

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 1

A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, May 7, 2009 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell
Supervisor Robin Williamson, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor Pete Livermore, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Neil Rombardo, District Attorney
Melanie Bruketta, Chief Deputy District Attorney
Kathleen King, Recording Secretary

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

1-4. CALL TO ORDER, DETERMINATION OF QUORUM, INVOCATION, AND PLEDGE OF ALLEGIANCE (8:31:08) - Mayor Crowell called the meeting to order at 8:31 a.m. Roll was called; a quorum was present. First Christian Church Pastor Ken Haskins gave the invocation. Supervisor Livermore led the pledge of allegiance.

5. ACTION ON APPROVAL OF MINUTES - April 2, 2009 (8:33:29) - Supervisor Aldean moved to approve the minutes, as presented. Supervisor Williamson seconded the motion. Motion carried 5-0.

6. ACTION TO ADOPT AGENDA (8:33:44) - Mayor Crowell advised that item 29(C) would be withdrawn; he modified the agenda to address item 29(F) in its place. Mr. Werner advised that item 9-6 had been withdrawn, and explained the need for further research. Mayor Crowell entertained additional revisions to the agenda and, when none were forthcoming, a motion to adopt the agenda with the withdrawal of items 9-6 and 29(C) and modification to address item 29(F) in place of item 29(C). **Supervisor Aldean so moved. Supervisor Williamson seconded the motion. Motion carried 5-0.**

7. PUBLIC COMMENTS AND DISCUSSION (8:34:51) - Mayor Crowell opened this item to public comment. (8:35:26) L. Johns, M.D. distributed to the Board members and the Clerk a paper on pharmaceutical waste, and discussed his concerns as outlined therein. He requested the Board to consider passing an ordinance to address the problem of pharmaceutical waste being dumped into the City's wastewater system. Supervisor Aldean advised Dr. Johns of the free disposal / incineration service offered by the Sheriff's Office, and offered to discuss the service with him further.

(8:41:42) In reference to a recent newspaper article regarding the "utility tax," Gene Robinson noted the Wal-Mart Super Centers which "book-end" the City, and suggested the "taxpayers would like to see some competition entered into the arena of City services." In reference to the Stewart Street extension project, he further suggested initiating "an impact fee to Wal-Mart." He displayed a photograph of "[his] wall that has just been bashed to bits repeatedly by Wal-Mart traffic careening past [his] house." He advised of

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 2

having contacted the Planning Division to discuss the problem of speeding vehicles and the lack of sidewalks on the south side of Northridge Drive. He further advised he has been labeled by the City as "an incorrigible complainer." He expressed the opinion that the City doesn't "deserve more money from taxpayers." Mayor Crowell called for additional public comment; however, none was forthcoming.

8. SPECIAL PRESENTATIONS:

8(A) TAHOE REGIONAL PLANNING AGENCY - INTRODUCTION OF TAHOE REGIONAL PLANNING AGENCY'S NEW EXECUTIVE DIRECTOR JOANNE MARCHETTA WHO WILL SHARE HER VISION FOR THE AGENCY AND LAKE TAHOE (8:45:36) - Supervisor Aldean invited Ms. Marchetta to the podium, introduced her, and provided background information on her qualifications and experience. Ms. Marchetta discussed the importance of Carson City's jurisdiction at Lake Tahoe, and its representation on the Tahoe Regional Planning Agency ("TRPA") Governing Board. She commended Supervisor Aldean's representation of the City and the Lake Tahoe Basin as a member of the TRPA Governing Board. She discussed the importance of working together on mutually beneficial outcomes, and committed to doing so. She discussed TRPA accomplishments over the years, and future challenges. In response to a question, she discussed the problem of invasive aquatic species and offered to provide a more specific presentation at a future Board meeting. (9:05:39) Dr. Johns described a method by which to eliminate any type of bacteria or larva on any water craft prior to launching at Lake Tahoe. He advised that a visual inspection is insufficient. Mayor Crowell congratulated Ms. Marchetta on her appointment, and commended her presentation.

8(B) PUBLIC WORKS PLANNING DIVISION - ACTION TO DESIGNATE THE MONTH OF MAY AS HISTORIC PRESERVATION MONTH IN CARSON CITY (9:06:38) - Mayor Crowell introduced this item. (9:06:59) Historic Resources Commission Chairperson Michael Drews introduced Commissioner Rebecca Ossa, an architectural historian from the State Historic Preservation Office, and commended the community's long-term interest in its history and preservation. Mayor Crowell read into the record the Proclamation, copies of which were included in the agenda materials, and presented it to HRC Chairperson Drews and Commissioner Ossa. The Board members, City staff, and citizens present applauded the Proclamation.

9. CONSENT AGENDA (9:09:27) - Mayor Crowell entertained requests to hear items separate from the consent agenda. When none were forthcoming, he entertained a motion. **Supervisor Livermore moved approval of the consent agenda, consisting of seven items: Item 9-1, Treasurer; Item 9-2, District Attorney; Item 9-3, Public Works Planning Division; Items 9-4(A), (B), and (C) with notation to item (A) of Resolution No. 2009-R-17; Item 9-5 with notation to adopt Resolution No. 2009-R-18, as presented. Supervisor Aldean seconded the motion. Motion carried 5-0.**

9-1. TREASURER - AFFIDAVIT OF DELINQUENT NOTICE MAILING FOR REAL PROPERTY TAXES

9-2. DISTRICT ATTORNEY - ACTION TO APPROVE A SETTLEMENT AGREEMENT IN THE AMOUNT OF \$30,000.00 TO BRET COURT IN *COURT V. COUNTY OF CARSON CITY, ET AL.*, FEDERAL DISTRICT COURT CASE NO. 3:08-CV-155-BES-RAM

9-3. PUBLIC WORKS PLANNING DIVISION - ACTION TO APPROVE A REQUEST FROM EDWARD AND MAUREEN WATERHOUSE FOR HISTORIC TAX DEFERMENT

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 3

STATUS, ON PROPERTY ZONED RESIDENTIAL OFFICE (RO), LOCATED AT 312 WEST MUSSER STREET, APN 003-211-03

9-4. PURCHASING AND CONTRACTS

9-4(A) ACTION TO ADOPT A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH NEVADA DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, NEVADA DIVISION OF FORESTRY, WASHOE COUNTY TREE NURSERY, FOR HARVESTING, GROWING, AND PLANTING WETLAND SPECIES TO BE PLANTED AT THE CARSON CITY FUJI PARK URBAN FISHING POND

9-4(B) ACTION TO AMEND CONTRACT NO. 0809-121, A REQUEST FOR THE PURCHASE OF SHORING EQUIPMENT FROM L.N. CURTIS & SONS BY \$241.15 FOR A TOTAL CONTRACT AMOUNT OF \$102,241.15 TO BE FUNDED FROM VARIOUS ACCOUNTS, AS PROVIDED IN FY 2008 / 2009

9-4(C) ACTION TO ACCEPT THE WORK AS COMPLETED, TO ACCEPT THE CONTRACT SUMMARY AS PRESENTED, AND TO APPROVE THE RELEASE OF FINAL PAYMENT IN THE AMOUNT OF \$7,910.47 FOR CONTRACT NO. 0809-105, TITLED CARSON CITY MEXICAN DITCH TRAIL BRIDGES PROJECT, TO ATLAS CONTRACTORS, INC.

9-5. HEALTH AND HUMAN SERVICES - ACTION TO ADOPT A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE PROVISION OF SERVICES TOWARD THE CONTROL AND ELIMINATION OF TUBERCULOSIS, INCLUDING IDENTIFICATION, DIAGNOSIS, INVESTIGATION, AND TREATMENT

9-6. HUMAN RESOURCES - ACTION TO APPROVE THE IDENTITY THEFT PREVENTION POLICY - Withdrawn.

10. RECESS BOARD OF SUPERVISORS (9:10:42) - Mayor Crowell recessed the Board of Supervisors at 9:10 a.m.

LIQUOR AND ENTERTAINMENT BOARD

11. CALL TO ORDER, DETERMINATION OF QUORUM (9:10:45) - Chairperson Crowell called the Liquor and Entertainment Board to order. Roll was called; a quorum was present, including Member Ray Saylo.

12. ACTION ON APPROVAL OF MINUTES - None.

13. PUBLIC WORKS BUSINESS LICENSE

13(A) ACTION TO APPROVE SUSAN MELVIN AS THE LIQUOR MANAGER FOR JIMMY G'S CIGAR BAR, FULL BAR LIQUOR LICENSE NO. 09-26251, LOCATED AT 301 NORTH CARSON STREET, CARSON CITY (9:11:18) - Chairperson Crowell introduced this item. Principal Planner Jennifer Pruitt read the title of the agenda item into the record, referred to the agenda materials, and noted staff's recommendation of approval.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 4

(9:11:57) Susan Melvin introduced herself and her daughter, Nicole, for the record. Ms. Melvin acknowledged having applied for a gaming license. In response to a question, she reviewed policies and procedures at her Minden establishment for preventing the sale of alcohol to minors. She acknowledged never having been cited for serving alcohol to a minor.

Member Williamson thanked Ms. Melvin for her investment in downtown Carson City. At her request, Ms. Melvin described the location and nature of Jimmy G's Cigar Bar. She anticipates opening by June 1st, and acknowledged an intent to utilize the back patio.

Chairperson Crowell opened this item to public comment and, when none was forthcoming, entertained a motion. **Member Williamson moved to approve Susan Melvin as the liquor manager for Jimmy G's Cigar Bar, full bar liquor license 09-2651, located at 301 North Carson Street, Carson City. Member Livermore seconded the motion. Motion carried 6-0.**

13(B) DISCIPLINARY ACTION AGAINST LIQUOR LICENSE NO. 09-17819, HELD BY GOEL VENTURES LIMITED, SANGEET GOEL DBA ARCO AM / PM #82341, LOCATED AT 4190 SOUTH CARSON STREET, CARSON CITY, NEVADA, PURSUANT TO CCMC 4.13.150; THIS DISCIPLINARY ACTION IS BASED ON THE ISSUANCE OF A CITATION FOR A SECOND OFFENSE CRIMINAL STATUTE VIOLATION WITHIN SIX MONTHS OF THE FIRST CITATION ISSUANCE, RELATED TO THE SALE OF LIQUOR AT THE LICENSED PREMISES; THIS ACTION MAY INCLUDE THE IMPOSITION OF A FINE OF UP TO \$500.00 ON THE LICENSEE AND THE REQUIREMENT THAT THE LICENSEE AND ALL EMPLOYEES SELLING, DISPENSING, OR SERVING LIQUOR ATTEND THE SHERIFF'S OFFICE ALCOHOL SERVERS TRAINING PROGRAM WITHIN THREE MONTHS OF THIS HEARING; IF THE LICENSEE AND RELEVANT EMPLOYEES ARE REQUIRED TO ATTEND THE ALCOHOL SERVERS TRAINING PROGRAM, THE LICENSEE WILL BE REQUIRED TO SUBMIT A LIST OF ALL EMPLOYEES SELLING, DISPENSING, OR SERVING LIQUOR TO THE PUBLIC WORKS DEPARTMENT BUSINESS LICENSE DIVISION NO LATER THAN SEVEN DAYS FROM THE COMPLETION OF THE TRAINING; IF THE LICENSEE FAILS TO SUBMIT THE LIST OF EMPLOYEES WITHIN SEVEN DAYS, THIS MATTER WILL BE RESCHEDULED FOR THE NEXT CARSON CITY LIQUOR BOARD MEETING TO SHOW CAUSE AS TO WHY FURTHER DISCIPLINARY ACTION SHOULD NOT BE IMPOSED

(9:14:36) - Chairperson Crowell introduced this item. Ms. Pruitt read the title of the agenda item into the record, and introduced Senior Permit Technician Lena Tripp. (9:16:42) AM / PM #82341 Store Manager Jimmy Jones advised that he was representing the license holder, Sangeet Goel, whose absence he explained as being out of the state. Mr. Jones acknowledged sales of alcohol to a minor in November 2008 and again in April 2009. In response to a question, he displayed a photograph of the minor to whom alcohol was sold in November 2008. He explained that the store clerk mistook the minor for an adult and, therefore, did not request identification. He explained the circumstances giving rise to the April 2009 incident. He displayed the AM / PM employees training manual which provides extensive information with regard to preventing the sale of alcohol to minors. He described details of ongoing employee training, including a daily commitment to prevent the sale of alcohol to minors. He related a personal experience involving a drunk driver. He described Sheriff Furlong's personal involvement in ensuring proper alcohol sales training of the subject AM / PM store employees, and expressed appreciation for Sheriff Furlong's commitment to the community. He discussed new measures implemented to foster a "team effort" at the subject AM / PM store to prevent the future sale of alcohol to a minor.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 5

Member Aldean expressed appreciation for Mr. Jones' expression of sincere regret over the incidents giving rise to the subject hearing. She expressed understanding for the difficulties associated with store owners and managers being held accountable for the actions of their employees. She strongly encouraged purchase of an IDVisor for the AM / PM store. Mr. Jones thanked Member Aldean for the suggestion, and advised that Mr. Goel was out of state attending a meeting with an Arco vice president to discuss installation of new cash registers. The new registers will have ID scanning capability and will "lock up" to prevent the sale of alcohol and tobacco to minors. Member Livermore advised of having recently accompanied Sheriff's Office representatives on an alcohol sting operation. He discussed the importance of checking the identification of every person under the age of forty years. He advised Mr. Jones of the possibility of the subject liquor license being revoked in the event of a third violation. He commended Mr. Jones' representation of Mr. Goel, but expressed disappointment over Mr. Goel's absence in consideration of the seriousness of the issue. Mr. Jones explained that Mr. Goel's absence was unavoidable.

Chairperson Crowell opened this item to public comment and, when none was forthcoming, entertained a motion. Member Williamson commended Mr. Jones' representation of his employer and the AM / PM store. **Member Williamson moved to impose disciplinary action against liquor license 09-17819, held by Goel Ventures Limited, Sangeet Goel, doing business as Arco AM / PM #82341, located at 4190 South Carson Street, Carson City, Nevada, pursuant to Carson City Municipal Code 4.13.150; this disciplinary action is based upon the issuance of a citation for a second offense criminal statute violation within six months of the first citation issuance related to the sale of liquor at the licensed premises; this action includes imposition of a \$500 fine on the licensee and the requirement that the licensee and all the employees selling, dispensing, or serving liquor attend the Sheriff's Office alcohol servers training program within three months of this hearing; if the licensee and relevant employees are required to attend the alcohol servers training program, the licensee will be required to submit a list of all employees selling, dispensing, or serving liquor to the Public Works Department Business License Division no later than seven days from completion of training; if the licensee fails to submit the list of employees within seven days, this matter will be rescheduled for the next Carson City Liquor Board meeting to show cause as to why further disciplinary action should not be imposed.** Member Livermore seconded the motion. Motion carried 6-0. Mr. Jones acknowledged he would convey the board members' comments to Mr. Goel.

14. ACTION TO ADJOURN THE LIQUOR AND ENTERTAINMENT BOARD (9:36:19) - Chairperson Crowell adjourned the Liquor and Entertainment Board at 9:36 a.m.

15. RECONVENE BOARD OF SUPERVISORS (9:36:18) - Mayor Crowell reconvened the Board of Supervisors.

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

16. ITEMS PULLED FROM THE CONSENT AGENDA (9:36:23) - None.

17. JUSTICE/MUNICIPAL COURTS - ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 10, VEHICLES AND TRAFFIC, CHAPTER 10.22, RECKLESS DRIVING - PERSONS UNDER THE INFLUENCE OF LIQUOR, DRUGS, BY ADDING SECTION 10.22.028, DEVICE TO PREVENT PERSON WHO HAS CONSUMED ALCOHOL FROM STARTING VEHICLE; "DEVICE" DEFINED, ADDING

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 6

SECTION 10.22.029, DEVICE TO PREVENT PERSON WHO HAS CONSUMED ALCOHOL FROM STARTING VEHICLE: IMPOSITION BY COURT ORDER; INSTALLATION AND INSPECTION; EXCEPTIONS, ADDING SECTION 10.22.030, DEVICE TO PREVENT PERSON WHO HAS CONSUMED ALCOHOL FROM STARTING VEHICLE: PENALTIES FOR TAMPERING WITH OR DRIVING WITHOUT DEVICE; PROBATION AND SUSPENSION OF SENTENCE PROHIBITED; PLEA BARGAINING RESTRICTED, AND OTHER MATTERS PROPERLY RELATED THERETO (9:36:27) - Mayor Crowell introduced this item, and Court Administrator Max Cortes reviewed the agenda report. At Mayor Crowell's request, Mr. Rombardo provided additional clarification. In response to a question, Ms. Cortes reviewed costs association with installation and removal of the subject device. She advised that Alternative Sentencing personnel work together with indigent defendants to establish a long-term payment plan. Mr. Rombardo acknowledged that the subject ordinance corresponds with the existing state statute.

Mayor Crowell opened this item to public comment and, when none was forthcoming, entertained a motion. **Supervisor Williamson moved to introduce, on first reading, Bill No. 106, an ordinance amending Carson City Municipal Code, Title 10, Vehicles and Traffic, Chapter 10.22, reckless driving - persons under the influence of liquor, drugs, by adding Section 10.22.028, device to prevent person who has consumed alcohol from starting vehicle; “device” defined, adding Section 10.22.029, device to prevent person who has consumed alcohol from starting vehicle: imposition by court order; installation and inspection; exceptions, adding Section 10.22.030, device to prevent a person who has consumed alcohol from starting vehicle: penalties for tampering with or driving without device; probation and suspension of sentence prohibited; plea bargaining restricted, and other matters properly related thereto. Supervisor Aldean seconded the motion. Motion carried 5-0.**

18. PURCHASING AND CONTRACTS - ACTION TO TERMINATE CONTRACT NO. 0708-105, CONSTRUCTION MANAGER AS AGENT FOR CARSON CITY INDOOR RECREATION CENTER / MULTI-PURPOSE GYM WITH METCALF BUILDERS, INC., CONTRACT FOR PROFESSIONAL SERVICES (9:43:33) - Mayor Crowell introduced this item, and Parks and Recreation Department Director Roger Moellendorf reviewed the agenda report. In response to a question, he advised that the conceptual design was recently completed. He acknowledged the possibility of the project being constructed in another location if the agreement with the Boys and Girls Clubs of Western Nevada “doesn’t work out.” He advised that additional costs would be incurred in adapting the design to a different location. Supervisor Aldean inquired as to the prudence of allocating funding toward finalizing design in consideration of the possibility of constructing the project in a different location at some time in the future. Mr. Moellendorf explained that final project design is within a month of completion, and will provide the opportunity to develop more accurate cost estimates in case additional economic stimulus funding becomes available. “We would truly have a shovel-ready project” which would also be permit-able. Mr. Moellendorf expressed the opinion that final design is “close enough” that savings associated with terminating the design efforts wouldn’t be beneficial in consideration of other options.

Supervisor Livermore provided background information on the project, expressed regret over the current economic situation, and support for terminating the subject contract in light of the present circumstances. Mr. Moellendorf noted the additional burden in the form of operating costs. He acknowledged termination of the subject contract should have no effect on the “relationship with the Boys and Girls Clubs.”

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 7

Mayor Crowell opened this item to public comment and, when none was forthcoming, entertained a motion. **Supervisor Livermore moved to terminate Contract No. 0708-105, construction manager as agent for the Carson City indoor recreation center / multi-purpose gym with Metcalf Builders, Inc., a contract for professional services, pursuant to Section 13.2.1., the termination for non-appropriation clause of the contract. Supervisor Walt seconded the motion. Motion carried 5-0.**

19. PUBLIC WORKS PLANNING AND ZONING - ACTION TO RECOMMEND APPROVAL OF THE CARSON CITY 2009 / 10 ANNUAL ACTION PLAN AND 2009 / 2013 CONSOLIDATED PLAN TO IMPLEMENT DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (“HUD”) PROGRAMS ASSOCIATED WITH THE COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”) PROGRAM, AND TO FORWARD THE PLAN TO HUD (9:50:30) - Mayor Crowell introduced this item. Planning Division Director Lee Plemel reviewed the agenda report and the action plan attached thereto. He advised of having recently received information regarding CDBG stimulus funding, and that an item will be agendized before the Board at the May 21st meeting. He acknowledged the intent to apply CDBG stimulus funding to “the other projects deemed to have merit but did not rise to the funding level.” Mayor Crowell entertained public comment; however, none was forthcoming. He commended Mr. Plemel on ensuring a comprehensive public process, and entertained a motion. At Supervisor Aldean’s request, CDBG Coordinator Janice Brod advised that Capital City Circles Initiative and Department of Health and Human Services Family Enrichment Program information will be included in the Anti-Poverty Strategy Response section of the Action Plan.

Mayor Crowell entertained a motion. **Supervisor Aldean moved to recommend approval of the Carson City 2009 - 2010 Annual Action Plan and the 2009 - 2013 Consolidated Plan to implement Department of Housing and Urban Development Programs associated with the Community Development Block Grant Program, and to forward the plan on to HUD. Supervisor Williamson seconded the motion. Motion carried 5-0.**

20. RECESS AND RECONVENE BOARD OF SUPERVISORS (9:58:07) - Mayor Crowell recessed the meeting at 9:58 a.m. and reconvened at 10:11 a.m. In reference to an earlier incident, he provided direction with regard to communicating directly with the Board of Supervisors in an open meeting, requesting members of the public to provide notes to the Clerk who will, in turn, provide them to the Board members, as appropriate. He recessed the Board of Supervisors at 10:12 a.m.

REDEVELOPMENT AUTHORITY

21. CALL TO ORDER AND DETERMINATION OF QUORUM (10:12:11) - Chairperson Robin Williamson called the Redevelopment Authority to order. All members of the Redevelopment Authority were present, constituting a quorum. Chairperson Williamson provided direction with regard to the items to be addressed during this portion of the meeting, noting the expectation of civility and consideration.

22. ACTION ON APPROVAL OF MINUTES - None.

23. FINANCE - PRESENTATION OF THE PROPOSED 2009 / 2010 FISCAL YEAR BUDGET FOR THE CARSON CITY REDEVELOPMENT AUTHORITY (10:12:50) - Chairperson Williamson introduced this item. Mr. Werner provided background information and reviewed the April 16, 2009 memo attached to the agenda report. He responded to questions regarding the Nugget settlement, and discussion

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 8

ensued. In response to a further question, he requested the Redevelopment Authority members to submit requests for revisions which will be made prior to presentation of the final budget. Chairperson Williamson requested staff to include, in said presentation, the allocations between redevelopment project areas 1 and 2. In response to a question, Mr. Werner explained the reason for listing special events as part of the administrative fund line item. "Once you make the determination that you want to fund an activity, we will put it in the appropriate account and adjust it accordingly." Discussion followed, and Mr. Providenti advised of the intent to convey the availability of \$280,000 in discretionary funding. In response to a question, he clarified that the discretionary funding would be "new money starting on July 1st." Chairperson Williamson further clarified that the special events funding would be allocated from the current budget not that which begins July 1st. She called for public comment; however, none was forthcoming.

24. OFFICE OF BUSINESS DEVELOPMENT

24(A) DISCUSSION AND ACTION TO ADOPT RULES AND REGULATIONS OF THE REDEVELOPMENT AUTHORITY (10:22:18) - Chairperson Williamson introduced this item. Business Development Manager Joe McCarthy provided background information, and expressed appreciation to Chief Deputy District Attorney Melanie Bruketta for her assistance in developing the rules and regulations. He discussed the purpose of the rules and regulations.

In response to a question, Mr. Werner explained the necessity of two-year terms for the Redevelopment Authority chair and vice chair. Member Aldean requested to add language to the acknowledgments portion of the redevelopment incentive program application informing the applicant of the seven-year declining lien in conjunction with the award of incentive program funding. She further requested to add a declaration just prior to the application signature line, as follows: "I declare, under penalty of perjury, that I have not, in the filing of this application, willfully made any false statements nor have I made any unqualified statements that I know not to be true." She discussed the importance of conveying the utmost integrity and honesty in the process. Mr. Werner agreed to incorporate Member Aldean's suggestions into the incentive program application materials, but cautioned the Redevelopment Authority against adopting the application as part of the rules and regulations in consideration of possible future revisions.

In reference to a provision included in the rules and regulations, Member Crowell disclosed that he is a stockholder in organizations which own property within the redevelopment district. He commended the District Attorney's staff on refining the rules and regulations, and expressed the hope that they will be adopted at this meeting in order to move forward. Member Aldean disclosed that her company owns property in both redevelopment plan areas.

Member Walt expressed the understanding that incentive program applications will first be reviewed by the Redevelopment Authority Citizens Committee ("RACC"). Mr. Werner acknowledged the accuracy of the statement. Member Livermore expressed support for the "threshold dates" included as part of the incentive program application process. In response to a question, Mr. McCarthy advised that Business Development staff is working diligently to develop a special events application, beginning in fiscal year 2010. Mr. Werner advised of the intent to develop the special events application through the RACC.

Chairperson Williamson opened this item to public comment and, when none was forthcoming, entertained a motion. **Member Walt moved to adopt the rules and regulations of the Redevelopment Authority.** Member Aldean requested Member Walt to amend her motion to include a revision to Section 1.2,

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 9

Composition of the Redevelopment Agency, to reduce the terms of the Redevelopment Authority chair and vice chair to two-year periods and, in addition, to acknowledge the previously-made suggestions to revise the incentive program application. **Member Walt so amended her motion. Member Crowell seconded the motion.** Mr. Rombardo cautioned against including the incentive program application as part of the motion in order for it to remain as a working document. Member Aldean expressed the hope that Business Development staff would acknowledge the merit of including as many disclosures as necessary in the application to ensure the applicant's understanding of the declining lien and the integrity of the process. She deferred to Mr. Rombardo's advice, but expressed the hope that Business Development staff would willingly submit "radical modifications" to the incentive program application to the Redevelopment Authority. Mr. Werner assured the Redevelopment Authority that the requested revisions will be incorporated in the incentive program application "because it absolutely makes sense." Member Aldean requested Member Walt to further amend her motion to exclude the reference to revisions to the incentive program application. **Member Walt so amended her motion. Member Crowell continued his second.** Chairperson Williamson entertained additional discussion and, when none was forthcoming, summarized the motion to accept the rules and regulations with the previously-stated revision to Section 1.2, Composition of the Redevelopment Agency. She called for public comment and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.**

24(B) ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF THE SECOND AMENDED AND RESTATED COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN CARSON CITY AND RICHARD CAMPAGNI (10:36:44) - Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the agenda report. Member Aldean noted that the previously-approved rules and regulations require an applicant to whom incentive funding in excess of \$100,000 is allocated to agree, in writing, to abide by the provisions of the prevailing wage statutes. Mr. Werner provided additional background information on the subject commitment agreement. Chairperson Williamson described the solution as "elegant," and opened this item to public comment. When none was forthcoming, she offered Mr. Campagni an opportunity to comment. (10:39:46) Richard Campagni expressed appreciation for the opportunity to have worked with the Redevelopment Authority and City staff.

Chairperson Williamson entertained a motion. **Member Aldean moved to recommend to the Board of Supervisors approval of the Second Amended and Restated Commitment Agreement for Continuing Business Operations between Carson City and Richard Campagni. Member Livermore seconded the motion. Motion carried 5-0.**

24(C) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A \$53,520 INCENTIVE REQUEST BY DSE #4, LLC TO REDEVELOP THE PROPERTY AT 503 NORTH NEVADA STREET, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486; THAT THE PROJECT BENEFITS THE CURRENT REDEVELOPMENT PLAN AREA; THAT THE PROJECT HAS NO OTHER REASONABLE MEANS OF FINANCING AVAILABLE; THAT THE INCENTIVE WILL BE PAID ON A REIMBURSEMENT BASIS FOR MONEY EXPENDED BY

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 10

THE APPLICANT ON THE PROJECT; THAT OTHER FINANCING IS AVAILABLE TO PAY FOR THE REMAINING COSTS OF THE PROJECT; AND THAT THE INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS (10:40:50) - Chairperson Williamson introduced this item. Mr. McCarthy provided background information, and reviewed the agenda report.

(10:43:10) DSE #4, LLC Owner / Manager Darsi Casey provided additional background information, and reviewed the application which was included in the agenda materials. Member Aldean welcomed Ms. Casey, and noted the “lingering suspicion” that DSE #4, LLC has resources which would accomplish the improvements without the City’s assistance. She offered Ms. Casey the opportunity to address those insinuations. Ms. Casey distributed to the Redevelopment Authority members and the Clerk a listing of DSE #4, LLC holdings with associated debt, and reviewed the same. In reference to the calculations, she described the “information that’s been put out in the public” as “highly distorted” and “borderline lies.” Chairperson Williamson apologized to Ms. Casey for the way she and her company had been treated. She commended the subject project and the members of DSE #4, LLC as “honest, hardworking, young professionals,” and thanked them for their commitment to invest in Carson City. She assured Ms. Casey that the application would be evaluated on the project merits. Member Livermore reviewed his previous questions associated with the subject application, and subsequent research he had conducted, including information received in an e-mail from Carson River Community Bank Acting Chief Executive Officer Julie Kidd. Ms. Casey discussed consideration given to the reasonable rate of return on the investment. She acknowledged a partner in DSE #4, LLC and ownership of 503 North Nevada Street. In response to a further question, she advised that said partner would be unable to provide the requested financing. She further advised that said partner’s financial information had not been requested, but could be provided.

In response to a question, Mr. McCarthy advised of over 40 redevelopment incentive program applications approved since the early 1990s. Most of the applications are submitted by limited liability companies. Mr. McCarthy advised that the Las Vegas Redevelopment Authority rules and regulations were used as a model to develop the Carson City Redevelopment Authority rules and regulations. He read from the Las Vegas Redevelopment Authority rules and regulations, as follows: “The applicant acknowledges and declares that no other reasonable means of financing the building’s facilities, structures, and other improvements are available because one or more of the following reasons are checked by the applicant. (1) The project, if financed by the applicant through cash on hand or through debt financing from a private lender would not result in a reasonable rate of return of the applicant.” Mr. McCarthy advised that DSE #4, LLC had demonstrated there would be no reasonable rate of return without the incentive program funding. At Ms. Casey’s request, Mr. McCarthy read into the record additional criteria used by the Las Vegas Redevelopment Authority to demonstrate no other reasonable means of available financing. Chairperson Williamson expressed the opinion that the “no other reasonable means of available financing” criteria does not translate to the applicant demonstrating financial destitution in order to qualify for redevelopment incentive funding. Mr. Rombardo acknowledged the accuracy of the statement.

In response to a question, Mr. McCarthy reiterated that the Las Vegas Redevelopment Authority rules and regulations were used as a model for the previously-approved rules and regulations. He reminded the Redevelopment Authority of past incentive awards based on “similar ways of looking at it.” Member Livermore referred to the third-party financial evaluation used by the Las Vegas Redevelopment Authority, and suggested including a similar provision in the Carson City rules and regulations. Ms. Casey advised of having provided financial statements for Casey Neilon & Associates, emphasizing that Casey Neilon & Associates is “not the applicant,” in addition to DSE #4, LLC pro forma financial statements, tax returns

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 11

for the last two years, and a letter from the bank. Ms. Casey acknowledged having signed a statement affirming that DSE #4, LLC is “in good standing with the consolidated municipality of Carson City with respect to taxes, fees, loans, and other financial obligations to the City.” Member Livermore referred to the publication of delinquent taxes in the May 6th edition of the *Nevada Appeal* which indicated that DSE #4, LLC currently owes the City Assessor’s Office \$168. Ms. Casey advised of never having received any notice of delinquent taxes.

In response to a question, discussion took place regarding the significance of the Las Vegas Redevelopment Authority rules and regulations. Mr. Werner advised that Office of Business Development staff uses information provided to make a reasonable decision upon which a staff report is prepared for submission to the Redevelopment Authority. He noted the Redevelopment Authority’s purview to make individual choices as individual members based on the information presented. He advised that Office of Business Development staff cannot “spend \$100,000 in evaluating a \$50,000 application.” He suggested that the matter could get to the point that “we just simply can’t afford the staff time ...” Member Aldean advised of having conversed with Mr. McCarthy and Ms. Casey to clarify questions and concerns. In reference to earlier comments, she advised that Carson City is following the Las Vegas Redevelopment Authority standard and that, after having discussed the provisions with Mr. McCarthy, Carson City’s process is, “in many ways ... more stringent than Las Vegas.” In reference to the redevelopment incentive program history, Mr. McCarthy noted the applicant’s responsibility to complete the project in the fashion represented in the application. “Then and only then, when they provide ... all of that evidence, ... they come in and sign a second against their property which is a declining lien ... to protect the taxpayers’ investment. ... Then and only then are they reimbursed ... that incentive after the work is done.”

Mr. Rombardo acknowledged that the no other reasonable means of available financing criteria meets the statutory standard. He clarified that “it’s not defined by law ...,” and explained the statutory purview to determine “what’s reasonable.” He further clarified that the Redevelopment Authority is charged with making the determination. Member Crowell agreed that judgment is called for to meet the test of no other reasonable means of available financing. He expressed concern over “the other concepts” referenced by Mr. McCarthy being, in the opinion of the District Attorney, consistent with the law. Mr. Rombardo assured the Redevelopment Authority “that they’re consistent with the law.” He expressed the opinion that guidelines adopted in another jurisdiction are “what you would look to.”

Ms. Casey expressed the belief that the subject application is “not unlike many of the other applications ... considered in the past.” Chairperson Williamson agreed, and reiterated commendation of the proposed project as “a glowing example.” In response to a question, Member Livermore provided additional explanation of the research he conducted. Mr. Rombardo pointed out that each application is reviewed on its own merits, and that Member Livermore was entitled to conduct additional research. He emphasized that no right had been lost by the applicant. Chairperson Williamson expressed concern over the “enthusiasm ... generated ... over an applicant which is ... very similar to ...” previous applications and “continues our goal of rehabilitating dilapidated buildings in our downtown.” She called for additional comments from the Redevelopment Authority members; however, none were forthcoming.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 12

(11:10:37) Attorney Jim Cavilia noted the Redevelopment Authority's previously-stated purview over the application, and requested the Redevelopment Authority members to focus on the rate of return for Carson City. He agreed with earlier comments that the subject project is "similar to many other projects that have been done downtown. It's doing what downtown redevelopment is supposed to do." Mr. Cavilia expressed the opinion that the project represents a good investment for Carson City.

Chairperson Williamson opened this item to public comment. (11:12:06) DSE #4, LLC investor Mike Walker expressed offense over the previous discussion, and the opinion that "there are some people that are prejudicial against this project." He pointed out that the City has "given money to people with more money than we have." He expressed the belief that, "with the new freeway coming in, you're going to need good businesses downtown ..." He advised that the DSE #4, LLC partners are professionals, and that he will be personally operating a business out of the 503 North Nevada Street building with the goal of raising \$5 million for charities. He expressed the opinion that the City would be "making a big mistake" in rejecting the project. He expressed the further opinion that the subject project qualifies for incentive program funding, and discussed the importance of cleaning up the area of the 503 North Nevada Street property. He requested the Redevelopment Authority's approval of the application on the basis of "good business." He advised that "a lot of the hoops you're making us jump through cost ... money." He pointed out that there is no guarantee the property will make money for DSE #4, LLC.

(11:15:04) Bruce Kittess suggested timing as the most significant issue associated with the subject application, and inquired as to changes to be made in consideration of the current economic times.

(11:17:30) Robert Robel, a Carson City businessman, advised of having worked with the applicants over the past 15 years. He provided background information on the applicants' business and accounting practice, and advised of a familiarity with the applicants' intent for the building. He expressed confidence that the proposed improvements will "change things in downtown Carson City." He encouraged the Redevelopment Authority to approve the application in order to allow the applicants to "get on with their business of helping Carson ..." He commended the applicants' "15-year history of impeccable performance here," and expressed support for approving the application.

(11:18:43) Jed Block advised that he is a business owner, with two properties in the historic district, and that he had grown up across the street from the subject property. He discussed the opportunity represented by the project, and the importance of downtown Carson City tourism. He reviewed recent improvements in the downtown historic and redevelopment districts, including two properties purchased and improved by DSE #4, LLC on North Nevada Street and the corner of Division and Spear Streets. He described the present condition of the 503 North Nevada Street property, noting its location along the blue line trail, which purpose is to "showcase our historic district." He requested the Redevelopment Authority's approval of the application, and described improvements to the subject property as "a missing puzzle piece." He commended every property owner who has made improvements in the historic and redevelopment districts.

(11:24:37) Rhonda Kiernan expressed support for approving the application in consideration of improving the area for the benefit of the community's children.

(11:25:20) Day Williams expressed concern over sufficient "scrutiny when you're spending taxpayer money." He referred to an earlier statement that "the bank would loan the money when the standard is there's no means of financing," and expressed concern over the criteria. He expressed further concern that

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 13

“no one even asked for any financials on the 20 percent partner.” He reiterated the importance of ensuring that “these people really can’t afford it.” He expressed doubt that “there’s no reasonable rate of return,” in consideration of the \$53,520 incentive funding request. He expressed the opinion that “there’s money going to millionaires, and people coming in and saying, ‘Well, you’ve given money to people who are even more millionaires than we are.’” He requested the Redevelopment Authority to “take a look at some of the average people in town and consider them and the unemployed when we’re handing out taxpayer money.”

(11:27:28) A resident of 508 North Nevada Street advised that the area has “improved 200 percent” since eviction of the previous 503 North Nevada Street residents last November. He reviewed the extensive “traffic” through the subject area of North Nevada Street, including “the horse rides on Saturday, the parades, the blue line district ...” He expressed support for approving the incentive funding application.

(11:28:25) Realty Executives Broker Alan Saunders referred to the Assessor’s and residential sales data previously distributed to the Redevelopment Authority members and the Clerk. He corrected previous statements that the subject property is valued at \$1.6 million. He provided background information on the figures provided in the distributed materials.

(11:30:50) Michael Spears, a resident of Carson City, advised that he and his family have worked extensively in the historic district “remodeling many homes.” He expressed support for approving the redevelopment incentive funding application, and commended the project as “a very worthy investment on the part of the City to grant these funds for the exterior restoration and improvements to a very visible, historic downtown building.” He further commended Ms. Casey and Ms. Neilon as “conscientious and respectable businesswomen,” and applauded them for considering “this large project with their own sizable investment.” He advised of having worked in several of the homes in close proximity to the subject property, and expressed appreciation that the building is proposed to be transformed “from a run down, slum lord owned property full of drugs and prostitution for the last 25 years to a well-maintained asset to Carson City’s historic downtown.” He expressed the understanding “that this is exactly what redevelopment funds should be used for.” If not the subject project, he inquired as to the purpose for the redevelopment funds.

(11:32:30) Stan Jones disclosed that he is a member of the RACC and a life-long friend of Ms. Casey and her family. He advised of a RACC meeting held prior to the February 19th Redevelopment Authority meeting at which redevelopment incentive program policies and procedures were discussed, and at which Mr. McCarthy advised the RACC that he was in receipt of Ms. Casey’s application. Mr. Jones advised of having served as a RACC member for the last five years, during which time incentive program projects have been approved “that didn’t have half the information or half the justification that ... this one does.” He expressed the opinion that the necessary documentation has been provided, and described the project as worthwhile. He requested the Redevelopment Authority to “function as a board and act like board ...”

(11:33:59) Nicola Neilon expressed personal pride in being a partner of Darsi Casey. She commended Ms. Casey’s integrity, and described the subject project as “model.” She reiterated that the subject property is located along the historic district’s blue line, and advised that the project will bring jobs into the community. She clarified that she is not a millionaire, but a single mother of two who works very hard alongside Ms. Casey. She advised of having invested emotionally, financially, and of her time into the community. She discussed her and Ms. Casey’s involvement in civic organizations and citizens committees. She expressed the hope that the Redevelopment Authority would invest in the subject project.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 14

(11:35:15) Dave Morgan commended the project as an asset to the downtown redevelopment district. He expressed concern over the issues of trust, faith and confidence in the elected officials “to enforce the spirit and the letter of the law.” He discussed the operation of limited liability companies, and expressed opposition to “just give them the money.” He expressed the opinion consideration should be given to “really strong expertise” in reviewing “these kinds of projects.” He expressed the further opinion that the necessary due diligence on the financial information had not been conducted, and that “serious errors” had been made in the past in the method by which funding had been allocated. He expressed support for offering DSE #4, LLC a loan rather than a grant. He discussed the importance of “credibility and transparency.” Mr. Werner advised that the Redevelopment Authority is prohibited from loaning money. He pointed out that Mr. Morgan had never taken the time to meet with Mr. McCarthy or himself to review the details of the redevelopment incentive program, and discussion followed.

(11:47:08) Matrix Leadership Owner JoJo Meyers discussed “the absolute honor” of working with Ms. Casey and Ms. Neilon. She advised that both women have “invested in themselves” as well as “their entire company.” She noted the rarity “that a company will invest and require leadership from every one of their employees.” She expressed wholehearted support for both Ms. Neilon and Ms. Casey and their proposed project, and requested the Redevelopment Authority to support the project.

(11:48:01) Kathy MacIntosh, a new employee of Casey Neilon & Associates, discussed the applicants’ investment in the community translating to an investment in their employees. “They want us to come to work in a safe environment.” In reference to an earlier comment, she acknowledged that LLC partners receive distributions “when they make money but they also make ... considerable contributions.” Business owners put heart, soul, and money into an area and “want to know that [they] get a return ...” Ms. MacIntosh advised that she frequents downtown Carson City restaurants, and expressed support for keeping “professional ... people in the downtown area ...” She expressed appreciation to Ms. Casey and Ms. Neilon for their investment in the community and in their employees.

(11:52:10) Hannah MacIntosh, a resident of Nevada Street and a Carson City business owner, advised that she did not personally know anyone involved in the subject project. She discussed the previous condition and recent improvements to the subject property. Based on her experience, having remodeled her Nevada Street home, she expressed the opinion that \$53,520 is not a lot of money and that the applicants will obviously be investing a lot more of their own funds.

Chairperson Williamson closed public comment, and entertained additional Redevelopment Authority discussion. Member Aldean described the foregoing dialogue as “the ultimate in transparency,” and expressed the opinion that “the bar” had been raised considerably “as a result of what has transpired in the past.” She referred to the incentive program policies and procedures by which the Redevelopment Authority can now abide, and expressed the opinion that the process will be much improved “in the final analysis.” She expressed regret that Ms. Casey and her associates “had to go through this,” but reiterated the benefit of the exchange of ideas, concerns, and information. She advised of having spoken to Historic Resources Commission (“HRC”) Chairman Michael Drews about the rehabilitation of the subject property and the HRC’s review and approval of the project. She further advised of having been involved in rehabilitation projects, and confirmed “it’s not inexpensive. It is a labor of love.” She suggested the likelihood that demolishing the building and “building from scratch” would be less expensive. She referred to a photograph depicting the original lap-siding which is currently beneath the stucco, and commended the intent to return the building to an earlier period in the history of the structure. She noted the importance

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 15

of historic context and rehabilitating the structure consistent with the neighborhood and the other buildings which have been carefully and lovingly restored. In reference to earlier comments, she further noted the importance of considering that the incremental tax revenues generated in the redevelopment district are required to be used within the redevelopment district. She expressed support for approving the project, and appreciation for the applicants' time, energy, and effort.

In reference to earlier comments, Member Walt noted that the project had been submitted to the RACC which unanimously recommended approval of the incentive program funding request. She further noted the composition of the RACC and their focus on downtown redevelopment. Member Livermore expressed support for the merits of the project and its benefits to North Nevada Street. He reiterated concern over implementation of the process and ensuring fairness "to everyone along the line." He reviewed his research into the subject application, including meetings with Mr. Werner, Mr. McCarthy, and District Attorney's staff. He expressed the belief that until the rules and regulations are implemented, "we're still back down to the process of what we've been accustomed to." He advised of having watched the RACC meeting at which the subject application was reviewed, and that there was no financial information disclosed or presented. He reiterated concern over sufficient findings to approve the application.

Member Crowell expressed the opinion that redevelopment issues "should be difficult" in consideration of allocating taxpayer dollars in the redevelopment district. He expressed the belief that the applicant made a compelling argument that financing would not otherwise be available, and understanding for Member Livermore's points. He noted the Redevelopment Authority's purview, and expressed the belief that, in consideration of the statute, both the letter and the spirit of the law authorize the Redevelopment Authority to use judgment as elected officials. He expressed the opinion that the subject project, on balance, meets the financial test and some of the tests that the District Attorney has conveyed as reasonable considerations in making a decision. He expressed the understanding that the project comports with the historic district guidelines. **Member Crowell moved to approve and recommend the Board of Supervisors consent to a \$53,520 incentive request by DSE #4, LLC to redevelop the property at 503 North Nevada Street with the redevelopment authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486; that the project benefits the current redevelopment plan area; that the project has no other reasonable means of financing available; that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project; that other financing is available to pay for the remaining costs of the project; and that the incentive is subject to the applicant fulfilling Carson City's requirements as adopted today. Member Aldean seconded the motion**, and noted the intent of the redevelopment incentive program to partner with the private sector "to make projects more viable." She noted the delicate balance in ensuring fair allocation of incentive program funding and an applicant's financial ability to complete a project. She further noted "it's not going to get any easier as time goes by." She described the subject project as pivotal in that, as a result of the dialogue, the bar has been raised in considering redevelopment incentive projects. Chairperson Williamson called for a vote on the pending motion; **motion carried 4-1.**

24(D) ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF THE EXPENDITURE OF \$10,750 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE WILD WEST TOUR, RENDEZVOUS, AND TASTE OF DOWNTOWN, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 16

REDEVELOPMENT EFFORT AND THE EXPENSES, WHICH ARE NECESSARY TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN, AND THAT THE AMOUNT OF THE EXPENSES ARE MINOR IN COMPARISON TO THE FUNDING REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (12:04:40) - Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the agenda report.

In response to a question, (12:07:22) Advocates to End Domestic Violence Board Member Candace Duncan expressed the understanding that a decision was made to attempt to sell more Taste of Downtown tickets but not to increase the ticket price. Mr. McCarthy advised that if the event isn't funded at a certain level, some of the activities will be scaled back. He clarified that the Taste of Downtown event can be done without Redevelopment Authority funding, but not to the same extent. Ms. Duncan noted that the Taste of Downtown event raises funds for a very worthwhile organization, and that the 35 participating restaurants are "paid \$0.50 per taste." She advised that some restaurants return the funding to Advocates to End Domestic Violence, but some do not. In addition, eight bands are scheduled to perform in the downtown area during the event. Member Aldean noted the indication in the application materials that the funding will be used to improve event entertainment. Chairperson Williamson commended the Taste of Downtown as a premium event. In response to a question, Ms. Duncan discussed changes proposed for this year's Wild West Tour.

In response to a question, Mr. McCarthy expressed the belief that there is sufficient funding to allocate toward the Rendezvous event. Member Livermore discussed the Taste of Downtown and the Rendezvous as signature events in Carson City. In response to a question, Mr. McCarthy discussed event sustainability and success in consideration of limited annual funding. He described the three subject events as "seeds for other projects that want to spin off of them ..." In consideration of weaning annual events "off of public money," he advised "some of them may not make it." Mr. Werner expressed the opinion that some of the annual events are likely appropriate for the City to always be involved with "because of the long-term impact." The Redevelopment Authority has the purview to determine which are and are not, and Mr. Werner suggested that the Redevelopment Authority should provide direction to staff accordingly. In consideration of the City's current economic situation, Mr. McCarthy noted the benefit of the subject special events in retaining business and possibly stimulating profit. Member Aldean discussed the need to quantify the benefits, noting that the Rendezvous has been an annual event subsidized by the Redevelopment Authority over the past 26 years. "At some point, are these events going to be self-sufficient and, if not, ... do we derive such benefit that we can justify continuing to subsidize them?"

Chairperson Williamson opened this item to public comment. (12:17:23) Bruce Kittess advised of having spent 20 years in the City of Pittsburgh "which was all redevelopment area." He requested the Redevelopment Authority to consider a moratorium on cash grants to individual owners. He referred to the Presbyterian Church rehabilitation project, and suggested concentrating on events and infrastructure. "When you get into trouble is when you start handing out money and the perception is, 'Gee, this is the old guard; this is the in group.'" As an alternative, he suggested "holding on to your cash for awhile and spend the money on the events." He advised he would not criticize the ice rink because "they gave it a try" and it was a great idea. In consideration of having adopted the new policies and procedures, he suggested that the Redevelopment Authority hadn't yet considered "how you should spend the money for the next year." "Government is supposed to do what the people can't do," and he reiterated the request to consider "putting a hold on" the "grant idea." Mr. McCarthy agreed with giving consideration to sunsetting the incentive program, and provided historic information with regard to the same.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 17

(12:21:22) Maxine Nietz, of the Arlington Group, referred to a recent newspaper article describing the current struggle in “the events community.” She advised of having sent out sponsorship requests over the past six months, responses to which have been “way, way off from last year.” She advised of having managed the Rendezvous event over the past ten years, and of the anticipation that previously allocated grant funding will not be at the same levels this year. She further advised that grants, over the last ten years, have been increased by 800 percent. Income has increased over 50 percent, as well as expenses. In consideration of the benefits of events to Carson City, she reviewed the results of a statistical analysis conducted in 2008. (12:25:09) Fred Nietz discussed reciprocal benefits between the Carson City Rendezvous event and similar events in Dorsett, England and in the State of California. In response to a question, Ms. Nietz advised that the Convention and Visitors Bureau underwrites all of the Carson City Rendezvous print and radio advertising. Ms. Duncan advised that the Convention and Visitors Bureau had budgeted \$5,000 for Carson City Rendezvous marketing.

Chairperson Williamson entertained a motion. **Member Aldean moved to recommend to the Board of Supervisors approval of the expenditure of \$14,000 from the revolving fund, or other funds as needed, for the Redevelopment Agency to support the Wild West Tour, Rendezvous, and Taste of Downtown as an expense necessary or incidental to carrying out the redevelopment plan, adopted by the Carson City Board of Supervisors, and based upon the findings that there is a causal connection between this redevelopment effort and the need for the expenses to ensure the success of the redevelopment plan and that the amount of the expenses to be given is minor in comparison to the money required for the overall redevelopment plan; fiscal impact \$14,000, some of which has been budgeted for this year; the balance of the money required to support these activities will come from another account. Member Livermore seconded the motion. Motion carried 5-0.**

25. ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (12:29:19) - Chairperson Williamson adjourned the Redevelopment Authority at 12:29 p.m.

26. RECONVENE BOARD OF SUPERVISORS (12:29:30) - Mayor Crowell reconvened the Board of Supervisors.

27. OFFICE OF BUSINESS DEVELOPMENT

27(A) ACTION TO APPROVE THE SECOND AMENDED AND RESTATED COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN CARSON CITY AND RICHARD CAMPAGNI (12:30:10) - Mayor Crowell entertained a motion. **Supervisor Williamson moved to approve the second amended and restated commitment agreement for continued business operations between Carson City and Richard Campagni. Supervisor Aldean seconded the motion.** Mayor Crowell called for public comment and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.**

27(B) ACTON TO ADOPT A RESOLUTION CONSENTING TO THE PAYMENT OF A \$53,520 INCENTIVE TO DSE #4, LLC TO ASSIST IN PAYING FOR THE CONSTRUCTION COSTS ASSOCIATED WITH THE BUILDING LOCATED AT 503 NORTH NEVADA STREET, AND AUTHORIZING THE EXPENDITURE OF \$53,520 FROM THE REDEVELOPMENT AUTHORITY REVOLVING FUND FOR THE PURPOSE OF PAYING THIS INCENTIVE WITH THE BOARD OF SUPERVISORS DETERMINING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 18

279.486, SPECIFICALLY THAT THE PROJECT BENEFITS THE CURRENT REDEVELOPMENT PLAN AREA; THAT THE PROJECT HAS NO OTHER REASONABLE MEANS OF FINANCING AVAILABLE; THAT THE INCENTIVE WILL BE PAID ON A REIMBURSEMENT BASIS FOR THE MONEY EXPENDED BY THE APPLICANT ON THE PROJECT; THAT OTHER FINANCING IS AVAILABLE TO PAY FOR THE REMAINING COSTS OF THE PROJECTS; AND THAT THE INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS (12:30:30) - Mayor Crowell entertained a motion. Supervisor Williamson moved to adopt Resolution No. 2009-R-19 consenting to the payment of a \$53,520 incentive to DSE #4, LLC to assist in paying for the costs of construction of the building located at 503 North Nevada Street, and authorizing the expenditure of \$53,520 from the revolving fund for the Redevelopment Authority for the purpose of paying this incentive with the Board of Supervisors determining that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486, specifically that the project benefits the current redevelopment plan area, and that the project has no other reasonable means of financing available; that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project; that other financing is available to pay for the remaining costs of the project; and that the incentive is subject to the applicant fulfilling City requirements. Supervisor Aldean seconded the motion. Mayor Crowell called for public comment and, when none was forthcoming, a vote on the pending motion. **Motion carried 4-1.**

27(C) ACTION TO ADOPT A RESOLUTION AUTHORIZING THE EXPENDITURE OF \$10,750 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY FOR THE PAYMENT OF MONEY TO SUPPORT THE WILD WEST TOUR, RENDEZVOUS, AND TASTE OF DOWNTOWN, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE EXPENSES WHICH ARE NECESSARY TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN AND THAT THE AMOUNT OF THE FUNDING TO BE GIVEN IS MINOR IN COMPARISON TO THE FUNDING REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (12:32:08) - Supervisor Aldean moved to approve the expenditure of \$14,000 from the revolving loan funds, or other funds as needed, for the Redevelopment Agency to support the Wild West Tour, Rendezvous, and Taste of Downtown, as an expense necessary or incidental to carrying out the redevelopment plan which has been adopted by the Carson City Board of Supervisors, based upon the findings that there is a causal connection between this redevelopment effort and the need for the expenses; the expenses are needed to ensure the success of the redevelopment plan and the amount of the expenses to be given is minor in comparison to the money required for the overall redevelopment plan; fiscal impact \$14,000, a portion of which has been budgeted for fiscal year 2008 / 2009; the balance will be funded from other accounts. Supervisor Williamson seconded the motion. Mayor Crowell called for public comment. The recording secretary provided the resolution numbers 2009-R-20, 2009-R-21, and 2009-R-22. Supervisor Aldean so amended her motion to include said resolution numbers. Supervisor Williamson continued her second. **Motion carried 5-0.**

28. BOARD OF SUPERVISORS NON-ACTION ITEMS:

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 19

CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM THE BOARD MEMBERS (12:33:59) -

Supervisor Aldean disclosed that she is a member of the Capital City Circles Initiative Foundation, a 501(c)(3) raising funding for a City program entitled Capital City Circles Initiative, and announced the graduation ceremony of the first Getting Ahead Program participants scheduled for 6:00 p.m. on Wednesday, May 20th. In consideration of the extensive discussion during this meeting, Mayor Crowell advised of a bill moving through the legislature which proposes to allocate funding from redevelopment agencies to the School District. He advised that Carson City's official position on the bill is neutral. He anticipates a budget amendment if the bill passes.

STAFF COMMENTS AND STATUS REPORT - None.

RECESS AND RECONVENE BOARD OF SUPERVISORS (12:35:15) - Mayor Crowell recessed the meeting at 12:35 p.m., and reconvened at 1:49 p.m.

29. FINANCE

29(A) PRESENTATION OF THE PROPOSED 2009 / 2010 FISCAL YEAR BUDGET FOR CARSON CITY WHICH INCLUDES THE GENERAL FUND, ENTERPRISE FUNDS, AND ALL OTHER FUNDS (1:49:47) - Mayor Crowell introduced this item, and Mr. Werner provided an overview of the presentation to be made and the budget process. He advised that the proposed budget assumes the sales tax revenue decline is fairly well reflected in the balance of the 2009 budget. The FY 2010 budget reflects the same basic revenue stream as the 2009 budget. Mr. Werner advised of the caveat that if the sales tax revenues continue to decline, major modifications will be required prior to implementation of the budget on July 1, 2009. Another concern is the possibility of the legislature requiring local government allocations. Mr. Werner reviewed a PowerPoint presentation of the FY 2010 Budget Analysis, copies of which were provided to the Board members and the Clerk. He acknowledged that only new construction will experience an increase in property taxes. He noted the proposed increase in franchise fees will translate to an approximate \$18 per year increase. In response to a question, he advised of the potential for the legislature to require the City's franchise fees, representing a \$5 million "hit to the City's budget." He further advised of the anticipation that the statutory deadline for filing final budgets would have to be extended in such case. He suggested assuming no changes and requested the Board to provide direction to implement the budget by July 1st. He clarified the need for the Board to determine the acceptability of increasing franchise fees, as recommended. Supervisor Aldean questioned the timing of considering cost of living increases. In response to a question, Finance Department Director Nick Providenti advised that Carson City is the only northern Nevada county not at the maximum percentage allowed for franchise fees. In response to a further question, he advised that the current landfill revenues are approximately \$3.1 million. He explained that the landfill revenues in FY 2009 are approximately \$800,000 less than budgeted. In response to a comment, Mr. Werner advised that the landfill rates are among the lowest in the area. Discussion followed.

Mr. Werner reviewed the FY 2010 Labor Expense Assumptions portion of the presentation. In relation to the proposed cost of living adjustment, Mr. Providenti provided additional clarification of the effect of the Public Employees Retirement System increase. In response to a question, Mr. Werner reviewed the various funds from which the community support appropriation was allocated. In response to a question, he assured the Board that there will be ample opportunity to receive public input prior to final approval of the

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 20

budget. Supervisor Williamson expressed concern over having deferred capital improvements for the past several years, and the hope there will be opportunity to prioritize the same. She noted that Carson City has continually been fiscally conservative. Mr. Werner agreed, and related the example of the need to purchase three new ambulances within the next 30 days. In response to a question, he provided additional clarification of the reserve account.

In consideration of the cost of living adjustment, Supervisor Williamson concurred with earlier comments that, in comparison with other counties, Carson City is at the “bottom of what our compensation plans are for our employees.” She pointed out that the contract employees worked together with the City to develop longer-term bargaining contracts “with the idea that it was more efficient … to not have to re-open contracts every other year.” She expressed the understanding that, in binding arbitration as required by the State, the City “would be hard pressed to say we’re in a dire financial strait and can’t pay these cost of living increases or these negotiated increases … when we’re saying we have \$9 million in savings …” She pointed out that Carson City is a small county with growth management limitations that are never met. “We didn’t have the big boom where we had thousands of homes being built in our community and an engineering department and a building department and all these employees that were hired that now, since building has stopped, don’t have anything to do.” “What we’ve done is what we always do … take the long view, try to be as fiscally-conservative but fair as possible and, basically, work with our residents to share the burden.” Supervisor Williamson expressed the firm belief “that you don’t get what you don’t pay for. This idea that somehow we can maintain services without having some kind of increase in revenue is just a flawed argument.”

In response to a question, Mr. Werner advised that the funding for the remaining agenda items will not be allocated from the stabilization fund. He reviewed a City of Reno Compensation and Classification study conducted in 2008. He clarified that the cost of living request was not to adjust salaries higher, but to help maintain the same four percent. Supervisor Aldean suggested considering private sector employees who don’t have guaranteed increases or positions of employment. She expressed the opinion that everyone “in this room is lucky to have a job right now given the state of the economy.” Because of the legislative unknowns, she suggested “doing nothing until we have a more precise picture of what revenues we’re actually going to have to spend.” Mr. Werner reminded the Board members that the budget would not be implemented until July 2009. Supervisor Aldean expressed concern that the preliminary budget was “based on wishful thinking … with respect to sales tax revenues.” She reiterated concerns over implementing increases of any kind, whether fees or salaries, until there is a better idea of the long-term forecast. Mr. Werner reminded the Board that the requested cost of living adjustment would be relative to 118 unclassified employees. Discussion followed, and Mr. Werner continued reviewing the PowerPoint presentation.

Mr. Providenti provided additional clarification of the sewer, water, and storm drainage funds, and discussion followed. In response to a question, Public Works Department Director Andrew Burnham advised that the Prison Hill water tank would be replaced with the same size tank. The sewer line to be installed in Edmonds Drive doesn’t create any capacity. Mr. Burnham advised that some capacity will be created as part of the storm drainage system, but clarified it will only resolve the 100-year flood issues. He advised that City staff is “chasing the American Recovery and Reinvestment Act funds,” an application having been submitted earlier in the day. He expressed the hope that \$3.4 million will be allocated to the City which will provide for two wells and some pipeline work relative to blending in order to resolve some of the uranium and arsenic issues. He advised of the possibility of additional funding available through the

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 21

Army Corps of Engineers for the Prison Hill water tank. Supervisor Aldean commended staff for seeking funding from every available source.

In response to a question, Mr. Providenti explained the increase in internal service charges in the sewer and water funds from last year to this year. In response to a comment, he advised that internal service charges have also increased based on actual service costs. Mr. Werner explained that actual time spent is considered from the previous year and then allocated in the current year. Mr. Providenti advised that such things as accounts payable charges, checks written, etc. are also considered. Supervisor Livermore expressed the opinion that there has been a philosophical change in the method by which internal service charges are allocated. Mr. Werner advised that there had been no change. “The only addition ... was that ... for the first time, we’ve allocated the District Attorney’s office.” In response to a comment, Mr. Werner explained a previous decision to not charge the full amount to the Open Space fund “because everybody was doing fine, but they never paid their fair share.”

In response to a question, Mr. Werner reviewed that portion of the FY 2010 Budget Analysis relative to the proposed utilities rate increases. He acknowledged the Board’s discretion in reducing the proposed percentage increases. Mr. Providenti clarified that capital improvements are driving the proposed increases. Discussion followed and, in response to a comment, Mr. Werner explained that franchise fees are ongoing revenue to the City. If the proposed increase is not implemented, it will cost the City \$1 million this year and a million next year and so on. “The impact over four or five years is about a \$4 or \$5 million difference.” In response to a question, Mr. Providenti noted the importance of differentiating between the general fund and the utilities funds. The water, sewer, and storm drainage funds are separate entities and don’t have reserves. Mr. Providenti reiterated that the capital projects will not go forward without the proposed percentage increases to the utilities funds. He explained that general fund operations would be affected by not increasing the franchise fees, and the reserve funds would have to be allocated. “The reserves are one-shot monies.” In response to a further question, Mr. Werner advised that general fund services would have to be further evaluated if sales tax revenues continue to decline. The City is prohibited from filing an unbalanced budget. In response to a further question, Mr. Werner advised that the proposed budget continues the existing level of service. Supervisor Aldean inquired as to the possibility of tapping the reserve fund as a short-term solution. Mr. Werner explained the associated dilemma in that “if it turns out to be longer than what we anticipated as far as when the revenues start coming back, then ... we not only have to reduce staff for that year’s loss of revenues but we may have to make up more of that because we no longer have the reserves to fund that so you almost double your impact. That’s the danger.” Mr. Providenti concurred. “Once you spend that money, it’s gone.” He advised that the reserve funding “gives us a little bit more time to react should the economy keep doing down.”

In response to a comment, Mr. Werner advised that the City isn’t holding operating money. He explained that for a couple years, “the revenues popped a lot higher than anticipated.” Large amounts of funding were allocated to the reserve fund, accordingly, “because we didn’t expand our expenditures to match those revenues. ... We still held back because we weren’t sure how far it was going to go. ... [T]hat put money into our savings account that allowed us to look at the long term” and consider the possibility of “weathering the storm” without Draconian cuts. Mr. Werner pointed out that the City is responsible to provide services in perpetuity, and advised of the intent to “weather this downfall without having to do what the City of Reno is doing or the State of Nevada is doing.” He questioned the method by which the State is going to overcome “their predicament because they did exactly what we’re suggesting you don’t do” and spent the reserves first. They didn’t reduce their ongoing costs; they spent the reserves “thinking

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 22

this wasn't going to last that long." The result is a requirement to double the impacts to reduce expenditures as opposed to what the Carson City Board has done over the last four or five years: considered the situation and requested staff to present methods to manage it "before it falls off the cliff." Mr. Werner reiterated the recommendation to implement small increases to ongoing revenues which will offset "real problems down the road." Mr. Providenti noted that the reserve funds will still be needed, but with the small revenue increases "we're just not needing to use them all right now." "We have the ability to continue to go forward without making Draconian cuts because we have the reserves. If we spend all the reserves, then we don't have that option." Mr. Providenti summarized the request as a "balanced approach where we want to use some of the reserves" with some revenue increases "just to kind of balance it out ... for the long haul."

Supervisor Williamson noted a period of approximately ten to twelve years where water rates were not increased "because we depended on growth ... and built up revenues from ... new connections and reserves." She noted the resulting requirement to increase fees last July, and advised that from this she had learned the prudence of implementing small, ongoing increases. Mr. Providenti acknowledged that the proposed increase in franchise fees will result in approximately \$18 over the course of a year to an average user. Supervisor Williamson suggested this will likely not make a difference in anyone's lifestyle. She expressed support for a "responsible, modest increase on an annual basis" so that "in the long run, our residents are better served and our overall operation is better served." She pointed out that the proposed budget "keeps the swimming pools open this summer, ... the library, ... maintains the sports programs, our parks are going to maintained, we're keeping our fire stations open ... We're not making those kinds of really ugly decisions that other communities are making. We are faced with some minor adjustments, internally, to present the best face and provide the best service we can for our community." Supervisor Williamson complimented the leadership and the staff for the decisions made which allowed this to happen, and then suggested deciding whether or not "\$18 a year is enough to postpone until January 1st."

Mayor Crowell opened this item to public comment. (3:22:20) Bruce Kittess suggested there will be more state and federal taxes in addition to the \$18. He inquired as to whether increased NV Energy and Southwest Gas rates had been considered. "Whatever rate they raise theirs, your ... income will increase." He suggested that three percent was a "modest increase in past years" and that the cost of living increase should be one percent.

(3:24:12) Karl Neathammer advised of having considered the discussion regarding the budget, and that there is approximately \$400,000 in unpaid parking tickets owed the City. He suggested giving the judges the authority to collect the unpaid parking tickets. He discussed the suggested cost of living adjustment for the unclassified employees, and reiterated the importance of collecting the unpaid parking ticket fees. Extensive discussion ensued.

(3:37:39) John Wagner advised that social security recipients will not receive any increases over the next two years. He agreed with the importance of collecting unpaid parking tickets, and suggested enforcing immigration laws. He expressed concern over the City, and agreed with concerns expressed by Supervisors Aldean and Livermore.

(3:39:21) Richard Schneider also agreed with Supervisors Aldean and Livermore that the source of the City's revenues are the taxpayers. He expressed support for allocating funds from the reserves and "paying as we go." He empathized with the unclassified employees, but advised of having experienced similar

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 23

situations in his working career. "There's bad times and you can make it up to them later." He reiterated a preference to "pay for it as we go." He expressed opposition to doing "these head fakes by ... raising fees when really all you're doing is raising taxes." He reiterated the suggestion to utilize the reserve funds.

Mayor Crowell called for additional public comment and, when none was forthcoming, recessed the meeting at 3:42 p.m. Mayor Crowell reconvened the meeting at 3:52 p.m.

29(B) ACTION TO GIVE DIRECTION TO STAFF TO BEGIN THE PROCESS OF IMPLEMENTING THE FEE INCREASES AS OUTLINED IN THE FY 2010 BUDGET MEMO, SPECIFICALLY: GENERAL FUND (1) TO INCREASE THE BUSINESS LICENSE (FRANCHISE) FEE CHARGED TO NV ENERGY FROM 3.5 PERCENT TO 4.5 PERCENT; (2) TO INCREASE THE BUSINESS LICENSE (FRANCHISE) FEE CHARGED TO SOUTHWEST GAS FROM 4.5 PERCENT TO 5 PERCENT; (3) TO INCREASE THE RIGHT-OF-WAY TOLL CHARGED TO CARSON CITY WATER AND SEWER UTILITY CUSTOMERS FROM 1 PERCENT OF THE BILL TO 3 PERCENT OF THE BILL; ENTERPRISE FUNDS (1) TO INCREASE THE RATES CHARGED TO CARSON CITY SEWER UTILITY CUSTOMERS BY 5 PERCENT; (2) TO INCREASE THE RATES CHARGED TO CARSON CITY WATER UTILITY CUSTOMERS BY 5 PERCENT; (3) TO INCREASE THE RATES CHARGED TO CARSON CITY STORM DRAINAGE CUSTOMERS BY 10 PERCENT (3:51:55) - Mayor Crowell introduced this item, and entertained comments of the Board members. Supervisor Aldean expressed appreciation for the options presented, and reiterated concerns over increasing franchise fees until there is a better understanding "of whether or not the franchise fees will be there to collect." In consideration of the fact that Mr. Werner and Mr. Providenti are constantly reviewing and reassessing the budget based on information received, she expressed confidence that staff would present a recommendation to implement the increase in franchise fees at a later date, if necessary. In acknowledgment of diminishing the reserve funds, she expressed discomfort over implementing the franchise fee increases. She expressed the opinion that staff had presented a "very convincing argument" regarding the sewer, water, and storm drainage utilities increases in that, without them, "we can't maintain what we have." She recommended implementing the utility fee increases and holding off on the franchise fee increases.

Mr. Werner acknowledged that proposed reductions in service levels are required to be presented to the Board before being implemented. In response to a question, he advised that if the franchise fees are not increased, "we'll pull that same dollar amount out of the stabilization fund." He anticipates no impact to the budget provided the remaining assumptions stay the same. Supervisor Livermore expressed the belief that the City has "the means and the method to continue with no service disruptions whatsoever." He expressed agreement with Supervisor Aldean's earlier comments, and advised that he would vote against a cost of living increase for the Board members. He commended Mr. Werner's leadership and expressed confidence in his ability to keep the Board advised.

Supervisor Williamson provided background information on her husband's profession, on the original intent for franchise fees to be paid by the utility providers, and subsequent legislation which allowed the utility providers to collect franchise fees from customers. She expressed the opinion that franchise fees represent a minor cost, but predicted if the state sweeps franchise fees, "it'll go up to five percent immediately and they don't care about who's hurting." She expressed support for increasing the enterprise fund fees because of the need for capital improvements. Mayor Crowell agreed. He expressed concern over utilizing the reserve funds because of the inherent risk of being in "worse straits to try and make up

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 24

what we lost today if we don't do it today, not only in terms of services but in terms of the magnitude of a potential increase." He agreed with utilizing ending fund balances to the extent possible, but expressed concern over utilizing them to "solve current, ongoing operations." He expressed appreciation for the City's initiative in reducing 58 positions over the last three years. "That speaks well of where we are and that's a lot more, on a percentage basis, than what other jurisdictions have done, including the state." Mayor Crowell expressed the opinion that the proposed franchise fee increases "offer a good blend of using your reserves and using what minimal revenue you could impose during hard economic times." He expressed opposition to the requested cost of living adjustments in consideration of the current situation.

Mayor Crowell called for additional comments and, when none were forthcoming, entertained a motion. **Supervisor Aldean moved to direct staff to begin the process of implementing the utility fee increases as outlined in the FY 2010 budget memo, specifically to increase the rates charged to the Carson City sewer utility customers by five percent; to increase the rates charged to the Carson City water utility customers by five percent; to increase the rates charged to the Carson City storm drainage customers by ten percent; fiscal impact will result in increased revenues to the sewer fund of \$303,148, increased revenues to the water fund of \$476,254, and increased revenues to the storm drainage fund of \$106,881. Supervisor Livermore seconded the motion.** Supervisor Williamson requested staff to return with a proposal for franchise fee increases "if things are changing." Mayor Crowell entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

29(C) PRESENTATION AND POSSIBLE ACTION TO APPROVE A SUPPLEMENTAL REQUEST TO THE FY 2010 GENERAL FUND BASE BUDGET - INCREASING JUSTICES OF THE PEACE SALARIES BY A 5 PERCENT EQUITY ADJUSTMENT - Withdrawn.

29(D) PRESENTATION AND POSSIBLE ACTION TO APPROVE A SUPPLEMENTAL REQUEST TO THE FY 2010 GENERAL FUND BASE BUDGET - INCREASING THE RANGES OF THE JUVENILE PROBATION AND JUVENILE DETENTION DEPARTMENTS (4:04:55) - Mayor Crowell introduced this item, and Mr. Werner reviewed the agenda report. (4:05:39) District Court Judge Todd Russell introduced District Court Judge Jim Wilson, Court Administrator Maxine Cortes, and Chief Juvenile Probation Officer John Simms, and reviewed the Supplemental Request included in the agenda materials. Judge Russell discussed a recent conversion of the court reporters from City employees to independent contractors, resulting in an estimated savings over the next year of \$80,000 and the year following of over \$100,000. He discussed a bill before the legislature relative to justice court preliminary hearings which, if passed, will result in substantially more savings in court reporter fees. He advised of a recently implemented policy to aggressively collect court assessments. He described the subject supplemental request as reasonable, expressed the opinion that it will correct an injustice, and requested the Board's approval.

(4:10:20) At Mayor Crowell's request, Ms. Cortes provided clarification of the Comparison of Current Maximum Salary Ranges to Proposed Maximum Salary Ranges included in the agenda materials. In reference to earlier comments, she discussed aggressive measures recently implemented to collect unpaid court assessments and parking fees.

In response to a question, Mr. Providenti advised that the fiscal impact associated with the subject action does not include a three percent cost of living increase. In response to a further question, Mr. Werner explained that the juvenile probation / detention employees are not unclassified employees. Chief Juvenile

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 25

Probation Officer John Simms explained that the juvenile probation staff “are not under CCEA. The detention staff are.” Mr. Werner acknowledged that some of the juvenile probation / detention staff are unclassified and some are neither unclassified or classified.

Judge Wilson advised of having visited with the Juvenile Probation / Detention employees, and expressed surprise at having learned of the oversight which is the subject of this agenda item. He expressed understanding for the City’s current financial situation, but requested the Board to prioritize the supplemental request to correct the oversight as soon as possible.

Mr. Simms provided background information on his experience with the City’s current budget crisis, which began with a request to “start watching what we spend” in FY 2003/2004. He advised of having made between \$75,000 and \$90,000 in reductions in the Juvenile Probation / Detention Department since that time. He clarified that the subject request was not a salary increase but a range increase. He advised that the previously-stated reductions were made in the area of juvenile programs. He discussed the result, over the years, that efficiency has increased and effectiveness has decreased. He advised that the Juvenile Probation / Detention Department is very frugal, and that grant funding has sustained existing programs. “There’s not one single line item in our budget that deals with counseling or deals with kids. It’s all operating expenses.” Mr. Simms advised that other jurisdictions don’t have the same issues. He explained the reason for approaching the judges with the supplemental request was that “for the first time in 25 years, ... the best of our staff ... desired to leave because they needed to take care of their families too in the same field of work ... in another community.” He advised of having been offered a position in another community in the same field of work. He further advised of a salary study which was to have been done by a previous Human Resources Director “and we were under the impression it was done before things got real bad.” After having learned that it hadn’t been done, he and Ms. Cortes conducted their own salary study. The results indicated “10, 15, even 20 percent ... behind” other jurisdictions. Mr. Simms advised of having received reference requests from other jurisdictions “on our best staff.” He pointed out that having to replace the existing skilled employees “would cost much more than what we’re asking ... today” in terms of P.O.S.T. and other state training requirements. He advised that “for our size department,” the Juvenile Probation / Detention Department raises more revenue for the general fund “than any jurisdiction in the State of Nevada.” Fees are “religiously” collected, and Mr. Simms anticipates approximately \$200,000 in revenues this year and approximately \$213,000 next year. In response to a question, he advised that Juvenile Probation / Detention Department programs and salaries have never been funded by fees collected. All fees are allocated to the general fund. Supervisor Aldean commended Mr. Simms and his staff on generating revenue to help offset the operating costs. Mr. Simms expressed concern over retaining staff and recruitment.

Mayor Crowell opened this item to public comment. (4:27:30) Richard Schneider expressed support for the Board’s approval of the supplemental request.

Mayor Crowell entertained a motion. **Supervisor Livermore moved to approve a supplemental request to the FY 2010 general fund budget increasing the range of Juvenile Probation and Juvenile Detention Department employees; fiscal impact \$36,775. Supervisor Aldean seconded the motion. Motion carried 5-0.** Ms. Cortes thanked Mr. Providenti and Deputy Finance Director Nancy Paulson for their assistance in compiling the information.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 26

29(E) ACTION TO APPROVE A 3 PERCENT COST OF LIVING INCREASE FOR UNCLASSIFIED PERSONNEL AND FOR THE POSITIONS OF PUBLIC GUARDIAN, CHIEF OF ALTERNATIVE SENTENCING, JUSTICE OF THE PEACE (2) AND CITY MANAGER, EFFECTIVE JULY 1, 2009 (4:28:35) - Mayor Crowell introduced this item. Mr. Werner thanked the District Court Judges, Ms. Cortes, and Mr. Simms for their comments, and advised "it's the exact same discussion for the rest of the unclassified employees ..." Mr. Werner reviewed the agenda report, and noted that the requested 3 percent cost of living adjustment also includes the juvenile probation officers. "It's the same basic issue; we're not competitive with our surrounding areas." With the exception of "one or two small groups," Mr. Werner advised that none of the employees have had any kind of salary reclassification study since 1999. He reiterated that the comments offered relative to the previous agenda item apply to every City employee. He expressed understanding for the City's financial situation, but advised "we deal with the same thing every day too that, at least, with a cost of living, we can ... maintain our status quo. Without the cost of living, that gap grows further and further and further." Mr. Werner advised of approximately 118 unclassified City employees, reviewed the fiscal impact, and advised that "today that number is in the budget." In response to a question, he advised that this item could be reconsidered at a future date. He clarified that the employees will see a pay cut as of July 27th because of the PERS increase. He reiterated that the "exact same argument" can be made for the unclassified employees as was made for the Juvenile Probation / Detention employees. In response to a comment, he clarified that the base salaries are not competitive with other jurisdictions. "If we did the re-class and did an adjustment across the board for all the employees, the impact would be huge. ... But all we're asking for at this stage is the cost of living, not the base salary re-evaluation."

Mayor Crowell opened this item to public comment. (4:31:55) Carson City Firefighters Association President Bob Schreihans expressed support for the three percent cost of living increase. He acknowledged the Board's responsibility to establish policy, but advised that "if it wasn't for your unclassified staff, you wouldn't have the money that's in the budgets that allows you to have the reserves that we do have and to be able to have this City function as it does." He referred to the negotiation process between the City's Human Resources Department and St. Mary's HealthFirst which realized a savings of \$600,000 to the City, and suggested that this would "more than cover the three percent increase ..." Mr. Schreihans expressed the opinion that the employees deserve the cost of living increases, and advised that the possibility of losing qualified employees to other jurisdictions is very real. He requested the Board's approval of the three percent cost of living increase in order to "keep the harmonious relationships between labor groups and unclassifieds ..."

(4:33:23) Richard Schneider suggested that not approving the three percent cost of living increase may result in "keeping more full time employees as opposed to give these raises and maybe have to lay off one."

Supervisor Walt expressed the opinion that no one questions the quality of the City's managers, and discussed concerns over possible cuts to be imposed by the legislature. She expressed the belief that "today isn't the day for this," but a preference that no one's salary be decreased by even a half a percent. She suggested considering the cost of living increase at a future date. In response to a question, Mr. Werner discussed the option of a "net neutral" increase in consideration of the PERS increases. He clarified that there are "more than just managers with unclassifieds. It's also staff level, for example, City Manager's

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 27

staff.” Supervisor Aldean agreed with Supervisor Walt, and suggested authorizing an increase of 1.75 percent, effective July 1, 2009 and, “depending upon where we are” in terms of legislative and economic impacts, “we can make up the difference at a later date.” Supervisor Aldean responded to questions of clarification.

(4:40:05) Sheriff Ken Furlong advised that the structure of the Sheriff’s Department is based on multiple contracts. “As one contract encroaches upon another class of employees, you begin to have people subordinate ... making more money.” He discussed the importance of considering “it’s not just the unclassifieds that are being affected here. It creates an issue ...,” affecting the staff because contractual increases will be made and begin to encroach on the salaries of their superiors, “something that we’ve spent the last two years trying to fix.” Sheriff Furlong advised that the administrative staff currently “has five percent separations,” and noted this as “a very small sliver.” He urged the Board to consider that the three percent increase is not inappropriate.

Supervisor Aldean expressed appreciation for Sheriff Furlong’s comments, and reiterated the suggestion “that it’s an acknowledgment of the times that we’re currently living in.” She explained the intent of the compromise to “keep them whole ... until such time as we are able to adjust it fully.” Supervisor Williamson expressed appreciation for Supervisor Aldean’s compromise, but expressed support for the three percent cost of living adjustment for the unclassified personnel. “These are the people that work long hours, they’re not paid hourly. They put in the overtime, ... they come in on weekends. They also are ones that had to defer in the past.” Supervisor Williamson referred to the previous discussion on the stabilization fund, and expressed the opinion that the City “can afford \$347,000 to not cause discord and discontent among our top performers.” She suggested that the matter can be reconsidered “with all of our employees” if necessary at some point in the future. “To give this group of people, 118 people, the bare minimum because we can and the other bargaining units, we don’t have that latitude at this point, I think that sends a terrible message to our employees, the ones that we’ve been asking to cut and absorb multiple duties and move forward all in the service of the community. These are people that have made a long-term, lifetime commitments to serving our community and ... this is the least we can do.” Supervisor Williamson suggested approving the three percent cost of living adjustment.

Mayor Crowell entertained a motion. **Supervisor Williamson moved to approve a three percent cost of living increase for unclassified personnel and for the positions of Public Guardian, Chief of Alternative Sentencing, Justices of the Peace, and City Manager, effective July 1, 2009. Mayor Crowell seconded the motion.** Supervisor Livermore advised that the Department of Labor has declared no means for a cost of living adjustment this year. “That’s exactly what this does. It supplements the increased costs of what people’s living standards are. That’s what they get a merit increase for.” Supervisor Livermore expressed the opinion that there is no cost of living for which the employees need to be compensated. Mayor Crowell explained the reason for seconding the motion in that “all other things being equal, ... we all ought to be foregoing our COLAs until we know what’s going on. That means, unclassified, classified, all of us ... That’s the prudent thing to do until we see what’s happening here in August.” Mayor Crowell expressed understanding for the PERS increase, but expressed the opinion that “we’re actually penalizing those who don’t have a contractual right.” He advised of having been persuaded by Supervisor Williamson’s comments, and expressed support for treating the classified and unclassified employees the same. He reiterated a preference to deny all COLAs this year across-the-board, but noted the availability of the funding and expressed the hope that it will still be available within the next month. Mr. Rombardo noted that he rarely becomes involved in policy discussions, but suggested considering the

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 28

incentive created “in other employees who are not in associations right now.” Mayor Crowell called for further discussion and, when none was forthcoming, a vote on the pending motion. **Motion failed 3-2.**

Mayor Crowell entertained an additional motion. **Supervisor Aldean moved to approve a 1.75 percent cost of living increase for unclassified personnel and for the positions of Public Guardian, Chief of Alternative Sentencing, Justices of the Peace, and City Manager, effective July 1, 2009, and to consider a possible additional increase as warranted by economic conditions. Supervisor Walt seconded the motion. Motion carried 3-2.**

(4:49:31) Fire Chief Stacey Giomi advised that the unclassified employees will do the same job with or without the cost of living increase, noting the dedication of the unclassified employees to the community and to their positions. Supervisor Aldean expressed appreciation for the quality City staff, and the hope that the current economic situation won’t last forever. Mayor Crowell commended Chief Giomi’s remarks. Mr. Werner also agreed, and clarified his concerns were for the employees who are not necessarily managers or directors but, by nature of their jobs, are in unclassified positions.

29(F) DISCUSSION AND POSSIBLE ACTION TO SET THE ANNUAL SALARY OF THE BOARD OF SUPERVISORS AS PROVIDED IN NRS 245.043, WHEREBY THE BOARD MAY, BY A VOTE OF AT LEAST A MAJORITY OF ALL THE MEMBERS OF THE BOARD (4:01:27) - Mayor Crowell introduced this item, and Mr. Werner reviewed the agenda report. Supervisor Williamson advised that no increase was implemented two years ago. Mayor Crowell entertained public comment; however, none was forthcoming. Mr. Werner commended the Board members’ willingness to defer the increase, but expressed concern over undervaluing the elected positions. He requested the Board members to seriously consider raising salaries in the future. Supervisor Williamson advised that the Douglas County Commission agendizes salary increases on consent.

Mayor Crowell entertained a motion. **Supervisor Livermore moved to deny an increase in the salaries for the Mayor and the Board of Supervisors, pursuant to NRS 245.043. Supervisor Aldean seconded the motion.** Following discussion, **Supervisor Livermore amended his motion to take no action on item 29(C). Supervisor Aldean seconded the motion.** Mayor Crowell called for public comment and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.**

30. PUBLIC WORKS - ACTION TO ACCEPT THE 2008 / 09 THROUGH 2012 / 13 CAPITAL IMPROVEMENT PROGRAM (4:52:36) - Mayor Crowell introduced this item. Public Works Department Director Andy Burnham reviewed the agenda report, and responded to questions of clarification. He reiterated that other funding sources are being pursued for capital projects. Mayor Crowell opened this item to public comment and, when none was forthcoming, entertained a motion. **Supervisor Williamson moved to accept the 2008 / 09 to 2012 / 13 capital improvement program. Supervisor Livermore seconded the motion. Motion carried 5-0.**

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 7, 2009 Meeting

Page 29

31. ACTION TO ADJOURN (4:56:38) - Mayor Crowell adjourned the meeting at 4:56 p.m.

The Minutes of the May 7, 2009 Carson City Board of Supervisors meeting are so approved this 4th day of June, 2009.

ROBERT L. CROWELL, Mayor

ATTEST:

ALAN GLOVER, Clerk - Recorder