

CARSON CITY BOARD OF SUPERVISORS
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, April 19, 2001, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

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

STAFF PRESENT:	John Berkich	City Manager
	Alan Glover	Clerk-Recorder
	Daren Winkelman	Health Director
	Steve Kastens	Parks and Recreation Director
	Judie Fisher	Personnel Manager
	William Callahan	Undersheriff
	Ken Arnold	Deputy Heath Director
	Cheryl Adams	Deputy Purchasing Director
	Melanie Bruketta	Deputy District Attorney
	Katherine McLaughlin	Recording Secretary
	Justine Chambers	Contracts Coordinator
	(B.O.S. 4/19/01 Tape 1-0001)	

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. Bruce Henderson of the Airport Church of Christ gave the Invocation. Mayor Masayko lead the Pledge of Allegiance.

CITIZEN COMMENTS (1-0033) - Eileen Cohen explained her Douglas County residency and her relationship with Carson City and Fuji Park. She indicated she represented the Concerned Citizens for Fuji Park and Fairgrounds. She felt that the riparian area should be maintained as it is part of the flood plain and open space. Youth organizations who have been active in the development of the park and fairgrounds, the activities which are held there, and the tax support they generate were noted. Although she did not want to a recall, it is being considered. She urged the Board to listen to the residents' comments regarding their quality of life which is "not more box stores". The businesses which are displaced by these box stores should also be considered in the equation.

(1-0066) Kate Shultz explained her understanding of Parks and Recreation Director Steve Kastens' request that the Parks and Recreation Commission make a recommendation to the Board of Supervisors that a payment be made to the racetrack. She then described her residential area adjacent to the racetrack. The area's history, including its having been a part of Douglas County, and the racetrack's history were limned. Originally the track operated between Memorial Day and Labor Day Weekend for stock car races. Mr. Kastens had requested that up to \$75,000 be spent on and the bleachers, etc., be transferred to the raceway for a go cart track. This would expand the original use of the racetrack. She felt that this offer would be used to appease the Fuji Park users at the expense of Carson City property owners and residents adjacent to the racetrack. She felt that the expansion should be denied. The denial should include any expanded types of use and increase in the number of days of use as they would further impact the residents' peaceful enjoyment of their property. She also felt that the City staff had

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refused to discuss the residents issues or help them in any way. The raceway should be connected to the City water service and a dedicated street, purportedly closed by the raceway, should be reopened for public use. Health concerns about the lack of proper sanitary sewer facilities were noted. Her husband's grandfather had homesteaded the area and was there long before the racetrack. She felt that the neighborhood could live with the 1969 uses if limited to the original number of days. Expansion since that time should be eliminated as they are illegal and do not have the proper use permits. Continued growth along the Douglas County line will be impacted by the racetrack. She urged the Board to visit the site before spending any funding on the relocation of Fuji Park.

Dave Dieter explained his requests for assistance from Supervisors Livermore and Staub and Community Development Director Walter Sullivan. He also felt that the racetrack was operating illegally and urged the District Attorney's Office to research the question. A lot of time and effort had been spent researching City records which purportedly supported his position. Copies of this research had allegedly been submitted to various City staff members. He then indicated that he had been appalled by Parks and Recreation Chairperson Glen Martel's conduct at the Commission meeting. Mr. Martel had disclosed that he worked for the owner of the racetrack but would not let it impair his judgement. Mr. Dieter then explained who the racetrack owner is and expressed his feeling that he should feel that the ownership of such a facility is an embarrassment and detriment to his operation. The name change on the water truck at the track was sighted to support his contention. The racetrack creates dirt, dust, and noise. He questioned the reasons the City had allowed Racetrack Road to be fenced off. The racetrack should fence its property off and not deny the public use of a City owned road. He urged the Board and District Attorney's office to become involved and correct these situations.

Rose Dieter claimed to have at least 50 complaints before the City on the operation. Petitions are being circulated. They had allegedly contacted the EPA about the noise and dust pollution created by the operation. Her residence is within 20 feet of the noise. She also owns seven acres abutting it. Her reasons for involving the EPA were limned. She asked the City to check into these concerns. Mayor Masayko assured her that the Planning Department/Community Development Department was the correct agency to contact.

Dennis Nix felt that his property value had deteriorated between 30 and 40 percent due to the racetrack. It is a seven days a week operation. The noise level is too high. Something needed to be done about it as it is not acceptable.

Walter Rainey questioned several claims which the Board had approved paying including one which was purportedly made out to him in the amount of \$93.87. He had not authorized or requested any payment. He was advised that he would be able to obtain a copy of the claim by contacting the Finance Department. The claims are public information. Additional public comments were solicited but none given.

(1-3365) Community Development Director Walter Sullivan indicated he had heard the racetrack comments. A request has been submitted to the other Departments, which he listed, regarding Mr. Dieter's letter. There will be a staff meeting at 3 p.m. today with Deputy District Attorney Rombardo to address the issues. A majority of the issues which Mr. Dieter had raised were beyond the scope of his Department. He volunteered to be the "hub" for the information. He also indicated that he had already met with the majority of the individuals who had spoken. He asked that the individuals allow staff time to obtain all of the information. Mayor Masayko explained how he would respond to the individuals if they contact him again. Action could not be taken by the Board at this meeting. Supervisor Staub explained his contact with Mr. Dieter and reasons why he had sent Mr. Dieter to Mr. Sullivan's office. He thanked Mr. Sullivan for his willingness to function as the "hub" for the information and suggested that some mitigation measures be considered until the issues are resolved. Supervisor Plank suggested that Mr. Sullivan contact Recording Secretary King and get a list of the individuals who had spoken at the Parks and Recreation Commission meeting as there are additional issues which should be considered. He also explained that the issues could not be considered at that time by the Commission due to the Open Meeting Law. Some of the issues were related to items which are not under the Commission's purview. Mr. Sullivan indicated that he had watched the televised program and complimented Mr. Martel on his efforts to control the meeting. The issues, including grandfathering, are Planning Commission matters. Mr. Martel had referred the people to Mr. Sullivan. A great deal of information has been provided on the issues. No formal action was taken on these issues.

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2. APPROVAL OF MINUTES - FEBRUARY 15, 2001 (1-0400) - Supervisor Plank moved for approval of the Carson City Board of Supervisors meeting Minutes of February 15, 2001, with the corrections on Page 5 which clarified the V&T Railway comments and on Page 7, the name of Day Williams. Supervisors Livermore and Williamson seconded the motion. Motion carried 5-0.

2 AGENDA MODIFICATIONS (1-0420) - Mayor Masayko indicated that Item 4. C., under the Liquor and Entertainment Board - Treasurer, had been removed as the delinquencies had been addressed. Item 5-1 B. and C., two assembly permits, will be heard under the Liquor and Entertainment Board heading as its final items.

3. SPECIAL PRESENTATIONS - Personnel Manager Judie Fisher

A. PRESENTATION OF MERIT ACHIEVEMENT AWARD TO RICHARD SCHROEDER, STREET TECHNICIAN II (1-0440) - Mayor Masayko congratulated Mr. Schroeder on his innovative idea which had improved his working environment by making it easier to lay and paint crosswalk stripes. Ms. Fisher indicated that the award program is being renamed. Mr. Schroeder was not present.

B. PRESENTATION OF EARTH DAY RECYCLING CONTEST AWARDS (1-0485) - Deputy Health Director Ken Arnold, and Health Director Daren Winkelman - Mr. Winkelman explained the contest and award program. Mayor Masayko presented awards to the winners and congratulated them on their efforts. The entries are to be displayed at the Community Center Gym on Saturday. Comments thanked the teachers for their participation. Mr. Arnold then explained the Carson PRIDE Week activities and encouraged all of the residents to participate. Free dumping days at the landfill are on Friday, Saturday, and Sunday for Carson City residents. The public was invited to attend the Earth Day activities in the Gym on Saturday. Clarification indicated that the free pickup service is Citywide. Mayor Masayko thanked Environmental Control Officer Deborah Wiggins on her ideas and Messrs. Arnold and Winkelman for their support.

LIQUOR AND ENTERTAINMENT BOARD - Mayor Masayko recessed the Board of Supervisors session and immediately convened the Liquor and Entertainment Board. The entire Board was present including Undersheriff Callahan, constituting a quorum.

4. TREASURER - Deputy Treasurer Merlene Alt

A. ACTION ON AN ON-PREMISE AND PACKAGED BEER AND WINE LICENSE FOR MARY GINGELL, DOING BUSINESS AS MOLLY'S CATERING AND GOURMET TAKE-OUT, LOCATED AT 220 WEST JOHN STREET (1-0635) - Chairperson Masayko explained the requirement that the applicant attend the meeting. Ms. Gingell assured the Board that she would adhere to the Liquor Laws for both the City and State and provide adequate training for her employees. She stressed her intent to not serve juveniles. Her firm opens on May 1 with a full dinner and lunch menu. Her cooking school plans were also noted. Member Callahan noted the favorable Sheriff's investigative report. Member Williamson moved to approve an on-premise and packaged beer and wine license for Mary Gingell, doing business as Molly's Catering and Gourmet Take-out, located at 220 West John Street, Carson City, under Carson City Municipal Code 4.13 with the fiscal impact of \$500 Original New Fee, \$500 Investigation Fee, and \$200 per quarter. Member Livermore seconded the motion. Motion carried 6-0.

B. ACTION ON THE ADDITION OF KATHRYN LYNN SIMEROTH AS LIQUOR MANAGER FOR SOMEPLACE ELSE, INC., LOCATED AT 4750 HIGHWAY 50 EAST (1-0708) - Kathy Aquirre explained her desire to add her daughter to her business. Member Callahan noted the favorable Sheriff's investigative report. Ms. Simeroth agreed that she would adhere to the City and State Liquor Laws and would not serve minors. Member Plank moved to approve the addition of Kathryn Lynn Simeroth as liquor manager for Someplace Else, Inc., located at 4750 Highway 50 East, fiscal impact is \$75 Investigation Fee. Member Williamson seconded the motion. Motion carried 6-0.

C. ACTION TO REVOKE ALL DELINQUENT LIQUOR LICENSES NOT PAID FOR BY APRIL 18, 2001, FOR NON-PAYMENT OF THE QUARTERLY FEE (1-0420) - Removed.

5-1. B. ACTION ON AN ASSEMBLY PERMIT WITH WAIVER OF THE \$100 PERMIT FEE AND THE \$25 APPLICATION FEE FOR CARSON CITY RENDEZVOUS COMMITTEE (1-0780) - Rendezvous Committee Representative Maxine Nietz described the event and activities. Flyers were distributed to the Board and Clerk. (One is in the file.) Member Williamson moved to approve an Assembly Permit with waiver of the \$100 permit fee and the \$25 application fee for Carson City Rendezvous Committee under Carson City Municipal Codes 4.04.075 and 4.28.050; fiscal impact is a promoter fee of \$20.90 per day plus \$2.10 per booth per day. Members Livermore and Plank seconded the motion. Motion carried 6-0.

Member Williamson indicated that the Redevelopment Authority had given the Rendezvous \$5,000 for the free concert.

C. ACTION ON THREE ASSEMBLY PERMITS WITH WAIVER OF THE \$100 PERMIT AND THE \$25 APPLICATION FEE FOR THE RETIRED SENIOR VOLUNTEERS PROGRAM (1-0858) - RSVP Representative June Kreger - The dates for the programs and their purposes were noted. Member Plank moved to approve three Assembly Permits with waiver of the \$100 permit and \$25 application fee for the Retired Senior Volunteers Program, better known as RSVP, under Carson City Municipal Code 4.04.075 and 4.28.050, fiscal impact is promoter fee of \$20.90 per day plus \$2.10 per booth per day. Member Williamson seconded the motion. Following discussion among Member Livermore, Deputy District Attorney Bruketta, and Ms. Alt, Member Plank amended his motion to be for a waiver of \$300 for the permit fees and \$75 for the application fees. Member Williamson concurred. Motion carried 6-0.

There being no other matters for consideration by the Liquor and Entertainment Board, Chairperson Masayko adjourned the Liquor and Entertainment Board and immediately reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum.

5. CONSENT AGENDA

5-1. TREASURER

A. ACTION ON TREASURER'S REPORT FOR THE MONTH OF MARCH 2001

5-2. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION ON REQUEST FOR FINAL PAYMENT FOR THE CHILDREN'S MUSEUM NEW HVAC SYSTEM REBID PROJECT, CONTRACT 39900-131 AS SUBMITTED BY DEVELOPMENT SERVICES TO MIKENNIS MECHANICAL CONTRACTORS, INC., 3510 BARRON WAY, SUITE 100, RENO, NV 89511 FOR A FINAL PAYMENT AMOUNT OF \$16,680.84 THAT WAS PAID TO THE CONTRACTOR AND ACCEPT THE CONTRACT SUMMARY AS PRESENTED

B. ACTION ON REQUEST FOR CONTRACT APPROVAL ON THE PURCHASE AND INSTALLATION OF A HVAC UNIT FOR JUVENILE PROBATION, CONTRACT #2000-074 TO CARRIER CORPORATION FOR AN ORIGINAL AGREEMENT COST OF \$45,457 AND AUTHORIZE THE CONTRACTS DIVISION TO EXECUTE AGREEMENT FOR A NOT TO EXCEED AMOUNT OF \$2,500

C. ACTION ON REQUEST FOR CONTRACT APPROVAL ON THE UTILITIES COMPLEX BUILDING D EXPANSION AND BUILDING C SECOND LEVEL ADDITION, CONTRACT #9900-269 TO F. EVANS CONSTRUCTION, 155 GLENDALE AVENUE #10, SPARKS, NEVADA 89431 FOR APPROVAL OF CHANGE ORDERS 1 AND 2 FOR AN INCREASE TO THE ORIGINAL CONTRACT OF \$19,237.31 AND AUTHORIZE THE CONTRACTS DIVISION TO EXECUTE CHANGE ORDERS FOR A NOT TO EXCEED AMOUNT OF \$15,012.69

5-3. PURCHASING AND CONTRACTS

A. ACTION TO EXTEND CONTRACT NO. 9899-150 JOINDER BID WITH

CORPORATE EXPRESS THROUGH THE STATE OF NEVADA TO PURCHASE OFFICE PRODUCTS AND AUTHORIZE ALL CITY DEPARTMENTS TO BE ABLE TO PLACE ORDERS FROM THIS CONTRACT THROUGH DECEMBER 31, 2001, PROVIDING THEY HAVE APPROVED FUNDING AND FOLLOW APPROVED CARSON CITY PURCHASING PROCEDURES

B. ACTION ON THE RENEWAL OF CONTRACT NO. 9899-213 SODIUM HYPOCHLORITE SOLUTION THROUGH JUNE 30, 2002, TO PIONEER CHEMICAL COMPANY AT \$0.57 PER GALLON FOR DELIVERIES OF 4,501 GALLONS OR MORE MADE TO THE WASTEWATER RECLAMATION PLANT, QUILL RANCH, AND AQUATIC FACILITY

C. ACTION ON CONTRACT NO. 0001-097, A CONTRACT DECLARING THE LISTED CITY PROPERTY AS SURPLUS AND AUTHORIZING THEIR DISPOSAL BY PUBLIC AUCTION AS IT IS IN THE BEST INTERESTS OF CARSON CITY (1-0910) - None of the items were pulled for discussion. Supervisor Plank moved to approve the seven remaining items on the Consent Agenda as presented including Item 5-1A, absent 5-1B and 5-1C, and continuing with the Items under 5-2 and 5-3. Supervisor Livermore seconded the motion.

Richard Hardenbrook, political liaison for the Carpenters Union, expressed his concerns about using the lowest responsive and responsible bidder and questioned the lack of control over the contractor and his work ethic. He also pointed out that a pre-qualification bill is now pending at the Legislature which would address these situations. Mayor Masayko indicated that his comments were general comments relating to low bidders and the Statutes.

The motion to approve the remaining Consent Agenda items was voted and carried 5-0.

6. BOARD OF SUPERVISORS

A. ACTION ON A REQUEST BY MAXINE NIETZ, REPRESENTING CARSON CITY RENDEZVOUS, FOR A WAIVER OF FEES AT MILLS PARK (1-0972) - Maxine Nietz, Convention and Visitors Bureau Executive Director Candace Duncan, and Convention and Visitors Bureau Board Member and Rendezvous Committee Chairperson Dwight Millard - Mayor Masayko disclosed that he is the Board's liaison to the Bureau's Board. Discussion explained the history of the event, activities which will be conducted during the Rendezvous, and the need to use City owned generators during the concert. Mr. Millard thanked Parks and Recreation staff for its help in putting on the event. Mayor Masayko directed City staff to work with Mr. Millard on the generators. Supervisor Williamson expressed her concern about the precedence that would be established by waiving the fees. Other users pay the fees. The usage creates an impact on the facility. She acknowledged the funds which the Bureau had provided for the bicycle path. Supervisor Staub supported her comments. The fees reimburse the City for the usage. He acknowledged the benefits the fundraising activities provide to non-profit organizations. Supervisor Livermore described the concert costs and the corporate funding which had been solicited for the concert. He suggested that the Committee consider using some of the profits for next year's concert. He felt that the Rendezvous was the largest community event held during the summer. This effort should be recognized by having the City participate by waiving the fees. He supported the fee waiver.

Supervisor Staub requested that the record clearly reflect that the event is not his concern. He supported the Rendezvous and is well aware of the impact it has on the community. His concern related to the precedence which would be established and the legal impact of such a precedence.

Supervisor Plank pointed out that the entire Rendezvous is free for everyone as everyone can tour the various booths and watch all of the events without spending any money. This is the difference between the Rendezvous and carnivals that are held by another group. A person could not enjoy the carnivals without spending money.

Discussion explained the booth fees which are assessed the vendors. These fees are added to funds from the

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Bureau and the State Commission on Tourism. Clarification also explained the Redevelopment Grant which had been used for the concert. Other entertainment fees were provided. Ms. Duncan explained that the free concert may have created the "funding problem" and necessitated the request for additional support due to the number of individuals who will attend the concert. This creates additional security concerns and may require the addition of private security. Additional advertising is required to promote the concert. The budget for this coverage had not been established. Clarification indicated that none of the fees would be used for the Pony Express Pavilion although the contract does not specifically spell out the cost for the park facilities. Mayor Masayko expressed his willingness to support the request for this year. Next year's request will have to stand on its own merits. The request could be considered an exception but he did not feel that it would be a precedence. Chairperson Millard reiterated that the concert was developed late in the game and had used approximately half of the budget. He felt that the request would be for this time only.

(1-1345) Supervisor Livermore moved for approval of a fee waiver for the Carson City Rendezvous at Mills Park for the event of June 7 through the 11, 2001, and the fee waiver amount of \$2070.70. Supervisor Plank seconded the motion. Following a request for an amendment, Supervisor Livermore amended his motion to indicate that this is a one time application fee based on what was placed on the record and presented here today. Supervisor Plank concurred. Motion carried 4-1 with Supervisor Williamson voting Naye.

Fred Nietz from the Arlington Group thanked Supervisor Livermore for his input regarding Health Smart. He then pointed out that \$70,000 would be returned to the community in advertising generated by the concert. The concert had added this additional cost to the event which had not been part of the budget.

B. ACTION ON ASSEMBLY BILL 457 WHICH REVISES PROVISIONS GOVERNING DISTRIBUTION OF BASIC VEHICLE PRIVILEGE TAX REVENUE TO INCREASE AMOUNT ALLOCATED FOR EDUCATIONAL PURPOSES (1-1382) - Mr. Berkich and the Board discussed the purpose of the bill, its status, its projected annual impact to Carson City and its ad valorem rate, and alternative funding sources for educational purposes. Supervisor Williamson moved that the Carson City Board of Supervisors oppose AB 457 and direct staff and the Lobbyist to work toward that end. Supervisor Plank seconded the motion. Motion carried 5-0.

C. DISCUSSION ON LEGISLATIVE MATTERS (1-1522) - Mayor Masayko explained that the Charter revisions had been passed to the Assembly. The Assembly Government Affairs Committee's amendments to the Elected Officials Pay Bill were explained. The revised bill may be on its way to the Senate. Supervisor Williamson explained her concerns with SB 425 and requested direction from the Board regarding it. She expressed her willingness to continue to oppose it as an individual and not as a Board member. Direction from the Board supported this process until the item can be agendized and acted upon. Memos or e-mails are to be used to notify other Board members if one member testifies on issues which have not been considered. Comments noted how dynamic the process is and the need to respond quickly. Mr. Berkich felt that municipal utilities had been exempted from SB 425. It also included a clause regarding a local government's ability to enter into electric, telecommunications, or cable television business so long as in doing so it does not harm the existing service provider or if an emergency exists that makes it necessary for the local government to do so. Comments noted how quickly bills are amended/revised and their objectives or hidden agendas. Attempts are being made to agendize any significant bills so that the Board can respond, however, in this very flux environment, it may not be possible to do so for all bills. No formal action was required or taken.

BREAK: A recess was declared at 10:15 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:25 a.m., constituting a quorum.

7. SHERIFF - ORDINANCE - FIRST READING - ACTION ON AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) CHAPTER 9.13 (CARSON CITY CORONER) AMENDING SECTION 9.13.070 JURISDICTIONAL AUTHORITY TO REQUIRE LESS TIME

INVOLVED IN ATTENDING TO DEATHS THAT ARE NOT IN FACT CORONER'S CASES AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO (1-1710) - Sgt. Ron Johns and Coroner Norm Nunes - Discussion explored the reasons for the revisions and pointed out two typographical errors in the Code which were being corrected. Supervisor Livermore suggested that the term hospital be revised to meet the expanding services provided by clinics, etc. Mayor Masayko suggested the Statute be referenced. Sgt. Johns indicated that the current Code references the Carson-Tahoe Hospital and the revision had merely copied its intent. Supervisor Livermore moved to introduce Bill No. 105 on first reading, **AN ORDINANCE AMENDING SECTION 9.13.070 JURISDICTIONAL AUTHORITY TO REQUIRE LESS TIME INVOLVED IN ATTENDING TO DEATHS THAT ARE NOT IN FACT CORONER'S CASES AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.** Supervisor Plank seconded the motion. Supervisor Williamson welcomed Mr. Nunes to the community. Motion carried 5-0.

8. ENVIRONMENTAL HEALTH - Deputy Director Ken Arnold - **PRESENTATION OF STATE ENDORSED WELLHEAD PROTECTION CERTIFICATE (1-1882)** - Nevada Division of Environmental Protection, Bureau of Water Quality Planning, Hydrogeologist Nevan Kane explained the award and complimented Mr. Arnold, his staff, and the Board on their efforts to protect and plan for the safety of its drinking water sources and the ground water table. The biggest treat to the groundwater is nitrates which is created by the growth in the number of units and the high use of septic systems. Mayor Masayko noted the City/Board and staff's efforts to encourage people to connect to the City's sanitary sewer system. He thanked the State for recognizing this effort. Supervisor Plank also complimented staff for taking on this controversial effort. Supervisor Williamson expressed her hope that the staff is working on a ordinance to identify additional areas of concern so that the residents will be aware of the need before growth forces it upon them. Mr. Arnold read the certificate into the record and thanked Mr. Kane for the recognition. He then explained that the certificate also makes the City eligible for additional grant funds. Information was displayed and explained which will be available for the public at Earth Days. He invited the public to attend. No formal action was required or taken.

9. FINANCE - Director David Heath - **ACTION ON A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF, AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING VARIOUS CAPITAL IMPROVEMENT PROJECTS WITHIN THE CITY AND REFINANCING CERTAIN OUTSTANDING BONDS, PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICE THEREOF; RATIFYING ACTION HERETOFORE TAKEN NOT INCONSISTENT HERewith; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE (1-2012)** - Supervisor Williamson moved to adopt Resolution 2001-R-19, **A RESOLUTION OF INTENT, PROPOSING THE ISSUANCE OF, AND AUTHORIZING THE PUBLICATION OF NOTICES RELATING TO GENERAL OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING VARIOUS CAPITAL IMPROVEMENT PROJECTS WITHIN THE CITY AND REFINANCING CERTAIN OUTSTANDING BONDS, PROVIDING THE MANNER, FORM AND CONTENTS OF THE NOTICE THEREOF; RATIFYING ACTION HERETOFORE TAKEN NOT INCONSISTENT HERewith; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE.** Supervisor Plank seconded the motion. Motion carried 5-0.

10. COMMUNITY DEVELOPMENT - Director Walter Sullivan and Principal Planner Rob Joiner

A. ACTION ON H-00/01-11 - A REQUEST FROM THE U.S. FOREST SERVICE (PROPERTY OWNER AND APPLICANT) FOR INCLUSION OF THE U.S. FOREST SERVICE WHITE HOUSE TO THE CARSON CITY HISTORIC DISTRICT, ON PROPERTY LOCATED AT 1536 SOUTH CARSON STREET, APN 3-063-09 (1-2085) - Terry Birk, Archeologist for the Carson Ranger District - Mr. Joiner explained that the proposal only considered the white house and not the property. Mayor Masayko noted for the record that the Forest Service may be planning to use the building more than it currently is. Discussion ensued on the impact the proposal would have on the RTC proposal to extend Stewart Street to Curry Street. Mr. Joiner did

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not feel that the proposal would impact RTC's ability to have a right-of-way as it deals only with the house. A wall could be used to buffer the traffic.

Mr. Birk indicated that the designation on the historic register would not impact the City's ability to extend Stewart Street to Curry Street. The Federal needs analysis utilizes established criteria to determine the need for the structure. This analysis takes precedence over other considerations. Therefore, the designation will not impede the City's ability to move forward with the street extension.

Supervisor Plank disclosed his conversation with RTC Engineer Harvey Brotzman indicating the designation confines itself to the walls of the house and not the exterior property. The need for the Stewart Street extension had included the property between the White House and the Shell Service Station.

Supervisor Staub attempted to explore with Mr. Birk the time when the application was submitted. Mr. Birk was unsure of the date but felt that the process originated in 1998. Supervisor Staub vocalized his objection to approving the request until RTC determines whether the right-of-way is needed. He urged the Board to table the matter until that time. Supervisor Plank supported his recommendation.

Mayor Masayko then explained the Board's findings regarding the Olcovich House and the difficulty he would have in considering the White House as the findings for the Olcovich House had indicated that the separation of the structure from the property would negatively impact the historic value of the site. He did not wish to place the City or the Forest Service at a disadvantage if, at a future time, a decision is made to relocate the Ranger Station. Approval of the request could eliminate the possibility of relocating the White House to another site. Mr. Birk stated that he understood the concern based on his discussions with Mr. Joiner about the Olcovich House. Screening and similar types of protection could be provided for the house. Mayor Masayko felt that this is a separate issue which will be considered in the future. He was certain, however, that if the Forest Service or the Federal government decides to abandon and dispose of the property that the building with its designation will encounter a problem. This could even impact the City's ability to receive federal grants for historical structures and projects. Mr. Birk agreed to check into whether the designation would restrict the relocation or destruction of the house at some future date.

Supervisor Williamson pointed out that the documents indicate the assessment of the building began in August 1999. Efforts to locate funding for rehabilitation of the building had delayed the process until now. The Stewart Street extension may have expedited the designation and created the funding potential. Public comments were solicited but none given.

Supervisor Plank expressed his support of Supervisor Staub's recommendation that the matter be table based upon the discussion and need to determine whether the designation would complicate RTC's ability to do something with Stewart and Curry Streets. **Supervisor Plank then moved to table the recommendation with regards to the U. S. Forest Service property known as the White House and table the inclusion of the U.S. Forest Service White House into the Carson City Historic District, located at 1536 South Carson Street, Assessor's Parcel Number 3-063-09, at this time. Supervisor Staub seconded the motion.** Supervisor Williamson explained that Jan Miller from GROW had been present and had left due to the time it was taking to reach this topic. She requested that Ms. Miller be allowed to make a comment if she returns. Mayor Masayko agreed. Supervisor Livermore noted that 1536 South Carson Street is the location for the Forest Service District Office. He felt that the White House had a separate address. Mr. Joiner explained that the parcel is listed as being at 1536 and that a separate address is not shown for the two buildings. The APN was provided by the Assessor. **The motion to table was voted and carried 5-0.** Mayor Masayko asked that the address issue be addressed when the matter is returned as well as his issue regarding the value of the land with the historic designation. Mr. Joiner explained the Historic Commission's review of the item. He thanked the Board for its time and consideration. He agreed to review the two issues. Mayor Masayko also expressed his feeling, as had the other Board members, about the rush to act on the request today. Mr. Joiner then explained a second designation and funding option which the Forest Service may utilize to make the repairs. This designation does not require City recognition.

There is a public comment period involved with this designation. He also indicated that if the building is relocated or altered, the site will lose its designation. Mayor Masayko asked that the Board be notified when the public comment period is opened so that it could respond.

(1-2613) Jan Miller felt that the little White House and the area around it were beautiful, have value, and should be retained.

C. ACTION TO ACCEPT AN OFFER OF DEDICATION FOR STREET RIGHT-OF-WAY FOR AIRPORT ROAD/GRAVES LANE INTERCHANGE PARCEL CONTAINING APPROXIMATELY 22,462 SQUARE FEET OF LAND (1-2634) - Supervisor Plank moved to accept an offer of dedication for street right-of-way for Airport Road/Graves Lane Interchange Parcel containing approximately 22,462 square feet of land. Supervisor Williamson seconded the motion. Motion carried 5-0.

B. ACTION ON AB-00/04 - A REQUEST FROM CARSON CITY (PROPERTY OWNER AND APPLICATION) FOR THE ABANDONMENT OF A PUBLIC RIGHT-OF-WAY (AN IRREGULARLY SHAPED AREA APPROXIMATELY 9,800 SQUARE FEET IN SIZE) ON PROPERTY ZONED RETAIL COMMERCIAL (RC), LOCATED AT THE SOUTHEAST CORNER OF GRAVES LANE AND AIRPORT ROAD, APN 8-142-01 AND ACTION TO DETERMINE FAIR MARKET VALUE OF THIS LAND AT \$27,500 (1-2707) - Dwight Millard - NRS 278.480 restricts abandonment of the property to the adjacent property owners. Mr. Millard is the only directly adjoining property owner. The two year increase in value was noted. The extension of Graves Lane has diminished the traffic on Airport Road. It now functions more like a neighborhood street than a major arterial. Supervisor Staub explained his concern about abandoning property at no cost and being required to purchase it again in the future when it is needed by the community. The proposal sells the property. In such cases it is fair to require purchase if needed in the future. The funds from the sale are to be allocated to RTC projects as RTC funds had originally purchased the property.

Mr. Millard indicated that he had agreed to purchase the property as he is the only abutting property owner. His zone change had increased the property value and the cost to acquire the property. He also indicated for the record that the powerline along Airport Road would be placed underground. The sales price is acceptable.

Supervisor Plank moved that the Board of Supervisors approve AB-00/01-4, a request from Carson City, property owner and applicant, for the abandonment of a public right-of-way, an irregularly-shaped area approximately 9,800 square feet in size, on property zoned Retail Commercial, located at the southeast corner of Graves Lane and Airport Road, Assessor's Parcel Number 8-142-01, based on seven findings and subject to four conditions of approval as contained in the staff report and that the Board of Supervisors determines that the fair market value of this land is \$27,500, no fiscal impact. Supervisor Livermore seconded the motion. Motion carried 5-0.

Mr. Sullivan requested that the record acknowledge Mr. Millard's patience in finalizing the process and City Engineer Larry Werner and Engineering Tech Kathy Street for their assistance.

D. ORDINANCE - FIRST READING - ACTION ON A-00/01-3 - AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC), CHAPTER 18.06 (INDIVIDUAL USE DISTRICT PROVISIONS), SPECIFICALLY, SECTION 18.06.241 (MINIMUM AREA) BY CHANGING THE REQUIRED MINIMUM LAND AREA REQUIRED IN THE NEIGHBORHOOD BUSINESS (NB) DISTRICT FROM NINE THOUSAND (9,000) SQUARE FEET FOR EACH STRUCTURE TO SIX THOUSAND (6,000) SQUARE FEET FOR EACH STRUCTURE, AND OTHER MATTERS PROPERLY RELATED THERETO (1-2992) - Ron Kipp - Discussion indicated that this change will align the neighborhood business area requirements to match the other uses. Research of the records failed to indicate the justification for requiring the additional area; therefore, it could be felt that the requirement is arbitrary and capricious toward this zone. Supervisor Livermore suggested that when the residential lots were downsized to 6,000 square feet, the 9,000 square foot requirement for neighborhood businesses may have been overlooked. He supported the revision as the current code would eliminate the possibility of having neighborhood businesses in a residential zone.

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Mayor Masayko and Supervisor Williamson noted the restrictions which will limit the number of requests for this zone. The neighbors' petition related to the change of land use request for a specific parcel and not the Code amendment. Their issue will be considered in the future after the Code amendment occurs.

Mr. Kipp described the location of the parcel on which he wished to construct an office for the Builders Association of Western Nevada. The zone change issues will be addressed after the Code amendment is made.

Supervisor Livermore moved to introduce on first reading Bill No. 106, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC), CHAPTER 18.06 (INDIVIDUAL USE DISTRICT PROVISIONS), SPECIFICALLY, SECTION 18.06.241 (MINIMUM AREA) BY CHANGING THE REQUIRED MINIMUM LAND AREA REQUIRED IN THE NEIGHBORHOOD BUSINESS (NB) DISTRICT FROM NINE THOUSAND (9,000) SQUARE FEET FOR EACH STRUCTURE TO SIX THOUSAND (6,000) SQUARE FEET FOR EACH STRUCTURE, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisors Williamson and Plank seconded the motion. Motion carried 5-0.

11. BOARD OF SUPERVISORS - CONTINUATION OF NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-3552) - Supervisor Williamson reported on her attendance at or participation in/with the following meetings, groups, events, or activities: Redevelopment and the State Annex to the Museum Grand Opening; Redevelopment Authority Citizens Committee; Western Nevada Housing Consortium including concerns regarding a Federal requirement on lead based paint; Health Smart; Mental Health Coalition; One Region and announced its Regional Summit which is scheduled for June 15 from 1 to 4 p.m. at Cal-Neva Lodge; Third Grade Reading Programs; and family activities. She also solicited volunteers for the soccer tournament. She announced the Fire Department program to assess and assist property owners in developing wildland fire breaks around their residences; the Earth Day activities at Mills Park; and the Carson High School Biology Department's nature walk and study at the Ambrose Nature Study area along the Carson River from 9 a.m. to noon on Monday.

Supervisor Staub reported on the Sierra Room renovation project and his family activities.

Supervisor Livermore reported on his attendance at or participation in/with the following meetings, groups, events, or activities: Western Nevada Development District; Health Smart and announced its Health Care booklet which will be distributed throughout the community; Chamber of Commerce's Manufacturers meeting; Economic Development; Hospital including the Preview of the Spring and Summer 2001 Hospital Marketing Plan for Carson City and the transition; and the Subconservancy and offered to have David Morgan's presentation on the Subconservancy and the Carson River's importance to the four Counties in Nevada and Alpine County in California given to the Board. He announced the Arbor Day celebration scheduled for Friday, April 27, at the Adams House at 5:30 p.m. and invited the public to participate.

Mayor Masayko reported on his attendance at or participation in/with the following meetings, groups, events, or activities: NDOT Board of Directors including its request for a Congressional grant of \$20 million for Phase 1B of the freeway and the status of the statewide policy regarding returning streets to local control and a proposal to assess a franchise fee to the telecommunication firms for use of the State right-of-way which Mr. Berkich felt had died in committee; the groundbreaking for the Jack C. Davis Observatory; the opening of Senator Ensign's office; V&T Railway's State grant; legislative activities; public relations activities for PRIDE and the City's ability to continue the PRIDE program after the MPO is established; and announced the status of the Statewide Technical Advisory Committee's ISTEA allocations and its efforts to obtain additional federal funding for PRIDE. Discussion ensued regarding a request from several Counties that the State provide maintenance funding to the County(ies) when roads are transferred to local control. Mayor Masayko also pointed out that the City would receive the five cents dedicated to the freeway before the freeway is completely constructed. He announced that the Statewide Technical Advisory Committee's ISTEA allocations would be made on a regular Board meeting date and asked that a City staff member be sent in his place. He then reported on meetings of the Airport Authority including the status of its master plan and its revisions to Title 19; legislative activities; and the RSVP meeting and

the status of its community center program and the Fourth of July fireworks. He announced that the Airport Open House will be held on May 19th, airport activities scheduled for that date, and the public hearings scheduled by the Commission on Aging on a single entry point program.

Supervisor Plank reported on his attendance at/participation in/with the following meetings, groups, activities, or events: TRPA; RTC; Senior Citizens Advisory Committee; Parks and Recreation Commission and announced that a subcommittee had been established to select a sight for Eric Kvam's bicycle park; and the Northern Nevada Railway Foundation. He also explained the status of the therapy pool; the agenda for the Nevada TRPA, which he had missed due to the Board meeting; and the status of the College Parkway soundwall. Discussion noted the problems encountered with PRIDE, questioned the current ridership; and noted its plans to expand its service to Gardnerville/Minden and Fallon. Mayor Masayko volunteered to have NDOT Representative Sandy Stanio attend the next Public Transit Advisory Committee meeting and provide a report on PRIDE. No formal action was required or taken.

BREAK: A lunch recess was declared at 12:27 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

12. BOARD OF SUPERVISORS - ACTION TO SUSTAIN OR REVERSE THE DECISION OF THE CARSON CITY SHERIFF TO DENY A WORK PERMIT FOR PAUL JONES (2-0755) - Sgt. Ron Johns - Mr. Johns was not present. Public comments were solicited but none given. Supervisor Livermore moved to sustain the decision of the Carson City Sheriff to deny a work permit for Paul Jones. Supervisor Plank seconded the motion. Motion carried 5-0.

13. NEVADA WORKS - PRESENTATION BY REPRESENTATIVES OF NEVADA WORKS ON THE GOALS OF THE PROGRAM AND POSSIBLE PARTNERSHIP WITH CARSON CITY (2-0835) - Nevada Works Chief Executive Officer Thomas Fitzgerald explained his agency, its board, its purpose, funding, grant programs, its challenges including its efforts to obtain additional federal funding, and its "one-stop shop program". Input was solicited. Informational packets were distributed to the Board and Clerk. (A copy is in the file.) Mayor Masayko thanked Personnel Manager Judie Fisher for her service on its Board. The funding allocation process was described in depth. The distribution formula needs revisions to recognize the rural needs and, specifically, its failure to recognize the rural residents' tendency to leave an area when unemployed due to the lack of job opportunities. The impact these individuals have on the urban areas, including Carson City, was noted. Mayor Masayko pointed out that the program should include funding to assist business expansion in rural areas in order to retain these individuals. Mr. Fitzgerald limned their efforts to accomplish this goal and provide training for the residents who do leave the rural areas. He then described the youth programs for individuals between the ages of 14 and 21. Supervisor Livermore explained his problems with the JOIN program relating to its pay scale and the competition it creates for him in attempting to hire entry level personnel for his firm. Mr. Fitzgerald volunteered to meet with Supervisor Livermore to discuss his problems. Mr. Fitzgerald then explained an Elko program which obtains more funding than Carson City. Mayor Masayko urged Supervisor Livermore to meet with Mr. Fitzgerald due to his agency's oversight of the JOIN program. No formal action was required or taken on this item.

14. DEVELOPMENT SERVICES - City Engineer Larry Werner

A. ACTION REGARDING PARTICIPATION WITH THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION (NDEP) IN A PROGRAM TO CONDUCT A PILOT STUDY TO IDENTIFY, INVENTORY, AND CLASSIFY WETLAND AND RIPARIAN RESOURCES IN CARSON CITY BY CONTRIBUTING \$30,000 AS A MATCH TO EPA FUNDING OF \$90,000 FOR A TOTAL OF \$120,000 (1-0789) - Harding ESE Associate Environmental Scientist Leslie Burnside; Parks and Recreation Director Steve Kastens; Nevada Department of Environmental Protection Glen Gentry - Ms. Burnside introduced the other members of her team and used computer enhanced slides to highlight her comments. The funding, purpose, reasons for selecting this area, the work which has already been accomplished, the proposal to include one wetland

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cite from outside the area as a comparison, and benefits from the study were limned. The matching funds needed for the project is \$30,000. The timeline was then defined including the completion date of March 2002. NDEP could then use the results of the pilot program to expand the project statewide.

Mr. Kastens explained that, although the proposal was submitted to the Open Space Committee, a quorum was not present at that meeting. The Committee's plan includes a study of this nature. Committee Chairperson Hartman had reviewed the proposal and supports it. Mr. Kastens felt that the Committee would be willing to participate in the cost. He and Open Space Manager Juan Guzman had agreed to participate but were not willing to fund the entire match due to the benefits which would be derived from the project and used by other Departments. They committed to providing \$15,000 for the matching funds.

Mr. Werner pointed out that the study would assist developers in determining how to handle wetland areas; i.e., buffering, separations, replacement, irrigation, etc. The developers are currently spending a lot of money trying to obtain the guidelines the study will provide.

Supervisor Williamson pointed out the sensitivity created when wetlands are identified on a development site. The study would be impartial and provide established criteria to assist the staff and developer in developing an action plan for development of the site. This would eliminate future problems for the occupants. Discussion pointed out that the study would also locate "Wandering Skippers" and similar threatened species. Staff currently has a map which it uses to point out the wetland areas. It does not designate the classification of the wetlands nor provide development guidelines. The map which the City now has will be used as part of the study.

Clarification outlined how the study will be performed. It will not become an imposition on individuals like the Army Corps of Engineers' current wetland program. It could also be used in negotiations with the Army Corps to amend its program. It will be used to determine the cost to mitigate the wetlands if a property owner is determined to develop his property. Without the study, the quality of the wetlands cannot be determined. Lower quality wetlands are mitigated at a lower cost due to the lessor regulations. Carson City will be the pilot program for the study. The Army Corps of Engineers is on board with the program as indicated in a regulation which Ms. Burnside cited. The pilot program could become the regulating authority for permitting wetland development for Carson City. Mayor Masayko and Mr. Berkich acknowledged that the process may allow more local control as opposed to having Sacramento regulators dictate Carson City requirements. Supervisor Plank compared the concept to his flood insurance rate and supported the program as it will provide wetland designations and reduce the impact on developers/property owners. The proposed amount of public hearings and public involvement was noted. Comments stressed the need for public participation and buy-in/education which is to include the land owners.

Mr. Werner explained the mapping system which would be created by the process and how it would be utilized. It should shorten the current process and develop established criteria for the builder when wetlands are encountered. Ms. Burnside then explained the long-range plan to maintain and upgrade the mapping. Responsibility for paying for the upgrades has yet to be determined, however, grants may be used, if available. The Nevada Division of Environmental Protection will maintain the archives. The public will have access to these records. Carson City will have copies of the GIS data base, the technical report, and the mapping. A developer will not have to pay a subscription cost in order to use the study. Mr. Werner described how the study could have been used by a storm water utility which would have paid for the development costs. Justification for this funding and its continued support was provided. A detailed evaluation could be provided by any developer to refute the study. His/her evaluation would eliminate any subjectivity in the process. Criteria for identifying a wetland is specific. The value of it after surrounding development occurs is harder to determine. Ms. Burnside also pointed out the Army Corps of Engineers regulation indicating that the study has a five year life. Therefore, it must be upgraded every six years. They will be involved in the evaluation process which will result in a comprehensive analysis when completed that they will support. The study also spells out who has what authority when dealing with FEMA and the Army Corps of Engineers. Supervisor Plank pointed out two wetlands which had been created by the City. They may not be on an inventory. They are in Brunswick Canyon and are the result of the dam. Development around Arrowhead Drive had also changed the groundwater table in his area. He urged the State to upgrade the

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map as such changes occur.

Mayor Masayko pointed out the Brunswick Canyon wetlands are on BLM land and the discovery of wetlands created by the Marlette-Hobart water system. He hoped that a lot of funds are not dedicated to researching/studying these areas. The Carson City valley area should receive the maximum amount of study possible. Ms. Burnside explained the use of aerial photography to determine the wetland locations. The valley floor is very open with little tree cover. This makes citing of wetlands easier. The majority of the time would be allocated to the valley floor as that is where the majority of the resources are. Carson City had been selected for the pilot program due to the fact that it has a variety of different types of wetlands. This provides the "biggest bang for the dollar". Douglas and Washoe Counties had refused to participate at this time. Carson City's Open Space plan is significantly tied to the purpose of the project. The third criteria is to have a partner who could participate financially. Public comments were solicited but none given.

Supervisor Plank moved to approve participation in a pilot study to identify, inventory, and classify wetland and riparian resources in Carson City by contributing \$30,000 as a match for EPA funding of \$90,000 for a total of \$120,000; the fiscal impact is \$30,000; and the funding source is the Open Space, Water Utility, Drainage, Engineering, Streets, Building, Planning and Community Development. Supervisor Williamson seconded the motion. Discussion indicated that neither Open Space Advisory Committee nor Storm Drainage Advisory Committee had seen the program. Storm Drainage does not at this time have any resources. Mr. Werner indicated that the funds would come from those allocated by the Street Department. Supervisor Staub indicated his unwillingness to spend \$30,000 in view of the tight budget and its failure to obtain support from two adjacent Counties. The program should be the responsibility of a developer. If the Open Space Advisory Committee had had an opportunity to review and provide the Board with input on the proposal, he may have been willing to consider it. He recommended the proposal be referred back to the Open Space Advisory Committee for investigation and a recommendation to the Board. Supervisor Livermore explained his concern with the program had been based on the lack of: definitions, firm commitments on the amount of public involvement, and involvement of other communities. Mr. Berkich explained the need to move quickly on the study and suggested that the proposal be approved subject to the Open Space Advisory Committee's affirmative approval. **Supervisor Plank amended the motion to include upon approval of the Open Space Committee.** Following a request for a second amendment, **Supervisor Plank amended the motion to require Open Space to contribute \$20,000. Supervisor Williamson concurred with the amendments.** Discussion noted the reasons the Committee had not reviewed the proposal. Supervisor Williamson also pointed out that the advantage to having knowledge on the designations would eliminate the need for the individual property owners to have to do the research necessary to definite and argue with bureaucrats over the designations. Open Space could be attracted to those areas requiring a buffer. The buffer/wetlands could also impact the property's value. The restricted amount of property left for development helps define where the wetlands are. The knowledge will provide power. Supervisor Staub agreed that it would provide knowledge when speaking on the topic. He did not feel that he was speaking from a point of knowledge at this time based on the limited amount of information he had on the topic.

Mr. Gentry indicated that the grant is valid until June 30, 2002. At that time it will be lost unless extended. It had already been extended once. the work required to complete the study mandates its commencement soon. The reasons for seeking an extension and the steps taken to reach this point in the process were defined. The goal is to involve the entire State. The starting point is proving difficult to find. The study will be open to the public. The long-term goal is to have a document which is maintained, updated and available on the internet.

Supervisor Staub indicated that the discussion had not changed his position. The proposal should be referred to the Open Space Committee. Supervisor Plank explained that the Committee is advisory to the Board and his willingness to trust staff until proven otherwise.

Mr. Gentry then explained the criteria used to select the consultant, the RFP responses, and the programs used in other States. Nevada does not have a significant 404 data base so that it could takeover the program.

Mayor Masayko pointed out the major stake which Open Space should have in the program and that the program could make its long-term planning easier. If it supports 2/3rds of the project, the remaining entities could foot the balance. He agreed that someone had to start the process. He supported having the Committee review the process and, if acceptable, approve the funding allocation. If the funding is not approved, the program will be rejected. Public comments were solicited but none given.

Discussion indicated that the motion had been amended to have Open Space fund \$20,000 of the project and review and approve/reject the program. Supervisor Plank pointed out that Mr. Werner is representing the remaining funding sources. The motion to approve the program with the designated funding levels and requiring Open Space Advisory Committee's review and funding approval was voted and carried 4-1 with Supervisor Livermore voting Naye. Mr. Werner was reminded that the funding is contingent upon Open Space Advisory Committee's approval.

B. PRESENTATION OF CARSON CITY CONSTRUCTION MANAGEMENT PROGRAM FOR BUILDINGS/STRUCTURES/FACILITIES (2-2595) - City Manager John Berkich, Development Services Director Andrew Burnham, Associated General Contractors Representative Cheryl Bloomstrum, Parks and Recreation Director Steve Kastens - Mr. Werner distributed to the Board and Clerk a revised version of the program. (A copy is in the file.) The revised plan was reviewed. The concept of having a construction manager may provide a better, more timely and within budget project, allow managers to work on their other duties, and reduce the number of change orders/arbitration issues. Mr. Berkich supported implementation of the program based on the feedback he had received from the user groups. Mayor Masayko supported the concept but opposed adding staff. Mr. Werner indicated that projects are currently paying for construction management in one form or another. Additional permanent staff would not be hired to make the program work. Duties assigned to current personnel were described. If necessary, consultant(s) may be retained to do some of the work, particularly if the project is beyond the staff's expertise or there are more projects underway than workloads can accommodate. The project(s) will be charged for these services. City staff is currently providing services for 70 to 80 percent of the City projects. The remaining uncovered projects will not create a significant impact on staff's workload. Staff will be augmented with consultants/temporary employees or reduced by attrition in accordance with the workload. The Senior Center expansion project was used to illustrate the concept. The difficulties encountered at the Aquatic Facility were cited to illustrate problems with the current program. Supervisor Staub stressed his desire to retain competent consultants who are knowledgeable about the project to which they will be assigned. He also expressed his desire to reduce the number of change orders which are occurring on projects and explained his concern about his lack of knowledge/information on them. Mayor Masayko encouraged him to seek clarification from staff regarding any/all change orders.

Ms. Bloomstrum indicated that the general contractors supported the concept and recommended that the appropriate licensed general contractors be used. The consultant should be the lowest responsive and responsible bidder. She agreed that the current process has created a significant increase in the use of change orders due to incomplete plans or plans which have not been adequately reviewed. She volunteered to assist with the program, if needed.

Mr. Kastens supported the concept and pointed out that the General Fund had been paying for the service through the use of Department/Division Heads on the Question 18 projects. The projects should be required to pay for their impact on City staff. The program will provide more efficient use of staff and utilize their expertise appropriately. Mayor Masayko reiterated his requirement that additional staff not be required to make the program work. No formal action was required or taken on the program.

BREAK: A recess was declared at 3:25 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:30 p.m., constituting a quorum.

C. PRESENTATION BY DEVELOPMENT SERVICES STAFF, MEMBERS OF THE STORM DRAINAGE ADVISORY COMMITTEE, AND CONSULTING TEAM ON THE STATUS OF THE CITY'S STORMWATER MANAGEMENT PROGRAM; AND DISCUSSION AND POSSIBLE ACTION TO DIRECT THE STORM DRAINAGE ADVISORY COMMITTEE AND DEVELOPMENT SERVICES STAFF REGARDING THE STORMWATER MANAGEMENT PROGRAM (2-3156) - Consultant Randy Bowling - Mr. Werner introduced the item. Comments acknowledged the work undertaken by the Committee and the members' dedication to the program. Public participation in the process was noted. Mr. Bowling used computer enhanced slides to illustrate and explain the Committee's composition, how the program had been developed, the recommended policies, and future activities. (Copies of the slides are in the file.) (3-0025) Mr. Werner then explained the financial element of the program which included the minimal, moderate and expedited action plans and project costs for each level. The Committee supported the moderate funding level of \$1.2 to \$1.4 million per year. Comparisons illustrating these funding levels were provided. The City's current funding level is approximately \$22 per acre which is considered the incidental/minimal level. This funding level will not be able to continue maintaining the facilities now in place and those which will be added in the near future by growth and the freeway. The Federal storm water mandates will be effective in March 2003. Examples of these mandates were provided. The gas tax has been paying to maintain the storm drainage improvements due to the impact storms have on streets. Growth is adding more and more streets to the City's transportation program. This creates more and more competition for the gas tax funds. The proposed financial plan establishes a per month residential charge with a suggested rate between \$2.50 and \$5.00 per month. A rate study will finalize the amount. This program will provide between \$400,000 and \$500,000 for capital projects and could support bonds of \$4 to \$5 million. The gas tax currently provides \$400,000. Mr. Werner estimated that it would cost \$800,000 to maintain and operate a storm drain management program that includes the freeway improvements. The program has not yet developed the finite decisions relating to the size of the storm which will be handled and the financing plan. He was uncertain whether the proposed funding would be able to include capital projects or replacement of current infrastructure. Mayor Masayko felt that the \$2.50/\$5.00 should not be used as a door opener to a higher fee. It appears to be a reasonable fee for the O&M costs. Mr. Werner indicated that the master plan could require increases. Mayor Masayko suggested that a quarter cent sales tax be used for the capital projects. Mr. Werner then explained the benefits of the program which the residents would obtain including those to quality of life and a reduction in flood insurance requirements mandated by FEMA. The proposal to implement a tax rate based upon acreage was rejected due to the amount of property within the community which is tax exempt. For this reason doubling the service fee and other funding mechanisms will be evaluated for capital improvement funding. Mayor Masayko reiterated his suggestion that a sales tax be implemented and acknowledged its shortfalls. The Committee had not used the master plan or considered the total buildout costs. The concept assesses all of the residents a fee at the same time. The proposed program will only build a few small capital projects and replace the gas tax funds. Clarification then explained the support currently provided by the General Fund. A proposed assessment fee is based on the size of imperious surface each property owner has. Commercial rates used an equivalent residential unit similar to the current water and sewer charge. Residential units may have one or two tiers based on the lot sizes. Board comments stressed the need to educate the public on the process and program. Mr. Werner then explained the timeframe for establishing the storm drain enterprise fund, conducting the rate study, and the public education program. Supervisor Livermore encouraged Mr. Werner to develop a campaign program similar to that undertaken to obtain approval from the electorate for different projects. Supervisor Williamson explained the original concept was to have the entire community support the financial program. Board comments supported this approach. Mr. Werner then explained the concept to grant credits to those commercial developers who have already constructed detention/retention basins and other storm drainage infrastructure items. He supported this program for those developers who had provided improvements above the minimum required in the development standards. Mayor Masayko noted the need to be cognizant of the basins which have not been maintained and questioned the value which they should receive. Mr. Werner agreed and noted the need for the City to commence maintaining such facilities. Those facilities which are of a regional nature and important to the system may be included in the program. The other facilities will be considered on a case-by-case basis. An incentive for maintaining facilities on private property will be considered. Mayor Masayko pointed out the need to include streets and roads in the equation for impervious surfaces. RTC should be responsible for this cost. Mr. Werner suggested that the freeway drainage improvements be used to offset the service cost assessed to NDOT. A

Washington State program was described to explain this concept. Mayor Masayko pointed out that the State's drainage program may exceed the City's plan and the cost for those improvements. Mayor Masayko summarized the discussion to indicate that the concept was acceptable as long as the fees are reasonable and affordable. Everyone must participate including streets and highways. The minor capital on the O&M side may be the best approach to assuring that the current system is functional. Additional equipment and staffing may be required. Mr. Werner agreed to evaluate contracting where feasible. Mayor Masayko felt that some of the maintenance work could be contracted. Clarification indicated that the Department would be similar to the water and sewer enterprises. It may require two or three more staff members. A crew of three or four individuals will be utilized full time to work on infrastructure maintenance. Board comments urged him to share employees wherever possible, i.e., engineers or contractors. Mayor Masayko noted that the discussion indicated it would take three or four full-time employees. He thanked the current and previous Committee members for their dedication and effort. Mr. Werner volunteered to make presentations to social organizations. Mayor Masayko recommended the presentation be shortened to 25 minutes. No formal action was required or taken.

15. DISTRICT ATTORNEY - ACTION TO FIX COMPENSATION FOR ATTORNEY NATHAN TOD YOUNG TO PROVIDE LEGAL REPRESENTATION TO CARSON CITY JUSTICE OF THE PEACE ROBEY WILLIS AT \$200 PER HOUR, NOT TO EXCEED \$5,000 UNLESS ADDITIONAL COMPENSATION IS APPROVED BY THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATED THERETO (3-0787) - Deputy District Attorney Melanie Bruketta - Board comments requested careful tracking of the time and charges. Supervisor Livermore moved to fix compensation for Attorney Nathan Tod Young to provide legal representation to Carson City Justice of the Peace Robey Willis at \$200 per hour, not to exceed \$5,000 unless additional compensation is approved by the Board of Supervisors, and other matters properly related thereto; fiscal impact not to exceed \$5,000; funding source is Account No. 10141004120825, District Court Dept. II Grand Jury Account. Supervisor Staub seconded the motion. Motion carried 5-0.

BREAK: A recess was declared at 4:30 p.m. Mayor Masayko reconvened the meeting at 6 p.m. Board of Supervisors present were: Mayor Masayko, and Supervisors Williamson, Plank, Livermore, and Staub, constituting a quorum. Hospital Board of Trustees present were: Chairperson Metcalf, and Trustees Livermore, Mills, Saulisberry, Saucedo, and Chryssos, constituting a quorum. City staff members present included: City Manager John Berkich, District Attorney Noel Waters, and Recording Secretary Katherine McLaughlin. Hospital staff members present included: Chief Executive Officer Steve Smith, Administrator Ed Epperson, Legal Counsellor Mike Pavlakis, Chief Financial Officer Ron Telles, and Chief Nursing Officer Cathy Dinauer.

16. CARSON-TAHOE HOSPITAL - DISCUSSION AND PUBLIC COMMENT ON THE BOARD OF HOSPITAL TRUSTEES RECOMMENDATION TO FORM A 501(C)(3)PRIVATE, NOT-FOR-PROFIT CORPORATION (3-0832) - Mayor Masayko convened the meeting by welcoming those in attendance and indicating that there is a quorum of the Board present. Hospital Board of Trustees Chairperson Metcalf convened the Hospital Board. Roll call for the Hospital Board was taken. A quorum was present. Mayor Masayko indicated that a packet of information had just been distributed. (A copy is in the file.) He encouraged his Board to ferret out any critical issues which should be resolved before action can be taken. He hoped to be able to take action at the next meeting.

Mr. Epperson explained the purpose of the session and introduced the individuals who would respond to the issues raised at the last meeting.

Trustee Saucedo began by referencing news articles on the reasons for the reorganization. His tour of a New Mexico facility and the reasons/problems which had forced that hospital to become a not-for-profit facility had convinced him that Carson City should follow the same path. The concept will allow the organization to partner with the community in providing extra-ordinary health care service as stated in the Hospital's vision and mission statements. He urged the community to complete the transaction as quickly as possible in order to order maintain the financially solid and sound medical program currently provided.

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Trustee Mills explained his discussions with the New Mexico hospital's staff and Board, its legal problems, the location of a for-profit hospital within that community, and the impact it has had on the community hospital's financial stability. He pointed out the outside interests who wish to provide services to the Carson City's profitable market. This will make the City responsible for the indigent care. Should the Hospital lose money and be forced to close, the for-profit hospital would dictate the type of health care which the community would receive. The 501(C)(3) would have to provide the health care services dictated by the community. The partnership with the physicians would survive and assist in determining the community needs and services. It would also keep money in the community. Growth will bring in another 25 to 30 physicians to meet the community needs and service demands. The community must continue to meet the needs of the indigent even if the Carson-Tahoe Hospital is closed.

Mr. Epperson then used the overhead projector to display slides and respond to the issues related to the urgency of the transfer which had been raised at the last meeting. (A copy of all of the slides used during the meeting is in the file.) Examples of profitable services which a for-profit facility would "carve out" were provided and explained; e.g., a competing, free-standing surgery center.

Mr. Smith then used the overhead to respond to issues on: continuing and increasing the quality of care, the heritage and traditions of Carson-Tahoe Hospital.

Mr. Pavlakis also used the overhead to respond to issues on the method of conveyance. A copy of NRS 450.500 was distributed to the Board and Clerk and explained. It spells out the criteria for conveying the hospital. The proposal will payoff all of the outstanding Hospital bonds under a defeasance process. New bonds obtained by the 501(C)(3) will be secured by the corporation's revenue and assets. The Hospital must treat anyone who comes to it for medical care. The issue of collection is addressed after the treatment is provided. If and when the Hospital is no longer using the current building, by Statute, it reverts to the City. This reversion should be considered in the fair market value of the asset. He suggested that the value of the current Hospital is \$53 million. Defeasance and other liabilities reduced this amount to \$20 million which he felt should be used to meet the indigent care needs and be spelled out in a contract. The terms of such a contract were described including its term of 15 years. (Copies of the proposed contract had been distributed to the Supervisors. A copy was not given to the Clerk.) The contract is still under discussion and has not been finalized. He then discussed the disproportionate share payment program (DSH) and its issues. Discussion explained that the proposed \$20 million for indigent care would not be placed in a bank and draw interest. The proposal would have the Hospital continue to fund the historical indigent figure of \$1 to \$1.2 million per year. The "funds" will be in a "Board designated funds account" which Mr. Pavlakis hoped would have safeguards for protecting these funds. He also explained the Hospital's financial stabilization program which contains \$8 million. These funds could be used as a safeguard for the indigent funds. Mayor Masayko questioned whether these funds were being counted twice or if it contained both the eight percent of operations and the \$20 million. Mr. Pavlakis indicated that discussion would have to occur on this. Mr. Pavlakis then explained the intent to look to the surrounding Counties for payment for their indigent care. This will occur even if the reorganization does not occur. Mayor Masayko felt that the Board would insist on this commitment. Mr. Pavlakis responded that these efforts are underway now.

Financial Advisor Jodi Hill-Mischell stressed the importance of having minimal liquidity conveyances in the documents. This will provide high cash requirements to insure against any potential risks including those which may occur in the market place or the regulatory environment. (3-1685) She then used the overhead to discuss the cost of defeasance, the capital cost, financial structure, the cost for a regional replacement facility, and the intent to create a joint venture with capital partners.

Mr. Smith then noted Mr. Goe's report indicating the need to construct a new facility at either a location on the north end of Highway 395 or at the current location. Possible uses for the current structure were limned. He stressed the desire that it not be sold to a competing entity. Supervisor Plank suggested the possibility of using it for the rural clinics. Mr. Smith agreed and added it to the list.

Discussion between Mayor Masayko and Mr. Waters indicated that the lease term is restricted to 50 years and that

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the sale term is restricted to 30 years. Mayor Masayko questioned the City's position regarding the new facility and whether it reverts to the City at either the end of the term or, if a failure occurs, if the bond holders/lien holders are first in line. Mr. Smith placed this question in the issue bin. Supervisor Livermore noted that the decision had not been made regarding the location of the new facility. If a new facility is located at another site, its ownership should be determined now. He also questioned whether the City would be required to repurchase it. Mr. Waters indicated that NRS 450.500.3 addressed this issue. As the hospital is being sold to the corporation, the title, interest and rights were being transferred. Mayor Masayko then asked if the structure reverts to the City if it ceases to be used as a hospital or if the City had the first right of refusal. These issues were raised due to the need to have a County Hospital and provide for indigent care. Additional discussion ensued on 450.500 which indicated that the proposal has a 30 year life and contemplated selling the Hospital. Mayor Masayko indicated that his reversion question still needed an answer.

Ms Dinauer described Watson Wyatt's review of the current employee benefits, efforts to retain current employees, and to respond to employee concerns.

(3-2060) Watson Wyatt's Representative Doug Gibby explained the efforts to develop a comprehensive employee replacement program. New employees will be offered a 401K package. Efforts were being undertaken to develop a program which would allow long-term employees to continue under the PERS program. This requires partnering with another public employer and leasing the employees from it. The final decision on the PERS issue has not been made. Board comments pointed out that other governmental entities have privatized and that it should be easy to determine what had occurred with those employees. Washoe Med's program was discussed. Trustee Mills described the NRS requirement regarding State employees which mandates that the outgoing State employer must purchase time for their tenured employees. This Statute does not apply to any County employees. The private firm had provided a 401K plan which mirrored the PERS program. This plan was effective for two years only and is very expensive. Supervisor Plank urged the Hospital to protect the investment long-term employees have in the PERS program. He was willing to support the leasing plan, if necessary. Mr. Epperson then indicated that the Hospital employee recruitment ad which had mentioned PERS had been pulled. They may remove the portion dealing with PERS and rerun it at a future date.

(3-2349) Chief Financial Officer Telles indicated the managed care participation plans would not change and provided rate comparisons with Northern Nevada, St. Mary's, and Washoe Med. The intent is to remain the low cost provider in the area. (Copies of these slides are in the file.)

Mr. Epperson then distributed to the Board and explained the list of individuals whom the Supervisors could contact and news articles regarding the proposal. (A copy is in the file.) He also offered to make arrangements and pay for any travel needed by the Supervisors who wish to visit these facilities. Mayor Masayko indicated that the presentations had answered all of the questions in the issue bin. He then requested public comments.

Richard Moore thanked the Boards and staff for presenting all of the information. He pointed out the differences between Carson-Tahoe and Washoe Med which had not been considered in the rate comparisons that caused the their rates to be higher. He questioned the number of various medical services provided in Carson City which also impact the rate comparisons. He was willing to support the 501(C)(3). A partner with expertise in this process is needed immediately. His objection to the media coverage of the Sutter problems was voiced. He also felt that there was a lack of registered nurses at the Hospital. The medicare payments and need for funds for the new structure were noted. He agreed that funding should be allocated for the new structure and equipment and questioned the amount of funding provided for depreciation.

Tom Keeton pointed out that the current operation had been profitable and successful. He questioned why something new is required in order to be acceptable. The not-for-profit hospital would be in the same community but the employees would lose their retirement benefits. This is not right. Allegiance is due to the employees. It may be necessary to establish a two tier arrangement to make these employees whole. The value of the present structure was questioned as they do not wish to have it sold to anyone who would compete with the not-for-profit facility. He agreed that it is an old structure which is not modern and should not be rejuvenated. He questioned

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the necessity for the Hospital to be the regional medical center with all of the necessary equipment for such a facility. The same equipment and services are 30 miles away and in Sacramento. The focus groups conducted by Watson Wyatt should have included all of the employees and the association representatives. He reminded the Board that if the change is implemented, it would be forever unless default occurs. He then explained a Hospital survey that had indicated the community was willing to support the Hospital.

Hospital Employees Association Attorney Walter Tarantino introduced the Association's Board members who were present. He described the Association's balancing of the decision to transfer the Hospital to a not-for-profit organization with the needs and dictates of its membership. The executive board has been meeting with the administration and its counsel. Issues raised during these discussions included employee retention, benefits, employment offers, seniority, longevity, rollover of the "PTO" and its cash buyout or time off program, recognition of the Association and bargaining rights, PERS, and mandating the new entity conduct open meetings and adhere to the Open Meeting Laws and inclusion of these items within the transfer document. There are 21 employees with over 20 years in PERS. There are 272 employees who are vested in PERS. There are 67 employees who have between four and five years in PERS. These individuals should be given consideration as they are almost vested. He suggested a bifurcated pension program which would allow vested employees to stay in PERS and have new hires or unvested employees enter the 401K program. He urged the Board to include these concerns in the decision-making process. Additional information is needed before a resolution to these issues can occur. He asked that this information be provided early enough in the process for the Association to be able to make an intelligent, educated response prior to the next Board meeting unless this is not the date for the final decision to be made. He then explained the Association's survey which indicated that 91.8 percent of the employees do not want the Hospital to be converted to a 501(C)(3) organization. The information regarding the intent to rehire all of the employees was not available at the time of the survey which may have impacted the votes. The Association will continue to distribute information and conduct surveys based upon the information provided. He also urged the Board to slow the process and allow time to carefully analyze the issues due to the impact the final decision will have on the employees. The employees want a win-win for all and will cooperate and support the final decision.

Mayor Masayko stated that he had only just learned of the proposal to leaseback employees to keep the PERS program for the vested employees. He acknowledged the employees' commitment to work with the Hospital administration to make the system work. This may include uncharted territory. He explained the intent for the process to establish a certain level of comfort and critical requirements for development of the final documents. It may be necessary to re-examine some of the critical issues in September although he hoped it would not be necessary. The intent is to have a business deal which both sides and the Carson City residents can agree to and support by May 30. Additional work may still be required. The May 3 document should contain at least 80 percent of the critical issues. Additional comments were solicited.

(3-3407) Chris Thompson explained that there will be a meeting on DSH tomorrow. He disclosed his work with the Hospital on DSH which indicates that the program could be modified to allow the transfer to occur. He also indicated that he was speaking as a private citizen. He is neutral on the issue of conversion to a 501(C)(3). The funding commitment to "sell" the 501(C)(3) concept to the Board and community was noted. The amount of funding allocated by the City to engage expertise to evaluate the deal was questioned. He questioned whether the \$35 million he had heard is in cash on the Hospital's books is part of the \$53 million fair market value, if the term "fair market value" is as defined in NRS 450.500 instead of the meaning of "true fair market is". He then suggested that the \$20 million difference which is proposed to provide for indigent care be placed in an interest bearing note and provide \$1.3 million for perpetuity. He questioned whether the City would benefit from the "gift" value given to the 501(C)(3) corporation. He did not see this transaction as one which is equal on both sides although he agreed that it is an at arms length transaction. He urged the Board to conduct its own evaluation of the fair market value and to have that report available to the public before the next meeting.

(4-0015) Mayor Masayko pointed out that this was the first time that the Board had seen the figures representing the fair market value. He also stated for the record that under the Statutes the payment to the County is the actual capital investment of the Hospital after deducting the depreciation and indebtedness. This type of transaction does

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not require the retention of appraisers and actuaries to determine the value. Additional public comments were solicited. None were given. Mayor Masayko thanked the Hospital and its staff for its candor in responding to the issues which had been raised.

Mr. Waters indicated that there is little difference/advantage in the process for leasing and conveying the Hospital. The evaluation process is the same, however, the term lengths are different. He also noted the difference in the language when transferring to a for-profit corporation. His view of the term "actual capital investment" and his concern about the amount of retained earnings which is included within the calculations were limned.

Mayor Masayko then expressed his concern with the 15 year offer. He preferred that it be for perpetuity. The indigent care risk is the issue he wished to avoid placing on the Carson City taxpayers. Board consensus supported his position and placed the issue in the issue bin. Supervisor Plank also urged the Hospital to separate the Carson City indigent care from that incurred for residents of the surrounding Counties. He supported having an established comfort level of 80/20 for the critical issues. His important issues included indigent care and the employees. There may be other issues which he will submit to staff later.

Supervisor Williamson indicated her issues were the indigent care, the neighboring indigent care issue, and the employees' issues. Discussion with Mr. Epperson indicated that the employee issues are to be finalized by the Trustees on April 26 in a closed session. Supervisor Williamson asked that these answers be given to the Supervisors and employees. She also voiced her desire to have had the packet before the Board meeting and not at it. Mayor Masayko supported her on this issue. Supervisor Williamson also wanted the transfer, if approved, to be successful. The effort should be undertaken together and provide for the health needs of the community.

Mayor Masayko suggested that the labor agreements contain commitments rather than specific terms as negotiations may not be finalized by the next meeting. He supported conveyance rather than a lease. He then voiced his concern about the DSH payments which remains a show stopper. He was not willing to pay for any reduction in DSH payments. He agreed to work with the Hospital to get the State to address this issue. He reiterated his desire to have an accountability requirement with the documents to provide information regarding the success/failure of the corporation and, specifically, regarding the use of its financial stabilization fund. These funds may be necessary for the City to have should the City be forced to takeover the Hospital. He also question how the City is to treat the facility which the 501(C)(3) constructs/acquires if there is a reversion. Will it revert to the bond holders? Will the existing plant have a prohibition against its sale or significant modification or disposed so that the City can re-enter the Hospital field if a reversion occurs. The judicial ruling concerning Elko County and "its tail liability" was explained. This issue should also be solved and include that insurance indemnity will be provided against it. He also questioned how to treat the new assets of the corporation and protect the existing hospital and asked that these issues be placed in the issue bin.

Supervisor Staub expressed his concerns regarding the process which will take a financially successful hospital and changes it to a 501(C)(3) which will construct a \$170 million facility in order to compete with other facilities. He questioned the impact the proposal would have on its rate structure and financial liability at the Hospital. How will the new facility eliminate the competition and provide additional services for the community? Is it necessary to provide those services when they are available within 30 miles? Is this a duplication of services? The Statutes do not spell out what facility is to revert to the City. It does reference "a hospital". Which facility does the City get--the old one or the new one? How can a health facility fit in the current structure? The facility is to revert to the City when it ceases to be used as a non-profit hospital. His concerns with indigent care and regional indigent care were reiterated. He felt that the \$30 million for indigent care would be subordinated for bond debt. Also, no value is being given for the \$30 million. What about the capital investment? The City's capital investment had provided the \$30 million. This consideration should also be considered in the equation. He was insulted with the offer of 15 years for the \$20 million for indigent care. He wanted the \$20 million as he could invest it and buy the indigent care. The employee package also had to be finalized. He also questioned who would be the "head man", his salary, and how the administration would look. He requested quarterly financial summaries similar to the ones provided by the golf course. If the transfer is made to a not-for-profit, accountability will be lost.

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Supervisor Livermore explained his involvement with the reorganization for the last four or five years. The Trustees responsibilities were limned. He suggested that City personnel be assigned to the transition team. The value of the Hospital should be considered an offer and negotiations should commence from there. He supported and encouraged the Hospital administration to include the employee transition which is as seamless and painless as possible. He had not been given any facts or figures on this issue. The need to act quickly to meet the threat from competition was noted. He iterated comments concerning the possibility that the Hospital could have waited until financial support from the community was necessary in order for it to stay in business before making a change. He wanted the Hospital to remain as a community run organization for his family and the community into the distant future. The partnership with the community is valued and should be maintained. As partners the community should participate in the process of developing the Hospital's vision for the future which could include a new regional facility or remodeling the current campus. These options still need to be considered. Discussions and negotiations continue to develop the process and necessary documentation.

Chairperson Metcalf pointed out that the process was barely one-third completed. The target date of September 30th is still 120 days away. Many of the questions should be resolved by that date. In the meantime a vote of confidence from the Board will help the Trustees determine if this is the correct direction to take. It is not the end of the process. Because the Hospital is successful, it has attracted the attention of competitors. This will result in the City becoming the sole provider for indigent care. The competitor's process for accomplishing this was limned. He agreed that it is necessary that all of the questions be answered before approval is granted. He also suggested that the Hospital use some/all of the \$500,000 allocated for the City's use to provide educational sessions with the Supervisors. The Trustees had been working on this for at least five years if not longer. The 30 days which the Supervisors had had was inadequate for learning all that the Trustees had discovered during their involvement. Mayor Masayko accepted his offer and asked that the session occur before the next meeting.

Trustee Saulisberry elaborated on the dedication and time which the Trustees had worked on the proposal. They were very committed to the issues which had been raised--the employees, remaining profitable within the community, the indigents, debt assumptions, etc. They were attempting to do the best thing for the community.

Trustee Saucedo pointed out that the six Trustees would be a part of the new board of directors. This will provide the community's safety net. He also felt that as a neighbor in the community he would not be able to give Mr. Epperson a \$500,000 bonus. The intent is to keep a community run hospital in the City for future generations. The administrators and physicians who currently support the Hospital will still be there after the transfer is completed. Supervisor Staub indicated that he depended upon the Trustees as a safety net, however, the board of directors would not be elected while the Supervisors are.

Trustee Chryssos iterated his reasons for voting to become a 501(C)(3). He expressed his intent to do whatever he could to legally keep PERS for the employees. The future board of directors will be individuals from the community and will make the decision regarding construction of a new facility. The Trustees will be part of that board. The same Board who had employed Messrs. Epperson and Smith will employ them in the future. Profitable business decisions of the past will continue to govern the future of the entity. They were accountable to the City and will continue to be so. The Supervisors' liaison to the Hospital is a member of the Trustees and serves on the Hospital Finance and Budget Committees. He did not want the Supervisors to vote on the proposal until all of the questions have been answered.

Trustee Mills indicated that he had had to explain to his wife, who is a Hospital employee, his reasons for supporting the transfer. His intent is to avoid the pitfalls encountered by the State when it privatized an agency. Although the intent is to be fair to the employees, it is important to remember that life is not fair and does not deal from the top of the deck. This does not mean that the Trustees are failing to do the most that they can to take care of the employees and make the program a success.

(4-0845) Chairperson Metcalf reiterated the difference education levels between the Boards which places the Supervisors at a disadvantage. The underlying tone and bottom statement is that they all wish to be trustees of a

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successful community hospital and not for a county indigent care hospital. He hoped that Messrs. Epperson, Smith, and Berkich can bring the Supervisors up to speed after the meeting. He also supported providing the packets earlier in the process.

Mayor Masayko indicated the process is similar to the need to educate the Carson City electorate. He had never doubted the Trustees' interest, willingness to contribute, interest in the community, and contribution to the Hospital. The salary is not that much for the dedication and efforts given. He urged them not to take any of the comments personally. The Supervisors were attempting to discharge their fiduciary duties. He then expressed his intent to agendize the next meeting for action and urged the Trustees/Hospital staff to develop written documentation on the intent, commitment, or value to be provided. This could be used as a cornerstone for the future partnership. He encouraged them to submit this document as early in the process as possible. The final document will be considered in the future. This may provide the requested vote of confidence showing that the Supervisors support the proposal and will work with the Trustees toward that goal. Once the decision is finalized, it cannot be redone. The seeds of success must be sown in the beginning. Changes will be difficult to make in the future. The process should occur in a measured process with appropriate documentation. A rushed decision should not be made.

Public comments were solicited. Pam Blankenship expressed her feeling that the process should be slowed down. The Hospital will not fall apart if additional time is taken. Competition is a good thing. The indigent care should be shared. The community should embrace another hospital rather than discourage it. It will provide a choice for the community and employees and additional taxes. A monopoly would be eliminated. She questioned the cost to the community and urged the Boards to consider fairness, equity, honesty, and open meetings. Additional public comments were solicited but none given.

There being no other matters for consideration by the Hospital Board of Trustees, Trustee Saulisberry moved to adjourn. Trustee Mills seconded the motion. Motion carried unanimously. Chairperson Metcalf adjourned the Board of Trustees.

Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried unanimously. Mayor Masayko adjourned the meeting at 9:05 p.m.

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The Minutes of the April 19, 2001, Carson City Board of Supervisors meeting

2001. ARE SO APPROVED ON__July_5_____,

_____/s/_____

Ray Masayko, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder