at the appellate level, but to consider the actions of the Planning Commission and make a decision on the appeal. The Board has consistently taken action to remand issues to the Planning Commission in light of new evidence submitted at the time of the appeal. "The Planning Commission can then work with the applicant and potentially the citizens or neighbors that are affected in order to resolve that issue and then the Planning Commission would then reconsider the application and it would come back up if necessary." Supervisor Staub expressed concern over the Board's purview, "based upon that process," to enter into negotiations with the applicant absent the Planning Commission's involvement. He expressed hesitation to broaden the Board's appellate purview in "going far beyond our responsibilities within that process."

Supervisor Aldean advised that the meeting was requested of her. She was mindful of the fact that Supervisor Livermore had made a motion for reconsideration. "Rather than bringing this issue back before the Board, as a motion for reconsideration," she accepted the invitation to meet with Mr. Witt to assist in "brokering a compromise." She reiterated the opinion that a "win-win" solution is a possibility in this case. She acknowledged the controversy associated with the height of the sign, and advised of the sense that Mr. Witt is willing to work with his neighbors. She expressed the opinion this is a process which should be encouraged by the Board, and advised that she was relying on input and advice provided by the District Attorney's Office. Ms. Bruketta agreed that if new evidence is presented to the Board of Supervisors, the matter could be remanded to the Planning Commission.

Mayor Teixeira could "see no down side to this," and expressed a preference to "do it this way than have a reconsideration and send it back to Planning." He expressed support for the recommended action in consideration of the possibility of "working this out." Supervisor Livermore advised of having met with Mr. Witt following the January 3rd Board of Supervisors meeting to discuss the possibility of presenting an action for reconsideration by the Board of Supervisors. Supervisor Livermore expressed support for "this other option," and the belief that "it's probably the most appropriate." It provides the opportunity for the applicant and the neighbors to resolve mutual differences.

Supervisor Staub expressed support for pursuing compromise on any controversial issue presented to the Board. He reiterated concern over the process, and requested clarification with regard to the Board's appellate purview if one Board member is absent. In response to a comment, he suggested that if the potential is for a tie vote, the Board is wasting its time to hear an appeal. He reiterated concern over the fact that the Board had not taken action to reconsider this matter. He acknowledged understanding of the District Attorney's opinion, but expressed the opinion "we're treading on very, very cautious ground." He advised of public perception that a decision was made on the matter and that "we're giving this gentleman a second bite at the apple." He agreed to some extent, expressed no opposition to Supervisors Aldean and Livermore attempting to broker a deal, and suggested keeping in mind the Board's appellate processes.

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Mayor Teixeira called for public comment. (9:22:54) Gary Nigro expressed full agreement with Supervisor Staub's comments. He expressed further agreement with the spirit of compromise, but noted the importance of process. He advised that two and a half hours were spent on the item in question at the January 3rd Board of Supervisors meeting, and that new evidence was presented at that time. He suggested that Mr. Witt, as an act of good faith, should "withdraw his request and resubmit." He advised that the City is evaluating freeway-oriented signage, the regulations for which would be applied to all applicants in the future. "If Mr. Witt were willing to do that, he would then be consistent with and have the same considerations that future applicants would have." Mr. Nigro expressed the opinion that the matter should be remanded to the Planning Commission "if any deals are going to be brokered and it should be done at that point, not here in this assembly." He reiterated the opinion that something could be worked out. He expressed the further opinion that friction zones will require a different mode of operation than "a parcel of property off by yourself with no impacts to other people." He suggested additional testing may be required to prove minimal impacts, including a line of sight study. He requested that the involved Board members request Mr. Witt to withdraw his current application and submit a new application "after the Planning Department has had an opportunity to put a consistent, coherent policy together."

(9:25:48) John Wagner advised that, according to parliamentary procedure, a tie vote indicates failure of a motion because of the lack of a majority. He agreed with Supervisor Staub, but expressed support for reaching a compromise. He suggested remanding the matter to the Planning Commission "may be the best way to go."

(9:26:30) Rose Boyer advised that although two of the Board members had met with Mr. Witt, "nobody has met with the people." She noted the letters from Northridge residents submitted at the January 3rd Board of Supervisors meeting. "You know that we're against this because of the impact." Ms. Boyer inquired as to the reason no one had contacted any of the affected Northridge residents. She stated, "We are all under the impression that it was going to stay at 45 feet. No one bothered to talk to us but yet Mr. Witt gets Supervisor specialities here. He gets meetings with you."

Supervisor Aldean reiterated the intent to bring the matter back before the Board for reconsideration. "The outcome of that was somewhat uncertain as to whether or not the appeal would have been upheld or overturned." Supervisor Aldean advised that, when Mr. Witt approached her to discuss the matter, she encouraged him to complete the line of sight analysis. Mr. Witt agreed to do so and to meet with the neighbors once the line of sight analysis is completed. Ms. Boyer advised that the Northridge residents hadn't heard from Mr. Witt.

Mayor Teixeira advised of having been unable to attend that portion of the January 3rd Board of Supervisors meeting at which the subject item was heard. He expressed the belief that the proposed continuance in consideration of a possible compromise "is the best way to go," and entertained a motion. **Supervisor Aldean moved to continue consideration of the appeal of the Planning Commission's decision to reduce the requested sign height for a freestanding shopping center sign, from 65.5 feet to 45 feet, as part of an approval of a special use permit, SUP-07-161, to allow a third freestanding shopping center sign within the North Carson Crossing shopping center near The Home Depot store adjacent to the freeway, on property zoned limited industrial (LI), located on Market Street on the south side of College Parkway, APN 002-755-161, file no. SUP-07-161. Supervisor Livermore seconded the motion.** Mayor Teixeira requested a roll call vote. **Supervisors Aldean, Livermore, Williamson, and Mayor Teixeira - yes. Supervisor Staub - no. Motion carried 4-1.**

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8. CITY AUDITOR

8(A) ACTION TO APPROVE THE ESTABLISHMENT OF AN AUDIT COMMITTEE TO PROVIDE OVERSIGHT TO THE CITY'S INTERNAL AND EXTERNAL AUDIT FUNCTION

(9:30:01) - Mayor Teixeira recessed the meeting at 9:30 a.m., reconvened at 9:40 a.m., and introduced the subject item. City Auditor Sue Johnson reviewed the staff report and the agenda materials in conjunction with a flip-chart presentation. With regard to committee membership, she advised of having given careful consideration to the likelihood of finding three members-at-large with the necessary financial background and experience. She, therefore, recommended a change to replace one of the members-at-large with the City's Finance Director. She expressed the belief that the committee's independence can be maintained with two Board members, two members-at-large, and the City's Finance Director. She advised of having discussed the recommendation with City Manager Larry Werner and Finance Director Nick Providenti, who both expressed support. She explained that the Finance Director's membership "would assist the committee in receiving appropriate and necessary information relative to the current working environment and to add balance by providing an operations perspective." She reviewed the public advertising and application process by which the members-at-large would be considered and interviewed by the Board.

Mayor Teixeira complimented Supervisor Staub and Ms. Johnson on the effort invested in establishing the audit committee framework. Ms. Johnson responded to questions regarding the method by which the Board of Supervisors would submit requests for consideration by the audit committee. Supervisor Staub commended Ms. Johnson on her efforts in establishing the audit committee framework and on her presentation. He clarified that special projects have been provided for in the City Auditor's work plan. He advised that the audit committee will not be used as a "stop gap in allowing [Ms. Johnson] to do some special projects." "This is a start." Adjustments to accommodate special projects shouldn't be a problem.

Supervisor Williamson acknowledged that Ms. Johnson had been working on the audit committee framework for a period of months, and thanked her for the comprehensive product. She expressed concern that previous auditors have "been running hither and yon." She acknowledged that Ms. Johnson's work plan included provisions for special projects. She noted that the Board of Supervisors meets every two weeks and suggested it shouldn't be unreasonable for the Board members to request special projects which may adjust the work plan. In reference to the audit committee's role and responsibilities, Supervisor Williamson expressed agreement that the audit committee could consider compliance with the annual budget. She expressed concern over the audit committee being involved in the development or monitoring of the City's annual budget as there are many employees in the City's organization who are already responsible for that. Ms. Johnson advised of a state statute requiring the City Auditor to serve as a member of the Finance Committee. "... it's in that role that you would see involvement with the budget, certainly not to provide direction but more insight to the auditor as a function to understand where the risks may be and to provide resource to that in terms of issues that may arise." Supervisor Williamson expressed support for the auditor's involvement, but reiterated reluctance for the audit committee to play a role in development of the City's budget.

Supervisor Livermore discussed his involvement in attempts to develop an audit committee over the years. He expressed the belief that the City's challenges in the area of risk analysis are important, and the opinion that the work of an audit committee will assist in helping the Board to "realize the information provided ... and the reality of how the information applies is an important element to protect the citizens ...". Supervisor Aldean discussed the importance of attempting to adhere, as closely as possible, to an annual

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work plan once established, and “not interrupt [Ms. Johnson’s] activities by making special requests. “Unless it’s an emergency and something needs to be reviewed immediately, ... it’s important to be consistent and allow her to do her job and complete audits on a quarterly basis and present those to the Board.”

Supervisor Staub thanked the Board members for their comments, and noted the importance of understanding that the audit committee will not interfere with the Board of Supervisors’ independence in making special requests. He reiterated that the work plan will accommodate special requests, and anticipated that the audit committee would not object. He agreed with Supervisor Aldean’s comments that the purpose for the audit committee is to provide direction to the City Auditor and to affirm the work plan on an annual basis.

Mayor Teixeira agreed with Supervisor Williamson’s previous comments regarding the importance of flexibility. Mr. Werner acknowledged his concurrence with the process. He advised of having discussed the concept of an audit committee with the department heads. “We believe that it’s a benefit to the City also to help us with the processes ... to have an audit committee ... to evaluate what we’re doing.” Finance Director Nick Providenti acknowledged his concurrence.

Mayor Teixeira opened this item to public comment. (9:59:31) John Wagner expressed a preference for an audit to be conducted “periodically of every department ...” He discussed the State of Oklahoma’s program “where every expenditure is put on the Internet.” He expressed support for the formation of an audit committee.

Mayor Teixeira called for additional public comment and, when none was forthcoming, entertained a motion. **Supervisor Staub moved to approve the establishment of an audit committee to provide oversight to the City’s internal and external audit functions, and instruct the City Auditor to make the appropriate amendments, if any, to the audit committee to allow this Board to request special projects so long as it does not destroy, impair, or impede her meeting requirements associated with an annual audit plan.** In response to a question, Supervisor Staub included in his motion the amendment to the audit committee’s membership, as stated at this meeting. Supervisor Livermore seconded the motion. Motion carried 5-0.

8(B) ACTION TO APPOINT TWO MEMBERS FROM THE BOARD OF SUPERVISORS TO THE AUDIT COMMITTEE TO PROVIDE OVERSIGHT TO THE CITY’S INTERNAL AND EXTERNAL AUDIT FUNCTION (10:01:28) - Mayor Teixeira entertained requests from the Board members as to their interest in serving on the audit committee. Supervisor Staub expressed an interest in serving. Supervisor Williamson acknowledged an interest. Supervisor Livermore acknowledged an interest in serving, and advised of having worked with Supervisor Staub to establish the audit committee. Mayor Teixeira entertained a motion. Supervisor Williamson expressed a willingness to withdraw her offer to serve. In response to a comment, discussion took place regarding the audit committee membership terms as pertinent to the two Board members. Ms. Johnson reviewed the agenda report, and Supervisor Staub offered to take the term ending December 31, 2008.

Mayor Teixeira entertained a motion. **Supervisor Livermore moved to appoint two members of the Board of Supervisors to the audit committee, Supervisor Richard Staub to fill the one-year, pro-rated term ending December 31, 2008 and Supervisor Livermore to fill the two-year, pro-rated term ending December 31, 2010.** Supervisor Staub seconded the motion. Motion carried 5-0.

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9. FINANCE

9(A) DISCUSSION OF 2007 / 08 BUDGET IMPLEMENTATION PLAN TO STABILIZE CARSON CITY'S GENERAL FUND, SEWER FUND, WATER FUND, BUILDING PERMITS FUND, AND STREETS MAINTENANCE FUND (10:04:37) - Mayor Teixeira recessed the meeting at 10:04 a.m. and reconvened at 10:10 a.m. (10:14:15) Mr. Werner provided background information on this item and an overview of the presentation. He introduced Mary Walker, of Walker & Associates, who reviewed the Overview of Implementation Plan which was included in the agenda materials. At Ms. Walker's request, Finance Director Nick Providenti explained the FY 07 / 08 general fund cuts, as referenced in the implementation plan at paragraph 5 on page 1. Mr. Providenti acknowledged that the \$848,224 would be applied to the \$3 million FY 07 / 08 deficit. He further acknowledged the intent to make up \$3 million between now and the end of the fiscal year. In response to a further question, he advised that the proposed implementation plan will provide an adequate fund balance at the end of FY 07 / 08 "to go into 08 / 09." He further acknowledged the intent to "fix 07 / 08 and set some direction for 08 / 09."

Ms. Walker continued reviewing the Overview of Implementation Plan. In response to a question, she explained that the proposed \$85,000 increase in landfill fees was based upon 25 percent for out-of-county and a consumer price index increase for in-county. She acknowledged the importance of consistency between the current fiscal year and going forward. She advised that the \$85,000 represents "just a couple months worth of that."

In response to a further question regarding the general fund cuts in the amount of \$848,224, Mr. Providenti explained the figure represents "every department's savings ..." Mr. Werner explained that every line item was evaluated for every budget. Mr. Providenti advised that additional detail on the \$848,224 was provided at the last Board meeting. In response to a further question, Ms. Walker provided background information on the general fund revenue shortfall figure. "We actually estimated that a lot more of the building permit fund revenues to the general fund would actually move that deficit toward that \$3 million." Ms. Walker explained that the building permit fund was "turned around" with \$90,000 less revenue being allocated to the general fund based on work load factors.

Ms. Walker continued reviewing the Overview of Implementation Plan pertinent to the Sewer Fund \$1.6 Million Revenue Shortfall. In response to a question, she explained the method by which the proposed rate increase percentages were determined. Mayor Teixeira noted the "significant hit" to the commercial enterprises and "high water users." In reference to the presentation in January, Ms. Walker reminded the Board members that the connection fees were budgeted at \$1 million and are "coming in at \$50,000." In response to a further question, she noted the economic decline in March and April, at the time budgets were being prepared, and that "the bottom fell out in May and June when your budget was approved." Mr. Providenti advised that connection fee revenues were comparable to prior years at the end of July 2007. "Actually the bottom really fell out ... probably in September / October. The first three months of the fiscal year weren't great, but then October, November, December, they just fell off a cliff." Supervisor Williamson recalled a previous Board decision to "make growth pay for itself. ... That meant that we would bond and we would use connection fees to support the bonds. That went along fine until now we don't have many connection fees but we still have the bonds that we did to do the system improvements." In reference to the agenda materials, Supervisor Aldean noted the commitment to postpone issuance of any further bonds and most capital improvements projects, "ones that are not currently underway ... or specifically mandated. ... We are really in a maintenance mode at this point." Ms. Walker acknowledged

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the concern over defaulting on bond payments. Mayor Teixeira noted the City's current double A bond rating which "saves ... a ton of money when we issue bonds." Ms. Walker pointed out that it took ten years to get the City's B bond rating, in 1989, to the current double A rating.

In response to a question regarding the sewer / water utility rate increase presentation made to the Board at its January 3rd meeting, Mr. Providenti advised that the analysis done for the presentation considered the end of 2007 and the first quarter of 2008. The data was not available. Supervisor Livermore referred to the entitlement report for 2007 which indicated that only 47 building permits were sold by the end of the year. He expressed concern over the insufficient information provided to the Board during the January 3rd presentation. Mr. Providenti discussed the information he had reviewed to prepare the agenda materials for the January 3rd presentation. He explained that connection fees have never had to be monitored so closely. Mr. Werner advised of having considered methods by which to provide more detailed projection analyses in the future. He reiterated there had never been a reason to consider connection fees so closely. Supervisor Livermore expressed appreciation for the explanation, and reiterated concern over the impact of increased rates to the users. Mr. Werner pointed out that had the shortfall been caught earlier, there would have been a rate increase earlier.

Ms. Walker discussed the importance of basing future rate increases on the financial requirements of the sewer fund. She noted that another sewer rate increase may be necessary as of July 1, 2009 if the economy doesn't begin to recover by then. She suggested considering an annual "mini-rate study" for each of the enterprise funds prior to the annual budget process. Discussion followed.

Ms. Walker reviewed that portion of the Overview of Implementation Plan pertinent to the Water Fund \$500,000 and Building Permit Fund \$575,000 Revenue Shortfalls. With regard to the building permit fund, Ms. Walker expressed concern that although the revenue shortfall can be reversed this year, "... if the economy continues, we're going to be operating in a deficit. We only have \$40,000 in our fund balance." She advised that a plan would be presented for FY 08 / 09. In response to a comment, she advised of upcoming retirements and noted Mr. Werner's promotion to the position of City Manager. In response to a question regarding the budget shortfall of \$575,000 and the stabilization figure of \$444,917, she reiterated that the fund balance is being "eaten away down to \$40,000." Mr. Werner acknowledged that the Building Permit Enterprise Fund Oversight Committee will be reconvened. He provided background information on the original committee, and advised of subsequent legislation providing for establishment and management of such a committee. An ordinance establishing the Building Permit Enterprise Fund Oversight Committee will be presented to the Board at the next meeting. Mr. Werner anticipates the committee will be in place within the next sixty days. Mayor Teixeira suggested considering the building permit fund as volatile and dependent upon the economy. He inquired as to the possibility of bringing the building permit fund back to the general fund. Mr. Werner advised of the Building Department personnel preference to keep the building permit fund as an enterprise. Mayor Teixeira requested to have both sides of the issue presented to the Board, and discussion followed.

In response to a previous question, Ms. Walker advised of not having factored any business license revenue into the current fiscal year that would affect next fiscal year. She reviewed that portion of the Overview of Implementation Plan pertinent to the Street Maintenance Fund \$650,000 Revenue Shortfall. In reference to the corresponding recommendations, she explained "it gives you some room over the next couple of months to look at a longer-term financial plan for street maintenance and actually RTC." She noted recently-passed legislation which allows for using RTC funding for maintenance as well as new construction. In response to a question, Public Works Director Andrew Burnham advised that the State Transportation Board recently approved the contract transferring ownership of Fifth Street, King Street,

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Washington Street, Ormsby Boulevard, and Winnie Lane to the City. He advised that ownership of the streets was taken over as of Monday, February 4th. He acknowledged that Winnie Lane has been prioritized as a future RTC project. In response to a question, Ms. Walker advised that the implementation plan “turns around” \$5 to \$6 million in the current year.

Supervisor Williamson noted recent newspaper headlines that the “City is going bankrupt.” She stated, “That certainly catches your attention, but it is not true.” She acknowledged budget issues, and advised that the Board and City staff are “dealing with them as we always have.” She noted that fiscal conservatism is one of the reasons the City’s property taxes and franchise fees are so low. “With everyone’s help working together, ... we’re addressing those issues through June 30th and through the next [fiscal] year. We are not going bankrupt, we will not go bankrupt, and there’s no way the State of Nevada is taking control over Carson City.” Ms. Walker advised of having originally used the term “bankrupt” and acknowledged that it had become a newspaper headline. She provided background information on the statement which was backed up by the staff presentation provided to the Board on January 17th. She stated that the Board had not previously known the depth and breadth of the problem until mid-January. She noted, however, that the Board was addressing the problem at its first meeting in February with “very decisive, important, and quick action to turn this around.” She complimented the Board and City staff “because as soon as that information got to them, everybody was on board working together, trying to figure out ways on how to turn this around.”

9(B) ACTION TO NOT TRANSFER \$722,725 TO THE CAPITAL ACQUISITION FUND AS ORIGINALLY BUDGETED IN THE 2007 / 08 BUDGET (10:48:01) - Mr. Providenti introduced this item, and reviewed the agenda report. Mayor Teixeira entertained a motion. **Supervisor Aldean moved to not transfer the \$722,725 to the capital acquisition fund, as originally budgeted in the 2007 / 2008 budget. Supervisor Williamson seconded the motion. Motion carried 5-0.**

9(C) ACTION TO DIRECT STAFF TO PROCEED WITH AN AMENDMENT TO THE BUSINESS LICENSE FEE SCHEDULE TO INCREASE FEES BY 3.4 PERCENT (10:48:55) - Ms. Walker introduced this item, and reviewed the agenda report. In response to a question, Ms. Bruketta advised of having requested staff to amend the language of the agenda item. She noted the language of the staff report had inadvertently not been amended. Mr. Werner advised that rate increases would be presented to the Board in the form of ordinances which would include business impact statements. He clarified the subject agenda item amounted to staff direction. In response to a further question, he advised that, without Board approval of the subject agenda item, staff would not agendize an ordinance. He reiterated that at the time an ordinance is presented to the Board, a business impact statement would be included. Discussion took place regarding the appropriate action, and Mayor Teixeira entertained a motion. **Supervisor Aldean moved to direct staff to proceed with an amendment to the business license fee schedule to increase fees by 3.4 percent. The motion died for lack of a second.**

9(D) ACTION TO DIRECT STAFF TO BEGIN THE PROCESS FOR AN AMENDMENT TO CARSON CITY MUNICIPAL CODE CHAPTER 12.05 TO INCREASE LANDFILL DISPOSAL FEES (10:52:03) - Mr. Providenti introduced this item, and Deputy Public Works Director Ken Arnold reviewed the agenda report. Mr. Arnold acknowledged the recommended action would simply begin the process. Supervisor Livermore suggested the recommended action represented two separate issues: an increase in landfill fees and a capital project plan. He suggested presenting the capital project to the Board as a separate item at a future meeting. Mr. Arnold advised that the project would be presented to the Board as a separate item. “This is just saying what the increase would help to support.” Mayor Teixeira entertained a motion. Supervisor Aldean advised of having inquired as to the nature of equipment

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maintenance in the sanitary facility, and acknowledged that staff and the consultant will “expand on why ... this is essential based on some grievances that have been filed ...” **Supervisor Aldean moved to direct staff to begin the process of an amendment to the Carson City Municipal Code, Chapter 12.05, to increase landfill disposal fees. Supervisor Williamson seconded the motion.** Ms. Walker acknowledged that the action does not approve the capital improvement project. She recommended approving the modified increase of scenario 2, as set forth in the agenda report. Mr. Arnold advised that the in-county minimum charge increases from \$4 to \$5. He acknowledged that in the FY 08 / 09 budget, the increase would provide capital above and beyond what is needed for maintenance. It would potentially provide for a capital improvement project. **Supervisor Aldean amended her motion to include the selection of the second scenario, as stated in the Board packet. Supervisor Williamson continued her second. Motion carried 5-0.**

9(E) ACTION TO APPROVE THE IMPLEMENTATION PLAN TO PROVIDE FINANCIAL STABILITY TO THE SEWER FUND FOR FISCAL YEAR 2007 / 08 AND DIRECT STAFF TO PROCEED WITH AN AMENDMENT TO CARSON CITY MUNICIPAL CODE CHAPTER 12.03, SECTION 020, PROVIDING A 12 PERCENT SEWER RATE INCREASE AS OF APRIL 1, 2008 AND AN ADDITIONAL 12 PERCENT RATE INCREASE AS OF JULY 1, 2008; THE FIRST READING TO BE SCHEDULED FOR FEBRUARY 21, 2008 (10:56:35) - Mr. Arnold introduced this item, and advised of a correction to the recommended action for the first reading to be scheduled for March 6, 2008 due to “a timing issue with the business impact statements.” Supervisor Williamson suggested splitting the difference and increasing the sewer rates by 24 percent in May. Supervisor Staub noted the phased-in approach as set forth in the agenda report. Mayor Teixeira reiterated serious concern over the impact to the top tier users. Mr. Werner concurred with Supervisor Williamson’s suggestion in that the phased-in approach involves a lot of effort with only two or three months between. He suggested increasing the rates and then being able to conduct the analysis in a more straightforward manner. Mayor Teixeira reiterated an interest in the business impact statement. Mr. Werner suggested considering the business impact as a single rate may be more effective, and Mayor Teixeira agreed.

Ms. Bruketta acknowledged that the 15-day business impact time period would need to be started over if the recommended action is revised. Supervisor Staub expressed a preference for leaving the recommended action as is “because even though it’s a short period of time, the people that are writing the checks for this rate increase ... if we hit them all at once, then they have to make drastic adjustments potentially in their business budget. If we go 12 on April 1st, it gives the businesses an opportunity to make adjustments in their budgets so that they can get ready for the 12 percent that they’re going to get hit with in July.”

Mayor Teixeira expressed a preference to review an analysis based on the 24 percent increase for the top tier users. He entertained a motion. **Supervisor Staub moved to approve the Implementation Plan to Provide Financial Stability to the sewer fund for fiscal year 2007 / 08, and direct staff to proceed with an amendment to the Carson City Municipal Code, Chapter 12.03, Section 020, providing for a twelve percent sewer rate increase as of April 1, 2008, and an additional twelve percent rate increase as of July 1, 2008; the first reading to be scheduled for March 6, 2008. Supervisor Aldean seconded the motion.** Mayor Teixeira pointed out that the motion did not translate to increased fees. “It will come back, it will be under discussion, and we may not or we may.” He called for public comment; however, none was forthcoming.

Supervisor Williamson requested staff to present information on a 24 percent increase. In response to a question, Ms. Bruketta advised that the implementation date may be affected based on the business impact statement. “If you change how the tiers are affected, then Ken will have to go back and do the business

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impact statement.” Mr. Arnold explained that the tiers are “on the water side;” the sewer bill is based on winter averages. He acknowledged an understanding to present information on the impact of the 24 percent increase to the large water users. He further acknowledged that the information would be presented in the business impact statement. In response to a question, Mr. Werner explained that research would have to be conducted into federal grant requirements associated with the wastewater treatment plant. “When you got the grants when these plants were built, you could not differentiate between sewer rates. ... That’s why the senior rebate comes out of the general fund and not the sewer fund because you can’t charge differential rates ...” Mayor Teixeira called for a vote on the pending motion. **Motion carried 5-0.**

9(F) ACTION TO APPROVE THE IMPLEMENTATION PLAN TO PROVIDE FINANCIAL STABILITY TO THE WATER FUND FOR FISCAL YEAR 2007 / 08 AND DIRECT STAFF TO PROCEED WITH AN AMENDMENT TO CARSON CITY MUNICIPAL CODE CHAPTER 12.01, PROVIDING A SIX PERCENT INCREASE IN WATER RATES TO BE PRESENTED FOR FIRST READING ON FEBRUARY 21, 2008 (11:04:16) - Mr. Arnold introduced this item. Mayor Teixeira entertained a motion. **Supervisor Williamson moved to approve the Implementation Plan to Provide Financial Stability to the water fund for fiscal year 2007 / 08, and direct staff to proceed with an amendment to Carson City Municipal Code Chapter 12.01, providing a six percent increase in water rates, to be presented for first reading on February 21, 2008. Supervisor Aldean seconded the motion.** Mayor Teixeira noted that the action represented approval of a plan, and called for public comment.

(11:05:31) Joe Eiben requested that the business impact statement include a comparison of adjacent counties.

(11:06:08) John Wagner inquired as to whether the sewer rate is “part of the water bill that we pay.” Mr. Werner advised that the utility bill includes water, sewer, and storm water charges. Mr. Providenti explained that sewer fees are based on water usage. “So it’s the gallons that you use, not necessarily on the dollar amount.”

Mayor Teixeira advised that an item would be agendized before the Board as part of a public meeting. He called for a vote on the pending motion; **motion carried 5-0.**

9(G) ACTION TO APPROVE THE FOLLOWING RECOMMENDATIONS CONTAINED IN THE CARSON CITY OVERVIEW OF IMPLEMENTATION PLAN TO PROVIDE FINANCIAL STABILITY TO THE BUILDING PERMIT FUND FOR FISCAL YEAR 2007 / 08, SPECIFICALLY: (1) REDUCE THE GENERAL FUND INTERNAL SERVICE CHARGE BY \$90,000; (2) TRANSFER \$211,000 FROM THE CAPITAL FACILITIES FUND BACK TO THE BUILDING PERMIT FUND; AND (3) REDUCE OPERATING COSTS BY \$143,917 (11:07:14) - Mr. Werner introduced this item, and Mayor Teixeira entertained a motion. **Supervisor Aldean moved to approve the following recommendations contained in the Carson City Overview of Implementation Plan to Provide Financial Stability to the City’s General Fund, Sewer Fund, Water Fund, Building Permit Fund, and Street Maintenance Fund to the Building Permit Fund for FY 2007 / 08, specifically: (1) reduce the general fund internal service charge by \$90,000; (2) transfer \$211,000 from the capital facilities fund back to the building permit fund; and (3) reduce operating costs by \$143,917. Supervisor Williamson seconded the motion. Motion carried 5-0.**

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9(H) ACTION TO APPROVE THE IMPLEMENTATION PLAN TO PROVIDE FINANCIAL STABILITY TO THE STREET MAINTENANCE FUND FOR FISCAL YEAR 2007 / 08 AND REDUCE SPENDING BY \$650,000 THIS FISCAL YEAR (11:08:18) - In response to a question, Mr. Burnham explained that the recommended action reduces the line item in the budget from \$2.65 million to \$2 million. Mayor Teixeira entertained a motion. **Supervisor Aldean moved to approve the Implementation Plan to Provide Financial Stability to the street maintenance fund for fiscal year 2007 / 08. Supervisor Williamson seconded the motion. Motion carried 5-0.**

9(I) ACTION TO APPROVE A FINANCIAL PLAN FOR THE GENERAL FUND FOR FISCAL YEAR 2008 / 09 (11:09:40) - Mr. Werner introduced this item, and reviewed the agenda report. In response to a question, Mr. Providenti advised that the \$556,260 figure included in the February 5, 2008 memo attached to the agenda report was specific to services and supplies. He speculated that "part of that is ... travel and training." Mr. Werner advised that the travel and training budget originally had a total of \$98,000. Mr. Providenti explained the intent of the recommended action to provide staff direction to proceed with the FY 08 / 09 budget. Supervisor Livermore expressed the opinion "there's more that can be done" to stabilize the FY 07 / 08 budget. He suggested considering the possibility of holding overtime expenditures to three percent of wages "or some number;" reducing the remaining travel by 75 percent; reducing the office business / small furniture supplies by 50 percent; reducing professional fees by 50 percent; and reducing repairs and maintenance by five percent." He reiterated the opinion that more can be done, and challenged staff to go back and consider other areas to "see if there are still savings in there." Mr. Werner advised that all the budget categories named by Supervisor Livermore had been considered in light of continuing to manage functions. He discussed the Fire Department as an example in consideration of the suggestion to hold overtime expenditures to three percent. He discussed consideration given to travel expenses in terms of essential versus non-essential training / certification. He further advised that repair and maintenance costs were also carefully considered. "That's where you're seeing a lot of these numbers." Mr. Werner advised that across-the-board cuts are impossible in consideration of monitoring and maintaining functionality.

Supervisor Aldean noted that City staff had been very sensitized to the need for conservative monitoring of expenditures and husbanding resources. She expressed the understanding that the recommended action approved an approach. She suggested a change to the financial plan, paragraph 10, Increase Landfill Fees, to reflect the previous action which approved a 25 percent increase to generate an additional \$500,000. Mr. Providenti acknowledged that if there's a way to keep from allocating funding from the stabilization fund, it will be avoided. He advised that sales tax will be monitored on a monthly basis. With Mr. Werner's and the management team's approval, the first thing to avoid is tapping into the \$1 million stabilization fund. Mr. Werner advised of a small increase in building permits and sales tax revenues. The recommendation for reductions will not be changed, however, until sufficient funds are available to approach the Board for direction on how to restore programs. Supervisor Staub noted the importance of considering the FY 09 / 10 budget in light of the available stabilization funding. He suggested giving consideration to allocating some of the increased landfill revenues back to the stabilization fund, and discussion followed.

Mayor Teixeira expressed no opposition to the recommended action. He noted the importance of government mirroring the "people it serves." He noted the number of citizens "hurting" financially and expressed the opinion that "government should hurt a little." He further noted the general fund percentage representative of labor costs. He requested staff to present the impact of a one-hour and two-hour per week reduction for all positions not requiring 24-hour coverage. Supervisor Staub read a quote from Carol Villardo into the record, and noted the possibility of having to consider staff cutbacks. Mayor Teixeira expressed a preference to avoid layoffs by everyone "taking a little hit." Mr. Werner provided historic

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information on a previous work-week reduction which was accompanied by a cost of living increase for the contract employees. "The COLA was given per the contract but then the work week was cut back to keep the person's paycheck the same with the idea being that when the revenues were restored, then the hours were restored and the person was then made whole again." Mr. Werner advised that reducing the employees' paychecks and work weeks would have to be negotiated which may not be "doable ... when we've identified the ability to solve the problem now." Mayor Teixeira reiterated a request to review the possibility, after having heard from former City employees who worked under those conditions. Mr. Werner reiterated that the reduction in hours was offset by a pay raise. "In this case, what you'd be asking for is a reduction in paycheck and that's significantly different." Supervisor Aldean noted that closing an office an hour earlier would translate to operational cost savings. Mr. Werner agreed to consider the suggestion.

Mayor Teixeira entertained a motion. **Supervisor Staub moved to approve a fiscal plan for the general fund, fiscal year 2008 / 09, as presented here and based upon the comments offered. Supervisor Aldean seconded the motion.**

Mayor Teixeira opened this item to public comment. (11:25:43) John Wagner agreed with Mayor Teixeira's suggestion to reduce the work week. He suggested considering the possibility of sunseting the Quality of Life Initiative and transferring the revenue to the general fund.

Supervisor Livermore suggested that the recommendation to increase environmental health inspection fees would require a business impact statement. He suggested reviewing the entire financial plan to ensure that business impact statements are prepared, where appropriate. Mr. Werner provided clarification regarding the recommendation to increase environmental health inspection fees, and advised it would be agendized before the Board as a presentation. Mayor Teixeira called for a vote on the pending motion; **motion carried 5-0.**

9(J) ACTION TO APPROVE THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2007 / 08 AND TENTATIVELY SET THE AMOUNT OF FUNDING FOR FY 2008 / 09 (11:29:01) - Mr. Providenti introduced this item, and reviewed the agenda report. In response to a question, Mr. Werner advised that the listed projects were approved, as essential, by the Capital Improvement Committee. Mr. Providenti advised that the funding source represents bond proceeds separate from the general fund. In response to a question, he advised that at least \$1 million of the total amount is required to be spent. He further advised that most of the listed projects were maintenance related. Mayor Teixeira reviewed the list of capital improvement projects, attached to the agenda report, for the benefit of the public. He entertained a motion. **Supervisor Williamson moved to approve the capital improvement program for FY 2007 / 08, as presented, in the amount of \$930,000, and tentatively set the amount of funding for FY 08 / 09 at \$870,000. Supervisor Aldean seconded the motion.** Supervisor Aldean noted there was no list for the tentative FY 08 / 09 projects. Mr. Providenti advised that the Capital Improvement Committee had not met to identify projects. In response to a question, he explained the method by which the \$870,000 figure was determined. Mayor Teixeira called for a vote on the pending motion; **motion carried 5-0.** Mayor Teixeira recessed the meeting at 11:34 a.m. and reconvened at 11:41 a.m.

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10. PUBLIC WORKS

10(A) UPDATE ON THE FY 2007 / 08 CARSON CITY CAPITAL IMPROVEMENT PROGRAM AND STATUS OF CURRENT PROJECTS UNDERWAY (11:43:23) - Public Works Department Director Andrew Burnham reviewed the January 30, 2008 memo attached to the agenda report. He referred to the Capital Improvement Program Project Status Report attached to the agenda report. Supervisor Williamson noted the employment factor represented by the special projects. Mr. Burnham advised of having received calls from construction company representatives expressing interest in capital improvements projects. Mayor Teixeira thanked Mr. Burnham for his report.

10(B) ACTION TO ADOPT A FEDERAL LEGISLATIVE PACKAGE FOR PRESENTATION TO THE CONGRESSIONAL DELEGATION (11:45:57) - Mayor Teixeira introduced this item. Supervisor Aldean noted the correspondence between sale of illegal drugs and gang activity, and expressed the hope that a request could be made of the Congressional delegation for assistance with gang prevention, intervention, and suppression. Mayor Teixeira commended the suggestion and advised that he would work with District Attorney Neil Rombardo and Chief Deputy Melanie Bruketta. Supervisor Williamson suggested agendizing an update on the V&T Railway Reconstruction Project. Mayor Teixeira advised of sufficient funding to extend the railway across Highway 50. He discussed the issue of right-of-way acquisition, and agreed to agendize a presentation.

Supervisor Staub discussed the importance of completing the freeway project, and requested to add this item to the list. He prioritized it as "the number one ... project for Carson City next to the V&T Railroad." Mayor Teixeira agreed, and requested Mr. Burnham to incorporate the items suggested by the Board members as staff works with the Washington lobbyists.

Mayor Teixeira entertained additional comments and, when none were forthcoming, a motion. **Supervisor Staub moved to adopt a federal legislative package for presentation to the Congressional delegation, as stated today with the appropriate additions noted on the record. Supervisor Aldean seconded the motion.** Mayor Teixeira noted that, in the last three years, the City has been very fortunate to receive in excess of \$16 million. He called for a vote on the pending motion; **motion carried 5-0.**

10(C) ACTION TO INCREASE THE CONTINGENCY AMOUNT FOR THE AIRPORT ROAD AND FAIRVIEW DRIVE SEWER MAIN REHABILITATION PROJECT CONTRACT #2006-196 BY \$100,000.00 FROM \$55,800.00 TO A NOT-TO-EXCEED CONTINGENCY AMOUNT OF \$155,800.00 FROM THE AIRPORT ROAD SLIP LINING FUND, AS PROVIDED FOR IN FY 2007 / 08 (10:10:19) - Mayor Teixeira introduced this item and Construction Manager John Benzing reviewed the agenda report. In response to a question, Public Works Department Director Andrew Burnham explained that the original bid was submitted "considerably under what we estimated so we do have funds within this particular line item of the budget to move forward." He acknowledged that the additional \$100,000 is not anticipated to complete the remainder of the project. He provided background information on the sewer line which failed a number of years ago and required extensive repair. He acknowledged the likelihood of seepage, and advised that the required clean up costs will be paid from the additional contingency amount.

Mayor Teixeira called for additional comments and, when none were forthcoming, entertained a motion. **Supervisor Aldean moved to increase the contingency amount for the Airport Road and Fairview Drive sewer main rehabilitation project Contract No. 2006-196 by \$100,000.00 from \$55,800.00 to a not-to-exceed contingency amount of \$155,800.00 from the Airport Road slip lining fund, as provided for in FY 2007 / 08. Supervisor Williamson seconded the motion. Motion carried 5-0.**

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11. CITY MANAGER

11(A) ACTION TO APPROVE SUBLEASING A PORTION OF THE CHILDREN'S MUSEUM TO THE CARSON AREA BIG BROTHERS / BIG SISTERS NON-PROFIT ORGANIZATION, SUBJECT TO THE TERMS LISTED IN SECTION 8 OF THE LEASE BETWEEN CARSON CITY AND THE CHILDREN'S MUSEUM OF NORTHERN NEVADA (8:40:39) - Supervisor Aldean suggested the importance of distinguishing between an assignment and a subleasing arrangement. As previously noted under Changes to the Agenda, this item was continued.

11(B) ACTION TO APPROVE AN AGREEMENT WITH WALKER AND ASSOCIATES FOR FINANCIAL CONSULTING SERVICES FOR A ONE-YEAR PERIOD, BEGINNING FEBRUARY 7, 2008 (11:41:55) - Mr. Werner reviewed the agenda report, and provided an overview of the attached contract. Mayor Teixeira entertained a motion. **Supervisor Livermore moved to approve an agreement with Walker and Associates for financial consulting services for a one-year period beginning February 7, 2008, with a fiscal impact of \$25,000 in FY 07 / 08 and in 08 / 09. Supervisor Staub seconded the motion. Motion carried 5-0.**

12. HUMAN RESOURCES - ACTION TO APPROVE THE COLLECTIVE BARGAINING AGREEMENT BETWEEN CARSON CITY AND THE CARSON CITY SHERIFF'S PROTECTIVE ASSOCIATION FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2011 (11:51:00) - Mayor Teixeira introduced this item. Human Resources Director Ann Silver reviewed the agenda report. She requested the Board to recognize Carson City Sheriff's Protective Association ("CCSPA") President Glenn Fair and a number of the CCSPA members in that approximately 61 hours were "spent at the table." She thanked Ms. Bruketta for her legal counsel, Ed Wynn for his business analysis, and expressed appreciation for "the incredible amount of teamwork that took place in productive and constructive conversation." At Supervisor Aldean's request, Ms. Silver highlighted the various amendments to the agreement, copies of which were distributed as "late material" to the Board members and City staff. Ms. Silver advised that a great deal of the contract language had been clarified. Supervisor Aldean expressed appreciation for the clarification, and congratulated Ms. Silver and the CCSPA on working cooperatively for the benefit of the community. Supervisor Williamson echoed Supervisor Aldean's comments. Ms. Silver acknowledged that costs are included in the current and projected budgets.

(11:55:32) Mr. Fair recognized Ms. Silver for the outstanding job in moving the negotiations forward. He noted that the compensation package is "like no other law enforcement agency in this area. ... We're ... stepping out into new grounds ..." He anticipates that better candidates will be attracted by the agreement. He advised that the CCSPA reviewed and unanimously voted to approve the contract yesterday. He thanked Ms. Silver and City staff for ensuring a good contract.

Mayor Teixeira expressed the belief that the agreement establishes "a new standard," and the hope that it will serve as a model for other bargaining units. He complimented Mr. Fair, Ms. Silver, Ms. Bruketta, and Mr. Wynn, and entertained a motion. **Supervisor Williamson moved to approve the proposed collective bargaining agreement between Carson City and the Carson City Sheriff's Protective Association, effective for the period July 1, 2007 through June 30, 2011. Supervisor Livermore seconded the motion. Motion carried 5-0.**

BOARD OF SUPERVISORS NON-ACTION ITEMS:

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

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CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (11:58:26) - Supervisor Williamson advised of having made a recent presentation to the Young Business Professionals at the Governor's Mansion. She discussed their interest in becoming more involved in the community, and advised of inquiries regarding Board meetings being held during the day. She suggested considering the possibility of scheduling one Board meeting a month in the evening. Mayor Teixeira noted the Board's practice of scheduling evening meetings for items of significant interest to the public, but expressed no opposition to scheduling one meeting per month in the evening. He agreed to agendize an item.

Supervisor Livermore advised of a Parks and Recreation Commission tour scheduled for Saturday, February 9th at 8:00 a.m. The Boys and Girls Clubs and the Fairgrounds will be two stops on the tour. Supervisor Livermore invited the Board members to attend.

Supervisor Aldean advised that she would be traveling to Sacramento on Monday, February 11th, as part of a delegation to meet with California Lieutenant Governor John Garamendi to discuss the shore zone ordinance. In response to a question regarding the proposed new docks, Supervisor Aldean expressed support for "coming up with a reasonable compromise that protects the environment and private property rights." She advised that this is the essence of Nevada's proposal which has been "blessed" by Governor Jim Gibbons. She further advised that Lieutenant Governor Brian Krolicki will be accompanying the delegation to the meeting in Sacramento.

STAFF COMMENTS AND STATUS REPORTS - None.

ACTION TO ADJOURN (12:02:15) - Supervisor Livermore moved to adjourn the meeting at 12:02 p.m. Supervisor Williamson seconded the motion. Motion carried 5-0.

The Minutes of the February 7, 2008 Carson City Board of Supervisors meeting are so approved this 16th day of October, 2008.

MARV TEIXEIRA, Mayor

ATTEST:

ALAN GLOVER, Clerk - Recorder