

CARSON CITY BOARD OF SUPERVISORS

Minutes of the March 6, 2003, Meeting

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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, March 6, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Pete Livermore	Supervisor, Ward 3
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	Andrew Burnham	Acting City Manager
	Alan Glover	Clerk-Recorder
	Ken Furlong	Sheriff
	Al Kramer	Treasurer
	Mark Forsberg	Chief Deputy District Attorney
	Traci Haakinson	Deputy Librarian
	Cheryl Adams	Deputy Purchasing Director
	Katherine McLaughlin	Recording Secretary
	Justine Chambers	Contracts Coordinator
	(B.O.S. 3/6/03 Tape 1-0011)	

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, INVOCATION AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present constituting a quorum. Rev. Patrick Propster of the Carson City Christian Fellowship gave the Invocation. Mayor Masayko led the Pledge of Allegiance.

CITIZEN COMMENTS (1-0047) - Kim Edwards expressed her concerns about the money saving proposal to close the Library on Saturdays. Mayor Masayko asked Ms. Edwards to present her letter to the Library Director/Board of Trustees. He explained that the Board had directed staff to develop ideas on how to save money. The Board had not indicated what cuts will be made. Additional public comments were solicited but none were given.

1. APPROVAL OF MINUTES (1-0067) - None.

2. AGENDA MODIFICATIONS (1-0069) - Item 3-B, under the Liquor and Entertainment Board regarding Adolfo Galindo Martinez doing business as the Michuacan Mexican Food, will be deferred as the final reports have not been submitted.

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LIQUOR AND ENTERTAINMENT BOARD (1-0074) - Mayor Masayko recessed the Board of Supervisors session and immediately convened the Liquor and Entertainment Board. The entire Board was present including Sheriff Ken Furlong, constituting a quorum.

3. **TREASURER** - Al Kramer

A. ACTION TO APPROVE A PACKAGED LIQUOR LICENSE FOR JAMY, INC., DOING BUSINESS AS BEN'S FINE WINE AND SPIRITS LOCATED AT 444 EAST WILLIAM STREET, WITH JAMAL KESHMIRI, OFFICER OF JAMY, INC., AS THE LIQUOR LICENSE MANAGER (1-0080) - Jamel Keshmiri indicated he is the new owners of Ben's Liquor Stores. He assured the Board that he would be familiar with the Liquor Laws and, specifically, those related to minors. He also indicated that he will train his employees in these laws. Chairperson Masayko explained the Code granting the Sheriff's Department access during reasonable times. Mr. Keshmiri indicated he was willing to honor this requirement. Member Furlong noted the favorable Sheriff's Investigative Report. Member Aldean moved to approve a packaged Liquor License for Jamy, Inc., doing business as Ben's Fine Wine and Spirits, located at 444 East William Street; Jamal Keshmiri, officer of Jamy's Inc., will be the Liquor License Manager. Member Livermore seconded the motion. Motion carried 6-0.

B. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR ADOLFO GALINDO MARTINEZ DOING BUSINESS AS MICHUACAN MEXICAN FOOD LOCATED AT 933 WOODSIDE DRIVE #102 (1-0069) - Deferred.

C. ACTION TO APPROVE GUINA WANG AS AN ADDITIONAL LIQUOR MANAGER FOR CHINA CHEF II LOCATED AT 3135 HIGHWAY 50 EAST (1-0150) - Guina Wang and Xue Bao Chen were present. Chairperson Masayko reminded them that having a liquor license is a privilege in Carson City. Ms. Wang and Mr. Chen assured the Board that she understood the Liquor Laws and Statutes including the prohibitions against serving minors and intoxicated patrons and that she would inform and educate her employees in the Liquor Laws. Chairperson Masayko explained the Ordinance allowing the Sheriff's Office to have access to the premise at all reasonable times. They agreed to grant such access. Member Furlong noted the favorable Sheriff's Investigative Report. Member Williamson moved to approve Guina Wang as an additional Liquor License Manager for the China Chef II located at 3135 Highway 50 East under CCMC 4.13; fiscal impact is a \$75 investigative fee. She wished them success. Member Aldean seconded the motion. Motion carried 6-0.

BOARD OF SUPERVISORS (1-0231) - There being no other matters for consideration by the Liquor and Entertainment Board, Chairperson Masayko adjourned it and immediately reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum

4. **CONSENT AGENDA (1-0235)**

4-1. **SHERIFF**

A. ACTION TO APPROVE THE ACCEPTANCE OF THE 2003 OFFICE OF TRAFFIC SAFETY AUTOMATED CITATIONS SYSTEM NCATS (NEVADA CITATION AND ACCIDENT TRACKING SYSTEM) IMPLEMENTATION GRANT IN THE AMOUNT OF \$45,000

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B. ACTION TO APPROVE THE ACCEPTANCE OF THE 2003 OFFICE OF TRAFFIC SAFETY AUTOMATED IN CAR VIDEO GRANT IN THE AMOUNT OF \$20,018

4-2. INFORMATION SERVICES - GIS - ACTION TO APPROVE THE NAME CHANGE OF STAMPEDE CIRCLE AND STAMPEDE ROAD TO STAMPEDE DRIVE

4-3. DEVELOPMENT SERVICES - ENGINEERING

A. ACTION TO APPROVE AN AGREEMENT BETWEEN GORDON FRANCIS BOURNE AND/OR JOAN FRANCES BOURNE AND CARSON CITY WHEREBY GORDON FRANCIS BOURNE AND OR JOAN FRANCES BOURNE AGREE TO GRANT A PERMANENT EASEMENT AND RIGHT-OF-WAY FOR THE PURPOSE OF A BICYCLE/PEDESTRIAN PATH UPON, OVER AND ACROSS CERTAIN REAL PROPERTY DESCRIBED AS ASSESSOR'S PARCEL NUMBER 7-101-40

B. ACTION TO APPROVE AN AGREEMENT BETWEEN ROBERT W. DUNBAR AND JEANNINE V. DUNBAR, TRUSTEES OF THE DUNBAR REVOCABLE FAMILY TRUST DATED DECEMBER 30, 1997, AND CARSON CITY WHEREBY ROBERT W. DUNBAR AND JEANNINE V. DUNBAR AGREE TO GRANT A TEMPORARY EASEMENT AND RIGHT-OF-WAY FOR THE RECONSTRUCTION OF WELLINGTON SOUTH RESULTING FROM THE CONSTRUCTION OF A BICYCLE/PEDESTRIAN PATH UPON, OVER, AND ACROSS CERTAIN REAL PROPERTY DESCRIBED AS ASSESSOR'S PARCEL NUMBER 7-371-01

C. ACTION TO APPROVE AN AGREEMENT BETWEEN DIANE L. PETTITT AND CARSON CITY WHEREBY DIANE L. PETTITT AGREES TO GRANT A PERMANENT EASEMENT AND RIGHT-OF-WAY FOR THE PURPOSE OF A BICYCLE/PEDESTRIAN PATH UPON, OVER AND ACROSS CERTAIN REAL PROPERTY DESCRIBED AS ASSESSOR'S PARCEL NUMBER 7-181-08

4-4. DEVELOPMENT SERVICES - CONTRACTS - ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON CARSON CITY WATER SYSTEM MASTER PLAN, CONTRACT NO. 2001-076 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO BROWN AND CALDWELL, 3488 GONI ROAD, SUITE 142, CARSON CITY, NEVADA 89706 FOR AN AMENDMENT NO. 3 AMOUNT OF \$150,000

4-5. PURCHASING AND CONTRACTS - ACTION TO APPROVE CONTRACT NO. 0102-099 FISCAL YEAR 2003 ANNUAL AUDIT TO KAFOURY, ARMSTRONG AND COMPANY FOR \$70,650 THROUGH MARCH 1, 2004 - Items 4-1A and B, 4-3B, and 4-5 were pulled for discussion. Supervisor Livermore moved to approve the five items remaining on the Consent Agenda as presented. Supervisor Staub seconded the motion. Motion carried 5-0.

4-1A. (1-0283) - Sgt. Wade Penegor explained the electronic equipment to be obtained with the grant funds. It will allow the citations to be electronically transmitted and eliminate hard copies of all tickets. It will be integrated with the City's present software. The replacement policy was described. At this time he did not anticipate incurring any additional expenses. Discussion indicated that the second acquisition phase will acquire 30 additional systems and that they covered by the grant. These funds will provide one set to each of the 30 patrol officers. Clarification indicated that the license scanners will not be acquired at this time due to concerns about how they function and their support requirements. A description explained that the equipment recognizes and translates handwritten text.

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Tom Keeton supported technological improvements. He requested assurance that the time and effort will pay for future replacements. Mayor Masayko explained that the report indicates that the computerized program will tie the Dispatch Center and Justice Courts together and save labor costs. He felt that the Board will ask his questions in the future.

Supervisor Williamson congratulated the Sheriff's Office on being proactive in finding the funding. Supervisor Williamson moved to approve the acceptance of the 2003 Office of Traffic Safety Automated Citations System NCATS Implementation Grant in the amount of \$45,000, funding source is that funds for this project have been obtained through the Office of Traffic Safety Automated Citations System NCATS Implementation. Supervisor Livermore seconded the motion. Motion carried 5-0.

4-1B. (1-0430) Sgt. Penegor explained the purpose of the equipment. The equipment should be able to stand being in a hot car in the summer time without melting. The video tapes will be used for training and in court. Both Sgt. Penegor and Chief Deputy District Attorney Mark Forsberg indicated that the tapes can be used in court. This includes tapes of discussions held in the back of a patrol car. Tapes of telephone conversations cannot be used in court. The use of the video tapes to mitigate liability cases in court was described. Mr. Forsberg also felt that the video cameras encourage Deputies to remain professional at all times. Discussion indicated that the equipment is activated when the overhead emergency lights are turned on or a switch is manually flipped on as need to obtain evidentiary evidence which could be use in court. There are microphones on the officer and in the vehicle. Ambient discussions away from the vehicle can be picked up. The price will determine whether three or four cameras will be obtained. Supervisor Williamson moved to approve the acceptance of the 2003 Office of Traffic Safety Automated In Car Video Grant in the amount of \$20,018; fiscal impact is the OTS Grant and the base award amount of \$20,018 requires no matching monies from the City. Supervisor Livermore seconded the motion. Motion carried 5-0.

4-3B. (1-0519) - Parks and Recreation Director Steve Kastens explained the purpose of the temporary easements. The project is to go out to bid in June. It should be completed in three or four months. He had already discussed the possibility of an extension with the Dunbars. They were agreeable to an extension of the temporary easement, if necessary. The temporary easement allows the City to place "road work ahead" signs on their property. No construction will occur on their property. The bicycle path is to be constructed on the easements obtained under Item 4-3A. The cost of the easement was established through NDOT's appraisal process. Comments stressed the desire to see the V&T Bicycle Path completed. Public comments were solicited but none were given. Supervisor Staub moved to approve an agreement between Robert W. Dunbar and Jeannine V. Dunbar, Trustees of the Dunbar Revocable Family Trust dated December 30, 1997, and Carson City whereby Robert W. Dunbar and Jeannine V. Dunbar agree to grant a temporary easement and right-of-way for the reconstruction of Wellington South resulting from the construction of a bicycle/pedestrian path upon, over and across certain real property described as Assessor's Parcel Number 007-371-01, fiscal impact is \$3,300 and the funding source is 350-5000-452-7176, V&T Railroad Trail. Supervisor Williamson seconded the motion. Motion carried 5-0.

4-5. (1-0588) Finance Director David Heath explained the impact of an accounting statement known as GASBY 34 which increased the cost for the audit. The City had gone out to bid last year with the knowl-edge

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that the new accounting requirements were to be implemented this year. Until recently Kafoury, Armstrong was the only firm interested in doing the work. A second firm has now entered the field. The City had awarded the contract to Kafoury, Armstrong last year as it was the lowest bid. Next year the City may wish to again solicit bids. Competition may reduce the price. Mr. Heath also felt that, as the City will have a year's experience with the new requirement, it may be possible to have a reduction in costs. Discussion explained that the new program was creating concerns for other Boards and Committees and explained the changes which will be required. Supervisor Aldean moved to approve Contract No. 0102-099 for FY 2003 Annual Audit to Kafoury, Armstrong and Company for \$70,650 through March 1, 2004; the fiscal impact is obviously the \$70,650. Supervisor Staub seconded the motion. Motion carried 5-0.

5. BOARD OF SUPERVISORS

A. DISCUSSION AND POSSIBLE ACTION ON LEGISLATIVE MATTERS (1-0675) -

Acting City Manager Andrew Burnham indicated that the Redevelopment bill before the Legislature may include a clause exempting the City. Mayor Masayko indicated that the elected officials' salary bill may be in trouble.

B. DISCUSSION AND POSSIBLE ACTION REGARDING THE SELECTION OF A NEW CITY MANAGER (1-0698) - Human Resource Director Ann Beck - The list of candidates had been narrowed to 21. The responses to the supplemental questionnaire are due on 3/10. Training for the panels commences on 3/10. They will meet on the 12th to review the questionnaires. Seven individuals will be scheduled for interviews on 3/29 at the Western Nevada Community College. The names of these individuals will be released to the media. Four panel members have withdrawn. Board discussion directed that the training and review process include all of the panel members and that copies of the scoring process used to winnow the applicants to 21 be given to the Board. The process for reducing the applicants to seven was described. Any panel member who cannot attend all three meetings—the training, winnowing, and interviews—should be dropped from the panel. When the applicants appear for their interviews, they will be given a tour of the City. Packets containing all seven finalists will be given to the Board. The Board can then determine the number and ones they wish to interview on 4/17. The process will be televised. A copy of the list of questions which the panel will ask is to be given to the Board. The Board can add or subtract from the list of finalists. Mayor Masayko clarified the record to indicate that the 21 applicants selected for the supplemental questionnaire had been selected by five individuals who are on either the City or the community panels. A list of these panel members was to be provided to the Board. No formal action was taken.

C. NON-ACTION ITEMS-INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-1095) - Supervisor Livermore reported on his participation in the following: Subconservancy District's Finance Committee meeting; Mental Health Coalition meeting; the Hospital's certificate of need presentation to the State; the Youth Sports Association meeting; and the Parks and Recreation Commission meeting. He commended Reno Gazette Journal Correspondent Andy Burnell on his article regarding the Hospital's conversion of a portion of its regional hospital property into a park. He announced the retirement of Governor's Field caretakers Jerry and Loretta Graf. He announced the search for a new caretaker(s) for it; the Parks and Recreation Commission's tree planting at Mills Park scheduled for 5:30 on June 17 to honor former Commissioner/Supervisor Jon Plank and suggested that the meeting be agenized; and that Arbor Day is April 25 and its tree planting will be

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at the Eagle Valley Club House. The need for a proclamation on Arbor Day was noted. Supervisor Staub reported on his participation in the following: a Rotary function at the Brewery Arts Center; the Chamber of Commerce Transportation Committee meeting; a meeting on the Carson auto mall; Community Council on Youth meeting; the Debt Management Commission meeting; a discussion with Street Operations Manager John Flansberg on Roop Street and announced the workshop on it that was scheduled for 5:30 p.m. today; a meeting with Internal Auditor I. Steve Wolkomir; and the girls softball activities. He announced the Boys and Girls Club awards banquet scheduled for this evening at the Pinion Plaza. He also noted a media report that Charter Communications is attempting to raise its rates and indicated that the Board is aware of the intent. The Board's ability to address the rate increase is limited but he was willing to do what he could. Supervisor Williamson reported on her participation in the following: the Newlands settlement committee meeting; the State Lands meeting with Mayor Masayko and Redevelopment/Economic Development Manager Joe McCarthy; Redevelopment project meetings; economic development group meetings; the Seeliger Elementary School science fair with Mayor Masayko; the Nevada Taxpayers Association dinner for the Cashman awards; and the Oasis 2003 Conference. She announced the Nevada Appeal editors' commitment to have a fundraiser for the replacement of the "C" Hill flag and the Hospital Auxiliary's Cowboy Jubilee Program scheduled for Saturday. She urged everyone to attend the program. Supervisor Aldean reported on her participation in the: Legislative hearing on the City's Charter amendments; the corridor work group meeting; the TRPA meetings; the Chamber of Commerce Transportation Committee meeting; and the Local Government Committee meeting. She also indicated that the Board will be receiving a packet on the TRPA Environmental Improvement Program which will be agendaized for its meeting on the 20th. She explained her intent to attend the Chamber of Commerce Leadership Kickoff Dinner at which she will be the keynote speaker. Her involvement with the Chamber's Leadership Program was described. Mayor Masayko reported on his participation in the: Legislature's Governmental Affairs Committee meeting(s); V&T Railroad Commission meetings; the Capitol Complex Committee meeting in which Supervisor Williamson had also participated; Convention and Visitors Bureau meetings; the Seeliger Elementary School science fair judging activities in which Supervisor Williamson had also participated; the district-wide science fair awards ceremony; and the Holiday Inn Express groundbreaking with Redevelopment/Economic Development Manager Joe McCarthy. He reiterated that the elected officials' pay bill was encountering difficulty at the Legislature. He announced his intent to attend/testify at the Board of Examiners meeting regarding the Capitol Complex proposal. He also explained that he will welcome the Peavine Elementary School to the Children's Museum at 1:30 p.m. and the delegates to the Oasis immediately thereafter. He hoped to be back to the Board meeting by 2 p.m. He indicated that he had received the TRPA Environmental Impact Program and would agendaize it for the 20th. Supervisor Williamson then announced that the Comstock Shootout has a website and encouraged people to use it. Supervisor Staub suggested that Supervisor Aldean contact Human Resource Director Beck regarding the City's program for recruitment as the TRPA may wish to use it to recruit a new Director. Supervisor Livermore reported on Convention and Visitors Bureau Executive Director Candace Duncan's discussion at the Youth Sports Organization's (YSO) meeting regarding the tourist impact created by its sports tournaments. He also announced YSO's website and indicated that it contains a link to the Comstock Shootout. YSO plans to have a link to the Convention and Visitors Bureau site in the future. No formal action was required or taken on any of these items.

D. STAFF COMMENTS AND STATUS REPORTS (1-1675) - Acting City Manager Andrew Burnham indicated that staff had been busy working on the budget, which will be discussed later.

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RECESS: A recess was declared at 10:05 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:15 p.m., constituting a quorum.

6. PURCHASING AND CONTRACTS - Deputy Director Cheryl Adams - **ACTION TO APPROVE, OPEN AND EXAMINE SEALED PROPOSALS AND RECEIVE ORAL PROPOSALS FOR THE LEASE OF A PORTION OF KING CANYON FOR GRAZING PURPOSES AND AWARD THE HIGHEST PROPOSAL MADE BY A RESPONSIBLE BIDDER (1-1680)** - Chief Deputy District Attorney Mark Forsberg, Acting City Manager Andrew Burnham - No requests to make an oral bid or for additional information had been received by staff. The only sealed bid had been received before 2 p.m. yesterday from Anderson and Joost. The minimum bid was set at \$2,500. Supervisor Staub questioned whether the liability insurance limit of \$300,000 was adequate. Mr. Forsberg noted the City's tort cap. Mayor Masayko pointed out that the request for bids had not indicated the need to provide additional liability insurance. Discussion indicated that the Board may wish to increase the liability insurance in the future. It will be necessary to start the process over if it is changed for this contract. The lease is good for five years. The City is listed as an additional insured on the policy. A verbal statement that weed abatement has occurred is not accepted for reimbursement of any costs incurred for this purpose. Documented proof must be submitted. Mr. Forsberg agreed that it should be included within the terms of the contract, however, as it is an implied requirement, it could be enforced. The bidder had been the contractor under the former lease. The City's experience with the bidder was pointed to for reasons for not including the requirement. Comments also pointed out the need to include a termination clause in the agreement. Comments reiterated the need to readvertise the resolution of intent if changes are made. Mayor Masayko was not comfortable with negotiating from the diasp on the terms of the contract. Discussion indicated that the Board's other option is to reject the bids and start the process over. Supervisor Staub indicated a willingness to proceed with the agreement as his concerns were on the record. Mayor Masayko agreed and indicated his belief that staff should be aware of the Board's concerns and was directed to address the liability issue regarding all different kinds of uses and purposes so that a firm Board policy can be established. Additional comments were solicited but none were given. Mayor Masayko then indicated that the sealed envelope contained the return address of Anderson Home Ranch, 710 Elizabeth Street, Carson City, Nevada and the Joost Land and Cattle Company, P. O. Box 25, Carson City, Nevada. The sealed bid had been received within the prescribed time. He then opened the envelope and read the bid from Anderson Home Ranch and Joost Land and Cattle Company to lease the property for \$2,526 per year or an equivalent amount of acre feet of water from the Ash Canyon Creek. Ms. Adams indicated that the bid had been timely received and is appropriate for consideration. Representatives from the Anderson Home Ranch and the Joost Land and Cattle Company were present. Additional comments were solicited but none were given. Supervisor Livermore moved to authorize the Mayor to sign the lease agreement No. 0203-090 with the accepted bidder to lease a portion of Kings Canyon for grazing purposes at the stated bid amount of \$2,526. Supervisor Williamson seconded the motion. Motion carried 5-0. The bid was given to the Clerk for the record.

7. INTERNAL AUDITOR - I. Steve Wolkomir

A. ACTION TO APPROVE THE INTERNAL AUDIT DEPARTMENT CHARTER (1-1988) - Mayor Masayko thanked him for the brief, concise and complete document. Clarification indicated that Mr. Wolkomir will participate in the Internal Finance Committee meetings as a non-voting member. Mr. Wolkomir agreed to add this statement to the charter. Comments were solicited but none were given. Supervisor Aldean

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moved to approve the Internal Audit Department Charter with modification of the language approved on the second page under "Independence and Objectivity" which will reflect the addition of a non-voting capacity after committees and panels. Supervisors Williamson and Staub seconded the motion. Motion carried 5-0.

B. ACTION TO APPROVE THE INTERNAL AUDITOR'S PAY FOR PERFORMANCE

PLAN FOR CALENDAR YEAR 2003 (1-2077) - Mayor Masayko commended him on his plan. He felt that there should be more value in the results and its execution of the plan than in its identification and development. Mr. Wolkomir agreed to publish his audit reports and the target dates. Mayor Masayko agreed with the payback accomplished by the implementation of the recommendations developed by the audit. He also explained that he felt the initial identification should be 10 percent and those completed should be 20 percent. Mr. Wolkomir agreed with his revision. He also felt that it would be possible to provide monthly reports showing the progress/success of implementing the changes recommended by his audits. When cost savings, cost containment or avoidance is shown, it should be acknowledged in his report. He pointed out that during implementation there could be a cost incurred, however, savings should occur thereafter. The Board will be involved in the decision making when such programs are implemented. He requested additional time to add the requested followup program. He also indicated that additional word smithing should occur to add cost savings and avoidance within the program. Mayor Masayko suggested that the process not look for costs savings/avoidance in a serendipitous manner as the key element is to generate efficiency and savings. He acknowledged that efficiency and savings may not be apparent but it should be sought throughout the process. He also felt that an item that generates more costs savings than others should be done first. Mr. Wolkomir then explained that he would return with a revised document. Supervisor Williamson questioned the reasons for including Item No. 7 in the plan as it maintains his credentials and for including the establishment of the audit plan. Discussion pointed out that the Board is discussing a new employee and his duties. The plan is the basic expectations and establishes in writing a method of showing what is being done. In the future as the program is used, the audit plan may become more transparent. Mr. Wolkomir indicated that he would not have to identify his universe next year. He also explained that it had been difficult for his one person office to interact with all of the Departments. Discussion indicated that the proposal was Mr. Wolkomir's attempt to provide a pay for performance plan. His salary is \$65,000. He had accepted that when he was hired. His total compensation package includes base salary, merit, and a bonus. Supervisor Staub felt that all of his daily duties and responsibilities should be weighed in the process of considering his pay for performance increases. He also felt that Item No. 7 should be minimized. Discussion indicated No. 7 requires him to continue his professional education program which makes him more efficient and better trained to address the ever-changing environment. Discussion reiterated that it may be hard to establish an actual savings amount for implementation of some of the cost saving ideas. Supervisor Staub requested that a revised list include the pay for performance amount in the next plan as well as the percentage. Mayor Masayko then explained that if 75 percent of the goals are accomplished, Mr. Wolkomir should receive 75 percent of the bonus. Clarification indicated that he would not have to bring back the charter as it had been approved with an amendment. They were stand alone documents. Mr. Wolkomir was also directed to include documentation showing the status of his pay-for-performance audit plan when his quarterly reports are done. No formal action was taken.

8. COMMUNITY DEVELOPMENT - Senior Planner Lee Plemel

A. ACTION TO APPROVE RECOMMENDATION TO PRIORITIZE PROJECTS FOR

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR FY 2003-04 (1-2678) -

Senior Center Executive Director Janet McIntosh, RSVP Executive Director Janice Ayres, Street Operations Manager John Flansberg, Community Development Management Assistant Kathy Laster, Boys and Girls Club Executive Director Kathy Blankenship, School District Director of Operations Michael Mitchell - The lay committee used to develop the recommended priority was described. The committee's recommended priority was the Hot Springs Road improvements, the Boys and Girls Club HVAC upgrade and transportation program; the RSVP Care Legal Program; and the Senior Center dining room addition. The Board should establish its own priority. The City can submit two community service programs. They will be reviewed and ranked by the State against other programs within the State. The programs must be submitted by Monday. Clarification indicated that the lay committee had not had an opportunity to evaluate the Boys and Girls Club addition to its program. Mayor Masayko pointed out the number and estimated cost of all of the programs that will be submitted to the State for CDBG funding. Between one-quarter and one-fifth of the programs will be funded. Supervisor Aldean had not been aware of the desire to acquire two buses for the Boys and Girls Club transportation program. She thought that they were going to continue the lease program that had been used in the past. Mr. Plemel felt that the Board could amend the application and that staff would be able to complete the process and comply with the deadline for submittal. Mayor Masayko felt that it is possible to use the funds for leasing the buses rather than purchasing them. Discussion indicated that Congressional legislation had not included funding for Carson City as it had previously. Senator Ensign is looking into the matter. If the funds are not there, Carson City must compete with the other cities/counties for the CDBG funds. Supervisor Livermore explained his involvement with the Club and its search for a transportation program. The School District had agreed through a partnership with the City and the Club to provide the buses. The cost had been for maintenance of the buses. The proposal will give the School District two buses, which he supported. Supervisor Staub disclosed his involvement with the Club and indicated that he had supported the transportation program but not the acquisition of two buses for the School District. He felt that the proposed acquisition had changed the complexion of the grant application. Mayor Masayko agreed and described questions which he felt should be addressed by the Club in its presentation. He also pointed out that if the transportation program is rejected, the Club will lose its chance to obtain the HVAC upgrade. Mr. Plemel indicated that the State could separate the two programs and fund one but not the other. The City could separate the two applications, however, only two applications can be submitted.

Ms. McIntosh distributed a correction to the Board which explained the plan to sell bricks for the Senior Center's Jon Plank courtyard. The funds from the bricks will be used for the local match for the grant. The demand for the facility mandated its expansion. The grant for the elevator had been returned when the plans were changed and the second floor was eliminated. The need for an expanded dining area and the safety concerns with the present dining area were limned. The facility's clientele may be 48 percent low or moderate income seniors. (A copy of the correction was not given to the Clerk.)

Ms. Ayres explained that the grant amount was the same as previously requested, however, they had eliminated the salary for Ms. Myles. The present proposal is to hire a paralegal or law student. (A copy of this request was given to the Board and Clerk.) Ms. Myles averages 79 hours a week as she works evenings and week-ends. She felt that having a paralegal or law student would assist her with this workload. Without support, Ms. Ayres felt that the program will disappear and not be replaced. Ms. Ayres indicated that there are other legal service programs, however, the clients they are serving cannot afford them. Efforts to obtain funding from other communities/Counties

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were described. Ms. Myles spends the majority of her time and effort in Carson City. Supervisor Staub suggested that the Senior Citizens program and the RSVP program be added together and submitted as one application. He was advised that this is not allowed. Ms. Ayres explained that when the legal program had been at the Senior Center, RSVP had paid the expenses and given the Center 40 percent of the donations. Now RSVP receives all of the donations. Clarification indicated that Ms. Myles no longer is affiliated with the Senior Center as had been incorrectly reported by the media. Her office is located at the RSVP facility.

(2-0040) Mr. Flansberg described the project. Reasons for submitting the project for a CDBG and a transportation enhancement grant were provided. Mayor Masayko disclosed his relationship to the State Transportation Advisory Committee. He explained that competition for its funds is harder than for the CDBG funds. Mr. Flansberg reiterated the need for the project and indicated that there may be another funding source available for the project. Supervisor Aldean explained her contact with Kathy Laster and the possibility that the project could be funded as an enhancement project. Ms. Laster indicated that it may be possible to obtain economic development funding for the project. If the project is more suited to community development, the State can change the category. Economic development grants must be able to show the ability to create one job for each \$30,000 in funding provided. The shopping center and theater area are considered part of the area. Nine jobs will be required in a three-year period. The Sheehan Bernard parcel at the corner of Hot Springs and Roop is not included in the area. Discussion noted the delay encountered with the V&T Bicycle Trail and the impact its delay may have on the ability to obtain enhancement funds for the Hot Springs project. It was felt that the easements approved on the Consent Agenda may indicate that progress is occurring. Also, the Board will consider the construction contract at its next meeting for paving the Murphy Drive portion of the trail. Mayor Masayko felt that the "game playing" was causing the staff to lose focus of the purpose. The job creation potential can be determined in the future. The Deer Run Road grant had help develop an industrial park which was the genesis for obtaining the grant. The suggested process is "putting the cart behind the horse" inasmuch as the job creation prospect had not been considered in the original grant draft. He also felt that Carson City is not the only one who will be competing for those funds. Some of the communities involved in this pool are fighting for economic development for their own preservation. Carson City has not yet reached that stage. The purpose of the project included safety for the children and the people who live in the area, removal of the drainage ditches, and widening the roadway. These are all health, safety and welfare reasons which are not connected to job creation. Discussion indicated that if the project is delayed for a year it changes only the time when the improvements are made. Mayor Masayko felt that the transportation enhancement funds or RTC should fund the project. Discussion also indicated that signals can be funded by a transportation grant.

Ms. Blankenship distributed a supplemental document to the Board. (A copy was given to the Clerk after the meeting and is in the file.) Ms. Blankenship described the process used to develop the transportation program and introduced the supporters who were present. Justification for submitting the application to CDBG for funding was provided. The School District's support for the program and its year-round use of the school buses were described. Purchasing the buses will decrease the cost of the summer program. Funding for the summer transportation program has not been found for either this year or future years. Providing the bus will insure having the vehicles. The costs will be for the driver and fuel. The ridership and its demographics were limned. Discussion indicated that the buses will also be used to provide transportation for students. It was also indicated that the maintenance costs are for the remainder of this year and is needed as it will take time to obtain a new bus. Supervisor Livermore indicated for the record that the School District cooperates with the Club by delivering the children to the Club during the school year.

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The Club operates year-round. The School District has cooperated with the Club and the Recreation Division on the Latch Key Program. In the summertime the Club provides meals for children who have not had breakfast or lunch. The community has assisted by providing funding for these programs. He agreed that the acquisition of the buses is a stretch from the normal procedure. The proposal is the development of a ride program for the children year-round. The concept is an enhancement to the program that was originally discussed. Supervisor Staub pointed out that the Club's membership has grown significantly in the last two years. The School District is encountering its own funding problems which is in addition to an increased student population and the need for year-round schools. He felt that the School District must meet its own priorities before adding the Club. Ms. Blankenship acknowledged the School District's need for additional buses. The proposal reduces the cost of transportation to that incurred for the driver and fuel for the summer program for the next two years. This agreement allows the School District to use the buses year-round. It was felt that the proposed rate was a great savings for the Club. Supervisor Staub reiterated his question concerning when will the School District's needs and programs overtake the Club's program. Ms. Blankenship indicated that the School Board had been informed about the program but a long term commitment had not been made.

Mr. Mitchell explained the history behind the program. The School District does not charge for the buses during the normal school year. The proposal is a different realm and needs to be discussed with the School Board. A written commitment must be developed recognizing the real property, its value, and that it is not a donation. The participation needs to be recognized in writing. Mayor Masayko pointed out the need for the School District to provide transportation for its students as its first priority. The responsibility for providing public transportation lies with the community. His concern is whether Carson City Community Transportation should have been involved in the program as buses are being acquired for public transportation. The philosophy and issues related to this concept were noted. Additional comments were solicited but none were given.

Supervisor Williamson moved to approve the recommendation under the planning category for the renewable energy project for \$17,500 for Community Development Block Grant funding for fiscal year 2003-04. Supervisor Staub seconded the motion. Motion carried 5-0.

Public comments were solicited but none were given. **Supervisor Livermore moved that the Board of Supervisors adopt a priority for projects for Community Development Block Grant funding for 2003-04 as: 1. Boys and Girls Club HVAC proposal for \$203,010. Supervisor Staub seconded the motion.** Discussion indicated that the "Kids On The Go" program was part of the HVAC program funding. Clarification indicated that the funding total was \$253,137 which included matches from both local cash and in-kind services. This total included the buses and the HVAC equipment. Supervisor Aldean expressed her reluctance to support acquisition of the buses. She could support the "Kids On The Go" program and transportation funding. Mayor Masayko indicated that he could support the "Kids On The Go" program and a transportation program but not the acquisition of the buses. He also acknowledged that the School District had been a great partner but it has other needs. Supervisor Staub questioned whether the application should be revised to include only the HVAC and \$15,000 for transportation. Mayor Masayko explained that he was unsure what the policy would be regarding "horse trading" at the State level due to changes in the composition of the evaluation board. Mr. Plemel explained that he had been advised that they could remove the buses if not allowed. Supervisor Livermore felt that transportation is a critical need for the youths. If they are not entertained, the community will incur additional

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expenses for the Sheriff's Office and Juvenile Probation. Discussion acknowledged his point and questioned what to do at this juncture. Supervisor Staub supported proceeding with the application as revised. The State could pare it down if desired. Supervisor Williamson felt that the funding source is another avenue that could assist a successful program. Supervisor Aldean agreed that it is a worthwhile program. If the buses are eliminated, there will still be children who need transportation. There is a verbal agreement with the School District. Next year it will be possible to re-examine the program. At this time the proposal is a little premature. She also felt that the transportation needs for the children will not be denied. The Board could address the operating expenses for it. Mayor Masayko also felt that support for the program would be there regardless of the funding source. The question is which way should the Board proceed. The Board needed a complete study and debate regarding the proposal to acquire the buses. If RTC funds are used for the acquisition, then RTC should say where the money and buses are used. **The motion to approve the Boys and Girls Club grant application as the first priority was voted and carried 3-2 with Supervisor Aldean and Mayor Masayko voting Naye.** Supervisor Aldean suggested that the application be written in a fashion that will allow the uses to be segregated—one for the HVAC system, one for two buses, and one for the 2003-04 season of running the buses. This will allow one or all of the programs to be approved.

Supervisor Aldean explained her strong support of the Care Law Program. Supervisor Aldean moved that the Care Law Program be submitted as one of the two projects for a Community Development Block Grant funding for the year 2003-2004 in the amount of \$35,000. A second was not made. The motion died for lack of a second.

Supervisor Livermore moved that the second priority be the funding request for the Carson City Senior Center dining room expansion improvement in the amount of \$113,400. His reasons for making the motion included applauding the Center for returning the elevator grant when it was determined to be unneeded. He hoped that the State will look favorably upon the Center for having done so. **Supervisor Staub seconded the motion.** He also indicated for the record that the RSVP is a valid program and does a great deal for the community. He felt that the Center and RSVP should get along as it would be a reasonable marriage for the two of them. Supervisor Williamson echoed his comments and indicated her belief that there is another funding source for the program. She believed that CDBG should be used for programs that buy or are long lasting and not for salaries which is an annual event. The proposal will expand the facility. Motion carried 5-0.

Supervisor Aldean moved that the Hot Springs Improvement Project be submitted for a Community Development Block Grant for funding in fiscal year 2003-04 in the amount of \$251,600 as an economic development project. Supervisor Williamson seconded the motion. Mayor Masayko indicated that his comments had been made and that "we are over the hill on it". The motion failed on a 2-3 vote with Supervisors Aldean and Williamson voting Aye. No additional action was taken.

B. ACTION TO APPROVE MPA-02/03-1 TO AMEND THE LAND USE ELEMENT MASTER PLAN DESIGNATIONS FROM LOW DENSITY RESIDENTIAL (LDR), MEDIUM DENSITY RESIDENTIAL (MDR), AND HIGH DENSITY RESIDENTIAL/COMMERCIAL (HDR/C) TO COMMERCIAL (C), ON PROPERTY LOCATED AT EAGLE VALLEY RANCH ROAD, APNS 7-511-01, 7-511-02, 8-054-15, 8-054-16, 8-055-03 (FILE NO. MPA-02/03-1) - Hospital Chief Executive Officer Ed Epperson, Hospital Engineer Mark Palmer - Mr. Epperson briefly reviewed the history of the regional facility. He anticipated breaking ground the end of June and being able to use the facility in 2005. Mayor Masayko noted

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that any action taken by the Board today does not commit the City to the project. The Hospital must obtain a Special Use Permit before actual construction can occur. The next meeting will consider the Special Use Permit application. He complimented the Hospital and Mr. Palmer on the project and expressed his belief that it will be a great image for the community. Mr. Palmer then described the project through the use of a plot plan and schematics. The areas where the zone changes were to occur were illustrated. Mr. Plemel explained that the Special Use Permit process which eliminated the need for the Board to review Special Use Permits unless requested by the Board or appealed. Mayor Masayko indicated that the Board wished to review this Special Use Permit. The review should be for discussion only and not for action. Mr. Epperson agreed to provide the report. Mr. Palmer indicated that the Architect will make the present-ation. Supervisor Livermore explained the location of the detention basin. Discussion continued the explan-ation of the facility's layout. Discussion pointed out Mr. Richards' concern regarding changing the zoning to commercial and his request that the commercial uses be restricted to hospital purposes only. Reasons the Hospital needed the flexibility provided by the commercial zone designation was limned. Mr. Palmer agreed that the future uses will be ones that are related to the hospital but asked that the zoning not be restricted to just hospital needs. Health clubs, pharmacies, medical offices, and similar commercial establishments should be allowed. (2-1375) Mayor Masayko pointed out the difficulty enforcing such a restriction would create. He felt that the Hospital's strategy as the property owner should be the only one restricting the use to medical purposes. His proposal was that the uses not be a zoning restriction as it should be a business decision. He also indicated that the discussion should be on the record. Discussion noted that the Hospital has a for profit real estate subsidiary. Supervisor Staub indicated that he did not want to tie the "Hospital's hands". The Hospital had picked the zoning. The property should be used to its highest and best purpose. Discussion supported his suggestion that the land uses allowed for the zone not be restricted. Supervisor Livermore explained his membership on the Hospital Board and the stipend he receives for this service. He did not perceive it as a conflict of interest. Chief Deputy District Attorney Mark Forsberg indicated that he did not have a comment to make on his disclosure. Mayor Masayko agreed. Supervisor Staub disclosed that he had been interviewed for a position on the Hospital Finance Committee. He had not been advised about a decision regarding the appointment. Supervisor Livermore informed him that he had been selected to fill the vacant position. Supervisor Staub reiterated that he had not known that he was selected. He had not received a written notice. He also indicated that he did not have a financial interest in the Hospital or the proposed application and would not receive any financial gain as a result of the Board's action on the application. Supervisor Williamson indicated she is a member of the Hospital Auxiliary Board. She does not receive a financial reward for this service. Supervisor Aldean and Mayor Masayko indicated that they did not have a connection with the Hospital. Supervisor Livermore moved to approve MPA-02/03-1 to amend the Land Use Element Master Plan designation from Low Density Residential, LDR, Medium Density Residential, MDR, and High Density Residential/Commercial, HDR/C, to Commercial, C, on property located at Eagle Valley Ranch Road, Assessor's Parcel Numbers 007-511-01, 007-511-02, 008-054-15, 008-054-16, and 008-055-03, based on the findings identified in the Planning Commission staff report. Supervisor Williamson seconded the motion. Public comments were solicited but none were given. Only the Board, City staff, Hospital representatives and Engineer Palmer were present. Motion carried 5-0.

C. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM CONSERVATION RESERVE (CR) AND SINGLE FAMILY ONE ACRE (SF1A) TO RETAIL COMMERCIAL (RC), ON PROPERTY LOCATED AT EAGLE VALLEY RANCH ROAD, APNS 7-511-01, 7-511-02, 8-054-15, 8-054-16, 8-055-03 AND OTHER MATTERS

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RELATED PROPERLY THERETO (FILE NO. Z-02/03-2) (2-1515) - Supervisor Staub moved to introduce Bill No. 106 on first reading, AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM CONSERVATION RESERVE, CR, AND SINGLE FAMILY ONE ACRE, SF1A, TO RETAIL COMMERCIAL, RC, ON PROPERTY LOCATED AT EAGLE VALLEY RANCH ROAD, APNS 007-511-01, 007-511-02, 008-054-15, 008-054-16, 008-055-03 AND OTHER MATTERS RELATED PROPERLY THERETO; FILE NO. Z-02/03-2. Supervisor Livermore seconded the motion. Motion carried 5-0. Mayor Masayko explained his plan to agenize the Special Use Permit application for discussion only during the daytime session.

RECESS: A recess was declared at 12:57 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 2:15 p.m., constituting a quorum.

9. HUMAN RESOURCES (2-1564) - Director Ann Beck

A. ACTION TO APPOINT ONE CITIZEN AT-LARGE MEMBER TO THE CARSON RIVER ADVISORY COMMITTEE - Mayor Masayko thanked each applicant for applying. The Board interviewed Donna Curtis and Tom Farrer. Brent Richard did not appear for his interview. Board discussion noted the caliber of the candidates. Supervisor Aldean moved to appoint Tom Farrer as the Citizen-at-Large member to the Carson River Advisory Committee with the term expiring January 2006. Supervisor Williamson seconded the motion. Supervisor Livermore explained his support for both individuals. He supported Supervisor Williamson's comments indicating that Ms. Curtis was a good candidate for the Parks and Recreation Commission. Mayor Masayko pointed out that she could be considered in July. Motion carried 5-0.

B. ACTION TO APPOINT THREE CITIZENS TO THE CARSON CITY PARKS AND RECREATION COMMISSION (2-2298) - Mayor Masayko thanked each applicant for applying. The Board interviewed Donna Curtis, (2-2750) Michael Hoffman, and (2-3137) Charlene Herst. (3-0134) The Board was polled to determine an appointment to the term ending in 2006 during which Supervisor Aldean moved to appoint Donna Curtis to the Carson City Parks and Recreation Commission with the term expiring January 2006. Supervisor Williamson seconded the motion. Following completion of the poll, Mayor Masayko indicated that he had not recognized the motion and requested a new motion. Supervisor Aldean moved to appoint Donna Curtis to the Carson City Parks and Recreation Commission with the term expiring January 2006. Supervisor Williamson seconded the motion. Motion carried 5-0.

Supervisor Williamson then moved to appoint Mike Hoffman and Charlene Herst to the two unexpired terms that will end in January 04. Supervisor Aldean seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 3:35 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:42 p.m., constituting a quorum

10. UTILITIES - Operations Manager Tom Hoffert

A. ACTION ON AN AGREEMENT BETWEEN CARSON CITY AND THE CARSON

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WATER SUBCONSERVANCY DISTRICT ADDRESSING UPSIZING OF THE EAST VALLEY PIPELINE FOR POTENTIAL WATER DELIVERY TO THE MOUNDHOUSE/DAYTON AREA (3-0165)

Subconservancy District Executive Director Ed James - Mr. Hoffert indicated that neither Moundhouse nor Dayton need the service at this time. Upsizing the line at this time will provide capacity if and when they need the service. Mayor Masayko noted for the record that the City was prepared to enter into the agreement and the program used for upsizing is the same as Carson City has done with local developers. Discussion indicated the concept is the same except that there is a third party who is located outside the City's boundaries. Mr. James described the history of the regional water program. As Carson City is now extending its line, the Subconservancy wishes to upsize it rather than wait until Lyon County needs the water. At this time no water is to be transported in the line to Moundhouse/Dayton. Funding for the regional line is still being sought. The Subconservancy must find a water source that will be used for Moundhouse/Dayton. The regional proposal is for the City to be the "wheeler/transmitter". In the spirit of intercounty and regional cooperation water could provide water in an emergency. The plan does not at this time provide a water source for development or residents of Moundhouse/Lyon County. If and when the water is "transmitted" through the lines, Lyon County/Moundhouse residents should pay for the operational costs incurred to transport it. The concept at this time only extends the City's line to the City's storage tank and not past it. The proposal also provides a method to transport water from Marlette to Virginia City, if needed. Virginia City/Storey County may choose to become a partner in the endeavor. Mayor Masayko suggested that the line be upsized to include Virginia City needs and/or that they have the opportunity to be included in the program. Mr. James explained that a Carson City-Douglas County interlocal agreement had been developed before his involvement. The waterline between Carson City and Douglas County, as proposed by that agreement, had not been developed. Lyon County does not need the line at this time as it has developed its own water source. The Subconservancy's goal to develop regional programs wherever possible was explained. Benefits of a regional program for the Moundhouse/east Carson area were noted. Clarification by Mr. James explained that the Subconservancy is only participating with Carson City in Carson City's waterline extension contract. The infrastructure design has already been developed. The Subconservancy wants to increase the size of the line. It will pay for this upsizing. The pumps will not be required upsizing. Mayor Masayko felt that any change orders created by the Subconservancy will be addressed when incurred. Supervisor Aldean explained that she did not have a problem with having the City pay for change orders it implements and agreed that the Subconservancy should pay for them. Mr. Hoffert explained that the bid documents include an alternate for the Subconservancy. When the contract comes to the Board for approval, the Subconservancy will have established its budget for the project. There will be an agreement developed addressing the financial commitment. When a water source is found, additional interlocal agreements will be submitted to the Board, Subconservancy, and Lyon County. Mayor Masayko felt that Paragraph 7 was appropriate as only the City could issue change orders. The Subconservancy is a paying participant. Supervisor Livermore pointed out that discussions are occurring on a sewerline connection to Lyon County/Moundhouse. Staff is working to develop this agreement. He did not wish to jeopardize the City's economic base by supporting another County. The time is right to develop a respectful agreement with Lyon County. One should have been developed with Douglas County. The proposal upsizes a line which will not be connected at this time. He also indicated that the Subconservancy has been discussing a water line between Hobart/Marlette and Virginia City. This would eliminate the old flume and address the arsenic problems by blending water. Supervisor Aldean indicated that she understood the benefits of the concept but did not wish to place the City in jeopardy. Mayor Masayko felt that the City would not have to go beyond the terms of the agreement. He also expressed his feeling that the City and Douglas County would be better off if they were not fighting with each other about the

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regional sales tax base. Mr. James explained the need to put the cart before the horse as the City is ready to commence work extending the line. The sewerline agreement will have a preamble. The Subconservancy does not build projects, does not deal with economic bases, and is not a political subdivision with zoning abilities. Supervisor Williamson moved to approve and authorize the Mayor to sign an agreement between Carson City and the Carson Water Subconservancy District addressing upsizing the east valley pipeline for potential water delivery to Moundhouse/Dayton area with no fiscal impact. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING THE CARSON CITY UTILITIES ADVISORY COMMITTEE'S REPORT RESULTING FROM THE WATER AND SEWER RATE STUDY AND RECOMMENDATIONS FOR FUTURE WATER AND SEWER RATES AND CONNECTION FEES, AND ACTION TO DISCHARGE THE UTILITIES ADVISORY COMMITTEE (3-0568) - Committee Chairperson Ron Knecht, Finance Director David Heath, Subconservancy Executive Director Ed James - Chairperson Knecht explained the adjustments that had been made to the fees. It averaged out to 5.5 percent for residential users. The commercial users rate varied based upon usage. He introduced the Committee members who were present. Mr. Polito, Mr. Riggs, the commercial and industrial members, staff and Mr. Bonow had purportedly supported the changes. If the rates are adopted as purposed, they will be the lowest in the region. He thanked the Committee and staff for their efforts. Mayor Masayko complimented the Committee on its efforts and thanked them for their time. His personal discussion with BAWN Executive Director Rick DeMars indicated it supported the recommendations. Mr. DeMars had been present earlier but had left. BAWN Member and Committee Member Glen Martel had supported the fee structure. Mayor Masayko indicated that these statements should be on the record. He also noted that in the past the contractors have opposed increases in the equivalent residential unit rates. The letter from BAWN indicated that they supported the study and increases. Discussion pointed out that the commercial and industrial users had supported a phasing of the subsidy. The subsidy will be eliminated in five years. Discussion indicated that the program creates an overall increase in residential use of 5.5 percent. The fluctuation in usage will cause the summer rates to increase as indicated by Mayor Masayko's explanation of his water bill. He felt that it was fair for the person with large usage to pay more. The examples in the packet were limned. Mayor Masayko suggested that there be an additional tier for residential users who use more than 100,000 gallons of water as it is more expensive to provide the water in the summertime. He also indicated that this could be addressed in the future. The model will assist staff in developing this rate. Mr. Knecht indicated that the public had been involved throughout the process. He felt that the process had restructured the rates without creating rate shock for any class of users. It is tool that staff can use in the future. Mayor Masayko again thanked the Committee for its work.

Mr. Heath expressed his support for the study and rates. He complimented the Committee on its work. The model will make it easy to explain the rates to the public.

Mr. Hoffert explained the direction staff needed to implement the rates. He felt that the ordinance could be adopted at the first meeting in April. Mayor Masayko directed that the public workshops be held. Justification for the workshops was provided. He also urged staff to attempt to do it within the timeframe indicated by Mr. Hoffert, if possible. Staff felt that it may delay the ordinance to May, however, every effort will be made to hold the workshops as quickly as possible.

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Mr. James explained his review of the rates which indicated that he had not found any flows. The rates should create an adequate revenue source to meet the expenses. He pointed out that the proposal decreases the meter charge but increases the water quantity charge. The difference between summer and winter usage for the average user had been 2.5 percent. The proposed rates will increase the difference to approximately 3.25 percent. Complaints from larger users will occur as indicated from his own personal experience. There will be less if the rates are spread over the year. It may be necessary to create a subsidy for seniors in order to keep their rates down.

Mayor Masayko noted that these were philosophical issues. He felt that the meter charge should be that which is necessary to provide the service. The commodity charge should be for the amount of water used. Low commodity users should not subsidize high users. The high water users are people who can afford the high bills and they expected them. His concern with the winter water averaging method of calculating his sewer bill was explained. It is due to his occasional winter irrigation of his bushes/trees. The proposed rates should not create an increase for low water users. Additional comments were solicited but none were given. Mayor Masayko again thanked the Committee for its dedication and effort which he felt developed an acceptable and understandable rate program.

Supervisor Staub moved to direct staff regarding the Carson City Utilities Advisory Committee's report resulting from the water and sewer rate study and recommendations for future water and sewer rates and connection fees and to discharge the Carson City Utilities Advisory Committee; fiscal impact is none, funding source is none. Mayor Masayko felt that they understood the recommendations. The information is in the staff report. There are suggested rate schedules and hookup fees. Supervisor Staub amended his motion to include direction to staff to schedule a public workshop on the Advisory Committee's findings. Supervisor Livermore seconded the motion. Supervisor Williamson thanked the Committee for its work. She suggested that the service charge be included in the handout and that the handout clearly indicate that the service fee is being decreased from \$8.10 to \$7.29. Mayor Masayko also suggested that a 14,000 gallons customer in summer and winter times be illustrated so that the increase is clearly shown. The motion was voted and carried 5-0.

C. ACTION TO ADOPT A RESOLUTION OF APPRECIATION TO THE CARSON CITY UTILITIES ADVISORY COMMITTEE (3-1206) - The Committee members who were present were asked to come to the lectern. Mayor Masayko read the resolution into the record. Supervisor Livermore moved to adopt Resolution No. 2003-R-10, A RESOLUTION OF APPRECIATION TO THE CARSON CITY UTILITIES ADVISORY COMMITTEE as read by the Mayor. Supervisor Aldean seconded the motion. Mayor Masayko again thanked the Committee for their service. Motion carried 5-0.

11. CITY MANAGER - Acting City Manager Andrew Burnham

A. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTION TO STAFF FOR 2003-2004 BUDGET PREPARATION (3-1250) - Finance Director David Heath, Chamber of Commerce Chief Executive Officer Larry Osborne - Mr. Burnham explained his memo to the staff regarding the Board's direction at the last meeting on the budget. (A copy had not been given to the Clerk.) The Board had requested monthly status reports and suggestions on how to increase revenue and reduce expenses. Brainstorming has created a number of suggestions which will be presented to the Board in the future. The Internal Finance Committee has developed approximately \$930,000 in cuts from next year's budget. Final recommendations will be submitted to

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the Board. The target of three percent is \$1.2 million. Staff believed that it will be able to find the remainder. Revenue enhancements are also being considered. Taxable sales for December dropped approximately nine percent. Mr. Heath distributed a report describing by Department this year's budget expenditures. (A copy is in the file.) Mayor Masayko projected the sales tax loss at \$900,000 for the current year. For this reason it is important to cut expenditures and not spend the reserves as they may be needed next year. Mr. Burnham agreed and indicated that this may require transferring funds. Mr. Heath indicated that K-mart's closure will have an impact of approximately \$500,000 on the annual sales tax revenue. He felt that its March closure will cut approximately \$150,000 from this year's revenue projections. With the projection of a nine percent loss in overall sales tax revenue, the total estimated loss in sales tax monies will be in the neighborhood of \$1 million. Discussion pointed out the impact a war with Iraq will have and the spiraling gas prices. Mr. Heath volunteered to provide an estimate of their potential impact on gas taxes. It was felt that a war could stop economic growth and development. The City may need to take even more stringent measures to stay within its budget. Mr. Heath asked for a definition of the Board's policy for vacancy management and, specifically, whether the vacant Deputy District Attorney's position in the Civil Division was impacted. Mr. Burnham explained that each position is analyzed as it becomes vacant and a decision is made whether to keep the position open or fill it if it is a critical position. Mr. Heath explained that the question is whether to keep the Deputy District Attorney position open for six months. Mayor Masayko indicated that he did not wish to have to make such a decision but that Departments may attempt to make an "end run" to retain the position. The Board must indicate that it is serious about the vacancy management policy. Mr. Burnham explained that the Board may need to consider the seasonal employee positions. Supervisor Williamson pointed out that neither a layoff nor the closing of City facilities had occurred. If the vacancy management policy creates even a minimal level of an impact, the Board should discuss the impact in public and make a decision regarding the position. Mayor Masayko indicated that it may be possible that the voluntary measure of adherence to the policy will achieve the desired goal. The message is for the staff to cooperate and work with the Board. If it is possible to leave a position open for three or months, he encouraged staff to do so. Discussion then indicated that the budget discussions should be delayed and not heard as originally scheduled in March. All of the Departments should make presentations. Mayor Masayko asked to see last year's expenditures and next year's estimated needs. This will be a tough year. Cuts must be made wherever possible. He did not wish to hear any indication that the cuts include elimination of Saturday library hours. The Board had not recommended this cut. Library staff had purportedly indicated that this is the only way it could make a three percent reduction. He directed the budget hearings to be scheduled for April. Mr. Burnham reminded the Board that a tentative budget must be submitted to the State on April 15. The final budget must be submitted in May. Mayor Masayko felt that five evening sessions should be adequate to handle the budget. They should be spread out and not all in one week. Supervisor Livermore asked Mr. Burnham to analyze the positions and determine where nonessential personnel cuts could be made. The seasonal Latchkey personnel should be hired. The softball umpires are paid by the users. The swimming pool fees should be increased. Revenue sources for seasonal employees should be considered. Mr. Burnham agreed and indicated that it may be possible to hold off on hiring the seasonal weed abatement crew until June. Supervisor Staub felt that the projections had been on target to date. It may be necessary to change those assumptions in two weeks when further revenue reports are available. The gas increase is a reality and measures should be taken now to mitigate the impact. He did not wish to wait for six months and then make drastic cuts due to the failure to recognize extraordinary situations. The message should be one of getting ready as it is not business as usual. Supervisor Aldean pointed out that the Board had little control over the Congressional/Legislative delegates and their decisions. The City does need to address the impact of a declining economy. Congress is investigating price gouging. The City must begin steps to avoid becoming a victim of the

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declining economy. Mayor Masayko agreed that the City needed to do whatever it could to manage the situation. Supervisor Williamson pointed out that the entire nation is feeling the impact and that it is not just Carson City. She encouraged staff and the Board to work together on the solution. Discussion indicated that the situation may get worse before it gets better. The community is taking an interest and is beginning to comment on the situation as indicated by the opening comments regarding the closure of the Library. The Board is attempting at this time to cut costs rather than increase taxes. Mr. Burnham indicated that staff will continue to provide periodic updates.

Mr. Heath then reviewed his report on the status of the budget. Discussion noted that this budget included CQI funds which is created by the vacancy factor. Mayor Masayko encouraged the Board to look at this funding source as it could be the cushion which will be needed to balance the budget. The need for this cushion may eliminate the use of these funds for capital expenditures for a year or two. Mr. Heath explained that the report figures matched the actual budgeted amounts as they had been rounded and were estimated amounts which had included factoring for "unknowns". This established a conservative estimate and will provide good news if the Department comes in under the estimate. Discussion pointed out that the Fire Department is projected to have an overrun of \$143,000. Mr. Heath indicated that the next report will contain the raw data from the spread sheets and the adjusted figures. Mr. Burnham pointed out that the Sheriff's Department has filled a lot of the vacant positions. This will create a smaller savings in personnel. Mayor Masayko pointed out that it will take \$2.2 million to finance the payroll budget for next year. Mr. Heath explained that the Fire Department believes it will make up for the shortage in other budgets before the end of the fiscal year. Mr. Heath also pointed out that the Resendez trial will impact District Court 1's budget. There is a \$300,000 contingency for this purpose. Comments indicated that some expenditures are unavoidable. The estimates at this time were felt to be achievable. Mayor Masayko reiterated his desire to see a vacancy management report, which Mr. Burnham agreed to provide. Discussion reiterated the need for the Board and staff to work together to achieve the maximum savings possible and that the budget hearings were to be held in April.

Mr. Osborne indicated that the Chamber had been meeting with staff and understood the Board's concerns. They will continue to review the budget and help make changes wherever possible. The need is being indicated and the Chamber will share the burden and work with the City. Mayor Masayko thanked him for his comments. He also iterated the need for the City/Board to show that it is an efficient operation. Mr. Osborne felt that the Board's message is relaying this position. Additional public comments were solicited but none were given. No formal action was taken.

B. CLOSED SESSION - ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO NRS 288.220 TO MEET WITH MANAGEMENT REPRESENTATIVES (3-1900) - Supervisor Livermore moved to recess into Closed Session pursuant to NRS 288.220 to meet with management representatives. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko recessed the open session at 5:19 p.m.

The Open Session was reconvened at 6:20 p.m. There being no other matters for consideration by the Board, Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 6:21 p.m.

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The Minutes of the March 6, 2003, Carson City Board of Supervisors meeting

ARE SO APPROVED ON June 5, 2003.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder