

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 7, 2012 Meeting

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A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, June 7, 2012 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell

Supervisor Karen Abowd, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor John McKenna, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Larry Werner, City Manager

Alan Glover, Clerk - Recorder
Randal Munn, Chief Deputy District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

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

1 - 4. CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE (8:31:49) - Mayor Crowell called the meeting to order at 8:31 a.m. Mr. Glover called the roll; a quorum was present. In commemoration of D-Day, June 6th, Mayor Crowell provided historic information on Pastor McCord's military service. Retired First United Methodist Church Pastor Bill McCord provided the invocation and, at Mayor Crowell's request, led the pledge of allegiance.

5. PUBLIC COMMENTS AND DISCUSSION (8:33:48) - Mayor Crowell entertained public comments; however, none were forthcoming.

6. POSSIBLE ACTION ON APPROVAL OF MINUTES - May 3, 2012 (8:34:14) - Supervisor Aldean advised of non-substantive clerical corrections and moved to approve the minutes, as amended. Supervisor Abowd seconded the motion. Motion carried 5-0.

7. POSSIBLE ACTION ON ADOPTION OF AGENDA (8:34:38) - Mayor Crowell advised that items 21(D), 22(A), (B), and (C) would be deferred to a future meeting. He entertained additional modifications to the agenda and, when none were forthcoming, a motion to adopt the agenda, as amended. Supervisor Aldean moved to approve the agenda, as amended. Supervisor McKenna seconded the motion. Motion carried 5-0. (10:29:07) Mayor Crowell modified the agenda to address item 21(C) prior to item 21(A).

8. CONSENT AGENDA (8:35:46) - Mayor Crowell entertained requests to hear items separate from the consent agenda. Supervisor Aldean requested to separately hear item 8-4. Mayor Crowell entertained additional requests and, when none were forthcoming, a motion to adopt the remainder of the consent agenda. Supervisor Aldean moved to approve the consent agenda, consisting of two items from the Assessor's Office, one item from Finance, two items from Purchasing and Contracts, one item from Health and Human Services, one item from Parks and Recreation - Open Space, one item from Parks and Recreation, and one item from the City Manager's Office, with acknowledgment and congratulations to Sandy Foley on her reappointment to the Library Board of Trustees. Supervisor Abowd seconded the motion. Motion carried 5-0.

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8-1. ASSESSOR

8-1(A) POSSIBLE ACTION TO APPROVE THE CORRECTION AND INCREASE OF THE TAXES FOR THE 2009 / 2010 AND 2010 / 2011 TAX YEARS FOR PERSONAL PROPERTY ACCOUNT NUMBER MH 00124 (76 SHADY TREE LANE, #76), PURSUANT TO NRS 361.767, IN THE AMOUNT OF \$1,514.19

8-1(B) POSSIBLE ACTION TO APPROVE THE PARTIAL REMOVAL AND REFUND OF REAL PROPERTY TAXES FOR PARCEL NUMBER 009-122-01, SOUTH CARSON STREET, FOR THE 2011 / 2012 TAX YEAR, PURSUANT TO NRS 361.055, IN THE AMOUNT OF \$60.04

8-2. FINANCE DEPARTMENT - POSSIBLE ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY, THROUGH MAY 29, 2012, PURSUANT TO NRS 251.030

8-3. PURCHASING AND CONTRACTS

8-3(A) POSSIBLE ACTION TO ACCEPT THE PUBLIC WORKS DEPARTMENT RECOMMENDATION TO APPROVE AMENDMENT NO. 2 TO CONTRACT NO. 1011-125 WITH THE LOUIS BERGER GROUP, INC., TITLED "CARSON CITY FREEWAY PHASE 2B UTILITIES SUPPORT," TO CHANGE THE SCOPE OF WORK, INCREASE THE CONTRACT IN THE AMOUNT OF \$35,270.58, FROM \$139,554.17 TO \$174,827.75, AND TO INCREASE THE CONTRACT TERM FROM AUGUST 1, 2012 TO FEBRUARY 1, 2013

8-3(B) POSSIBLE ACTION TO DETERMINE THAT CONTRACT NO. 1112-188 IS A CONTRACT FOR SUPPLIES, MATERIALS, OR EQUIPMENT THAT ARE AVAILABLE PURSUANT TO AN AGREEMENT WITH A VENDOR THAT HAS ENTERED INTO AN AGREEMENT WITH THE GENERAL SERVICES ADMINISTRATION OR ANOTHER GOVERNMENTAL AGENCY LOCATED WITHIN OR OUTSIDE THIS STATE AND, THEREFORE, NOT SUITABLE FOR PUBLIC BIDDING, PURSUANT TO NRS 332.115, AND TO APPROVE CONTRACT NO. 1112-188, A REQUEST FOR THE PURCHASE OF CATIONIC EMULSION POLYMER AT \$1.35 PER POUND, INCLUDING FREIGHT, FROM ASHLAND WATER TECHNOLOGIES THROUGH JULY 1, 2013, ON AN AS-NEEDED BASIS, TO BE FUNDED FROM WASTEWATER FUND CHEMICALS, AS PROVIDED IN FY 2012/2013 (P.O. NO. 2012-115)

8-4. PUBLIC WORKS DEPARTMENT - POSSIBLE ACTION TO APPROVE PAYMENT AND THE ASSIGNMENTS AND CHANGE IN THE POINT OF DIVERSION, PLACE OF USE, THE MANNER OF USE, AND THE TIME OF USE, AS APPROVED BY CARSON CITY, FOR THE PURCHASE OF 40.0-ACRE FEET OF GROUND WATER FROM DONALD M. AND KATHLEEN SCHULZ, TRUSTEES OF THE SCHULZ LIVING TRUST, MARTIN J. SCHULZ, TRUSTEE OF THE LMA TRUST, AND THE SMJ TRUST, MARGARET SCHULZ LOH, INDIVIDUALLY, AND MARTIN J. SCHULZ, INDIVIDUALLY, FOR \$320,000, IN CONFORMANCE WITH THE "WATER PURCHASE AGREEMENT, BY AND BETWEEN CARSON CITY AND DONALD M. AND KATHLEEN SCHULZ, TRUSTEES OF THE SCHULZ LIVING TRUST, MARTIN J. SCHULZ, TRUSTEE OF THE LMA TRUST, AND THE SMJ TRUST, MARGARET SCHULZ LOH, INDIVIDUALLY, AND MARTIN J. SCHULZ, INDIVIDUALLY," DATED OCTOBER 25, 2005 (8:44:22) - Mayor Crowell introduced this item. Utility Manager Thomas Guinn reviewed the agenda materials, and responded to questions of clarification

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relative to purchase of the 40 acres. He acknowledged the City is not purchasing any acreage in excess of the 40 acres. At Mayor Crowell's request, Bruce Scott of Resource Concepts, Inc., provided historic information on acquisition of the water rights. He advised that "the agreement reflects prices that were in effect in 2005. This appears to be the full extent of the water that will be issued by the State Engineer under the claims of vested right that the Schulzes had. We are going to take this water and move it to a well in Minden as part of the Carson City supply ... as an important element simply because of its priority in the bigger picture. This water right actually predates many of the rights on the Carson River. So, from that perspective, it's kind of a unique animal. We're dealing with an agreement that was seven years ago and it's kind of coming together here in front of you today for execution. So, the 40-acre feet are the extent of the water rights that have been granted by the State Engineer and they are in front of you for formally exercising the purchase of that block of water." At Mayor Crowell's request, Mr. Scott explained the reason for moving the water rights to Minden.

In response to a question, Mr. Scott advised that the 40-acre feet of water rights "will be coming from a well that has no uranium or arsenic. It's current location is in a well that does have a little bit of an arsenic issue, ... but we would not divert it at that point. We will move it." In response to a further question, he advised that the 40-acre feet was not taken into account at the time Carson City's percentage of construction costs for the intertie were determined. "That's based on not so much our water rights but the water demand and the ability of that system to deliver that demand so this would not enter into that either way. But, as a matter of fact, this was not ever considered until it was actually issued through a settlement between the Schulz family and the State Engineer. ... it's outside of that agreement, but it's an important piece of it and it will be pumped back to Carson City. ... it has no bearing on the reimbursement under that agreement." In response to a further question, Mr. Scott advised that the well site referenced in the agreement is not necessary at this time. "At the time of the agreement, it appeared to be a very helpful consideration from the contract perspective because ... there was a major subdivision being proposed in that area and that well site would have been helpful for that purpose." Mr. Scott was uncertain as to whether the commitment to donate the well site would survive acquisition of the subject water rights. He expressed the belief that the matter could be discussed. "At this point," he discussed the strategy "to move every bit of water we can to Minden because of the water quality issue and the fact that it can come back through a pipeline that Carson City's investment in is going to be able to take advantage of that water. There is, from the City's former water supply and distribution system, this well site would have been very helpful but right now ... it would be ... much lesser priority because we wouldn't have to drill a well to put it in Minden. We simply have to pay so much a thousand, whatever that agreement is, for the water rights. So the cost of delivering this water through a new well or a well at the well site in the contract would be quite a bit more and we have a quality question."

In response to a question, Mr. Scott described the location of the subject water rights. In response to a further question, he explained that the subject water rights would be transferred to a Minden well in the same hydrographic basin. "If these were Eagle Valley rights, they would have less value to us in this current scenario." He responded to questions of clarification relative to the location of the subject water rights. In response to a question, Mr. Werner advised there would be no additional costs associated with the acquisition. "This is a paper transfer, basically, to an existing well." Mr. Werner provided additional clarification of the location of an existing well site. In response to a previous question, he advised that the funding source is the 2012 water bond.

In response to a comment, Mr. Scott advised that "under the terms of the agreement, the water rights technically will be transferred into Minden's name and held in trust ... for the benefit of Carson City. Those are the terms of the agreement between Carson City and Minden and those are the same terms under which

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... we actually transferred the ownership of the water rights that are pending. The reason for that is to keep it administratively simple and basically make the full responsibility of making those water rights active and keeping them active and in good standing the responsibility of the Town of Minden."

In response to a question, Mr. Guinn reviewed the allocations from the 2012 water bond relative to this item. In response to a series of questions, Mr. Scott expressed the opinion that the subject water rights are valuable. "The situation in eastern Nevada which is causing a lot of controversy is quite different. We have, in the case of all of Carson City's water rights and all of Minden's water rights, agreement between the parties that the interbasin transfer and the intercounty transfer are agreeable to the governing bodies. ... other than the Pyramid Lake Tribe protesting some ... prior changes that were occurring in the Carson Valley ..., there have been no protests to what we have been doing and what we are proposing to do. That doesn't mean there wouldn't be protests in the future but, frankly, we're very close to being in a position where we have enough water in place and enough water that Minden has in place that can be delivered to Carson City, that we are in relatively good shape for the big picture in terms of not requiring additional approvals to do everything that's contemplated with the north / south pipeline. So, from that perspective, ... this would be an important element ... and [it's] positive." Mr. Scott advised of having checked with Mr. and Mrs. Schulz and their attorney, Harry Swainston, "and they've informed me that the development agreement for the proposed subdivision has been transferred to Carson City and so that well site issue is something that we probably have control over. And given what Larry was saying regarding the park," Mr. Scott recommended keeping "that alive because it's conceivable that a water source in a park which doesn't have to meet water quality standards might be helpful." He expressed the opinion that the agreement provides the flexibility.

In response to a previous question, Mr. Werner advised that the legislative subcommittees on water "all work together. They're really trying to get all of the regions to work together on water to make sure that water gets distributed from where it resides to where it best provides beneficial use for the State of Nevada. So, our workings with Douglas, Lyon, Churchill, Storey ... are right on point for what the Legislature wants to see happen as far as regional basis and it's not just like a water grab ..." Mr. Scott advised that "we are considered ... the poster child from the regulatory perspective ... in terms of regionalizing the water system. ... we've been actively trying, over the last several sessions, to do just what Larry said and that is demonstrate that the Carson River basin can work together. And so we haven't had legislative interest in ... managing us the way you see to the north in Washoe County."

In response to a question, Mr. Scott recommended that Mayor Crowell meet with Mr. and Mrs. Schulz relative to the history of the Schulz Ranch. He advised that Mrs. Schulz has "done research going back to the Library of Congress and looking at all kinds of things as a part of this claim of vested right and she is just an absolute wealth of information." In response to a further question, Mr. Scott provided historic information on the provisions of the water law, enacted in approximately 1906.

Mayor Crowell entertained public comment. (9:06:57) Kathleen Schulz provided historic information on the Schulz Ranch, and referenced research materials previously provided to the City. Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to accept the Public Works Department recommendation to approve payment and the assignments and change in the point of diversion, place of use, the manner of use, and the time of use, as approved by Carson City for the purchase of 40-acre feet from Donald M. and Kathleen Schulz, Trustees of the Schulz Living Trust, Martin J. Schulz, Trustee of the LMA Trust and the SMJ Trust, Margaret Schulz Loh, Individually, and Martin J. Schulz, Individually. Supervisor McKenna seconded the motion. Motion carried 5-0.**

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8-5. HEALTH AND HUMAN SERVICES DEPARTMENT - POSSIBLE ACTION TO APPROVE FUNDING A FULL-TIME AND PART-TIME ADVANCED PRACTICE NURSE IN LIEU OF CONTRACTING WITH PHYSICIANS SELECT MANAGEMENT WHICH WILL RESULT IN A COST SAVINGS OF APPROXIMATELY \$20,000

8-6. PARKS AND RECREATION DEPARTMENT, OPEN SPACE DIVISION - POSSIBLE ACTION TO AUTHORIZE THE MAYOR TO SIGN A MEMORANDUM OF UNDERSTANDING PROVIDING FOR A COOPERATIVE WORKING RELATIONSHIP WITH DOUGLAS AND WASHOE COUNTIES FOR DEVELOPMENT OF THE STATELINE-TO-STATELINE BIKEWAY

8-7. PARKS AND RECREATION DEPARTMENT - POSSIBLE ACTION TO AUTHORIZE THE MAYOR OR HIS DESIGNEE TO SIGN A LETTER DIRECTED TO THE SOUTHERN NEVADA PUBLIC LANDS MANAGEMENT ACT - PARKS, TRAILS, AND NATURAL AREAS PROGRAM IN SUPPORT OF CARSON CITY'S GRANT REQUEST RECOMMENDED FOR ROUND 13

8-8. CITY MANAGER - POSSIBLE ACTION TO REAPPOINT SANDY FOLEY TO THE LIBRARY BOARD OF TRUSTEES FOR A FOUR-YEAR TERM THAT WILL EXPIRE IN JUNE 2016

9. RECESS BOARD OF SUPERVISORS (8:37:25) - Mayor Crowell recessed the Board of Supervisors at 8:37 a.m.

LIQUOR AND ENTERTAINMENT BOARD

10. CALL TO ORDER AND ROLL CALL (8:37:27) - Chairperson Crowell called the Liquor and Entertainment Board to order at 8:37 a.m. He noted the presence of a quorum, including Member Ken Furlong.

11. POSSIBLE ACTION ON APPROVAL OF MINUTES - April 19, 2012 (8:37:47) - Supervisor Aldean moved to approve the minutes, as presented. Supervisor Abowd seconded the motion. Motion carried 6-0.

12. PUBLIC WORKS DEPARTMENT, BUSINESS LICENSE DIVISION - POSSIBLE ACTION TO APPROVE STEVEN ANDREW YAP AS THE LIQUOR MANAGER FOR ZEN'S CAFÉ, LIQUOR LICENSE NO. 12-28854, LOCATED AT 1200 SOUTH STEWART STREET, CARSON CITY (8:38:55) - Chairperson Crowell introduced this item and, at his request, Steven Yap introduced himself and Teri Encinas. Principal Planner Jennifer Pruitt reviewed the agenda materials, noting staff's recommendation of approval.

Chairperson Crowell welcomed Mr. Yap and thanked him for investing in Carson City. (8:40:15) Mr. Yap acknowledged the existence of other restaurants in Arizona, and described their locations. He further acknowledged that alcohol is served in the restaurants. In response to a question, he discussed the policy to "card everyone that looks like they're under 40. And so, if it's ... their ... first or second time in the restaurant, we always do that and then, once we become familiar with them or once someone looks of age, above 40, then we don't card them." Mr. Yap advised of no previous issues relative to serving underage patrons in Arizona. He acknowledged that he will serve as the liquor manager. Ms. Encinas advised she

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would serve as general manager. In response to a question, Mr. Yap advised of the intent to be on the premises of the establishment “once or twice a month for a couple days at a time.” In response to a question, Ms. Encinas advised that she is “certified ...” In response to a further question, Mr. Yap advised of the intent to open the restaurant on Friday, June 15th. At Member Aldean’s request, he described the restaurant menu and hours. She welcomed Mr. Yap to Carson City and wished him well. At Chairperson Crowell’s request, Mr. Yap provided background information on the motivation behind opening the restaurant in Carson City.

Chairperson Crowell entertained additional board member questions and, when none were forthcoming, a motion. **Member Aldean moved to approve Steven Andrew Yap as the liquor manager for Zen's Café, liquor license number 12-28854, located at 1200 South Stewart Street in Carson City. Member Walt seconded the motion. Motion carried 6-0.** Chairperson Crowell thanked Mr. Yap and Ms. Encinas.

13. ACTION TO ADJOURN LIQUOR AND ENTERTAINMENT BOARD (8:44:02) - Chairperson Crowell adjourned the Liquor and Entertainment Board at 8:44 a.m.

14. RECONVENE BOARD OF SUPERVISORS (8:44:13) - Mayor Crowell reconvened the Board of Supervisors at 8:44 a.m.

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

15. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (8:44:16) - Please see the minutes for item 8-4.

16. COURTS, JUVENILE, AND ALTERNATIVE SENTENCING - POSSIBLE ACTION TO APPROVE A FULL-TIME ALTERNATIVE SENTENCING OFFICER ASSIGNED TO JUVENILE COURT FOR COURTROOM SECURITY AND FOR SCREENING THE PUBLIC THROUGH THE MAGNETOMETER (9:08:57) - Mayor Crowell introduced this item. Court Administrator Maxine Cortes introduced Juvenile Special Master Kristin Luis, Alternative Sentencing Chief Rory Planeta, and Chief Juvenile Probation Officer John Simms, and reviewed the agenda materials. Mr. Werner acknowledged that the ending fund balance would be the funding source. In response to a question, Ms. Cortes discussed attempts to utilize hourly positions for courtroom security, “but we only have so many full-time positions and so many hourly positions that cover the security lobby at the courthouse. ... we have tried that since ... 2009, and it’s just not adequate.” She acknowledged the requested full-time position would be in addition to the existing hourly position.

(9:14:10) Judge Luis provided an overview of her responsibilities to “cover the matters over the juvenile court. That includes everything from child support hearings ... In addition, [she] handle[s] all juvenile delinquency cases and ... the welfare cases involving children who have been removed from their parents because of substance abuse, other types of abuse and / or neglect of the children. All of these types of hearings are very contentious, as you might imagine. We’re the only court [which] has not had ... at least a full-time bailiff on a regular basis. ... We have ... the scanner at the front door. Nobody runs that on the days that we don’t have a bailiff so we’re susceptible to people coming in with whatever they come in with. We are not able to just schedule our hearings on Tuesdays and Wednesdays because of the range of cases [covered]. We’ve tried to set aside certain days just in case hearings come up. Even that hasn’t been successful.” Judge Luis discussed the procedure and associated contention relative to welfare hearings. She expressed the opinion that “one bailiff on a full-time basis should be the minimum staffing ... [and] we need more than that.” She expressed the opinion “what we’re asking for is the minimum coverage.”

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(9:17:01) Chief Planeta explained attempts to cover court security with part-time staff, discussed the importance of court security, and technology and equipment purchased, without the use of general funds, to accomplish court security. “We’ve tried to be as economical as we can in these tough times.” He discussed the importance of the requested position, and noted the deterrence represented by a uniformed officer. He expressed fear over the possibility of a terrible incident and, in reference to the security assessment conducted in 2008, advised “we’re actually doing some of that plan currently with some of those AB 65 funds ...”

(9:20:07) Chief Simms discussed his experience working for the Juvenile Probation Department over the past 28 years, and advised of having “seen a shift in the type of families and parents that we’re working with. A lot of people still want to believe that the families and the issues that we deal with in Carson City are still small town and they’re not. ... we’re dealing with very serious issues, ... very damaged families, and we have the same kind of issues that they have in bigger towns, just maybe at a smaller scale.” Chief Simms advised of routine safety meetings with the probation officers, “and what comes up commonly ... is court security.” He advised of having implemented a procedure whereby “anytime one of our probation officers go to court with an in-custody or with a delinquent kid, we double up which means I take somebody off their case load or take somebody off the street to be in court. I have to put two probation officers in and we’re already one probation officer down that we gave up earlier as part of the budget cut and other things that we used that money for. ... the parents we deal with are not the same.” Chief Simms advised of having visited “a lot of courtrooms ... in Nevada and outside of Nevada and ours is the only one I’ve ever seen that doesn’t have a bailiff. ... and it’s always been an issue with me with our previous masters and even with the district judges that I think we’re on borrowed time. And we have an obligation to provide safety, not just for court personnel but also the kids, the parents, and all those who participate in that courtroom ...” Chief Simms advised that contentious situations “seem to be on the increase,” and expressed the opinion that full-time courtroom security “is way overdue.”

Supervisor McKenna inquired as to the possibility of transferring juvenile matters to the main courthouse. Chief Simms expressed the opinion “that would be a transportation nightmare. ... we do hearings all the time for kids in custody, probation. We would be doing transports constantly, taking probation officers off the street. We would probably come asking you for a transport position to be doing those transports back and forth from detention to the courthouse and back. And officers would be waiting in the court for hearings. That’s just from our end.” Chief Simms explained that the detention center and holding cell are attached to the courtroom. Chief Planeta pointed out that a bailiff would still be needed in the courtroom. Supervisor Aldean inquired as to the possibility of diffusing some of the anxiety and contention by interactive video; “not having the people physically present in the courtroom.” Judge Luis expressed the opinion that participating in hearings by video is more challenging. “We’re trying to, both in the juvenile setting as well as in the welfare cases, make an actual connection with individuals, motivate them to do what needs to be done. So having that one-on-one contact is really important. A lot of the discussions that occur before court, as well, take place with the attorneys, with the CASA involved in the welfare cases, with the probation officers just before court. And having that meaningful participation in court is really part of their right as well.” Discussion followed.

At Supervisor Abowd’s request, Chief Simms elaborated upon the issues behind the increased contention associated with juvenile court matters. At Mayor Crowell’s request, Chief Simms provided a status report on the progress of the State of Nevada Juvenile Justice Reform Committee. He anticipates “legislative maneuvering and recommendations from this committee ... and a lot of it will have to do with some of the push down costs. A lot of it will have to do with how we conduct our juvenile justice ... in the State of Nevada.” Chief Simms advised that he chairs a subcommittee relative to uniform data collection and

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reporting. At Supervisor Aldean's request, Chief Simms agreed to discuss anticipated preliminary recommendations from the committee. Mayor Crowell offered his assistance, whenever necessary.

Mayor Crowell entertained additional questions or comments of the Board members and, when none were forthcoming, public comments. (9:31:12) Ward 2 Supervisor Candidate Dennis Johnson noted the difficulty associated with recruiting CASA volunteers and "if you had an incident that these folks are fearful of, it would probably destroy ... the potential volunteers." He expressed the opinion that "the money in this particular case would be money well spent."

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. Supervisor McKenna expressed the belief that public safety is the most important service provided by the City, the courts being "an essential part of that." **Supervisor McKenna moved to approve the full-time alternative sentencing officer assigned to juvenile court for courtroom security and for screening the public through the magnetometer. Supervisor Abowd seconded the motion.** At Supervisor Aldean's request, **Supervisor McKenna amended his motion to include the fiscal impact of \$36,400. Supervisor Abowd continued her second. Motion carried 5-0.** Mayor Crowell thanked the Court and Juvenile Probation staff, and commended their work.

17. SHERIFF - POSSIBLE ACTION TO APPROVE THE APPLICATION AND ACCEPT THE BJA FY 2012 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT, APPLICATION NUMBER 2012-H2939-NV-DJ (DIRECT AWARD) IN THE AMOUNT OF \$15,047.00 (9:33:20) - Mayor Crowell introduced this item, and Sheriff Ken Furlong reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to approve the application and accept the BJA FY 2012 Edward Byrne Memorial Justice Assistance Grant, application number 2012-H2939-NV-DJ, direct award, in the amount of \$15,047.00. Supervisor Aldean seconded the motion. Motion carried 5-0.**

18. ASSESSOR - POSSIBLE ACTION TO APPROVE RECONSIDERATION OF A PREVIOUSLY-APPROVED CONSENT AGENDA ITEM FROM THE MARCH 1, 2012 BOARD OF SUPERVISORS MEETING; DUE TO NEW INFORMATION RECEIVED, THE REFUND APPROVED BY THE BOARD IS NO LONGER NECESSARY FOR PARCEL NUMBER 009-161-10 (SOUTH CARSON STREET) IN THE AMOUNT OF \$27.04; A NEW LEASE AGREEMENT WAS RECORDED DURING THE FISCAL YEAR, PURSUANT TO NRS 361.157 (9:36:36) - Mayor Crowell introduced this item, and Senior Property Appraiser Kimberly Adams reviewed the agenda materials. In response to a question, Mr. Munn provided direction with regard to the recommended action.

Mayor Crowell entertained public comment and, when none was forthcoming a motion. **Supervisor Aldean moved to rescind the previously-approved consent agenda item from the March 1, 2012 Board of Supervisors meeting, at which a refund was approved for APN 009-161-10 in the amount of \$27.04. Supervisor McKenna seconded the motion. Motion carried 5-0.**

19. PURCHASING AND CONTRACTS - POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN A NATIONAL PURCHASING COOPERATIVE INTERLOCAL PARTICIPATION AGREEMENT WITH BUYBOARD NATIONAL PURCHASING COOPERATIVE AND APPROVE THE PURCHASE OF A 2012 ADVANTAGE 500 LANDFILL COMPACTOR, PURSUANT TO NRS 332.115(1)(m), FROM AL-JON MANUFACTURING, LLC, FOR \$649,637.00, TO BE FUNDED FROM THE LANDFILL EQUIPMENT FUND, AS PROVIDED IN FY 2012 / 2013 (P.O. NO. 2012-114, CONTRACT NO.

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1112-192) (9:38:57) - Mayor Crowell introduced this item, and Purchasing and Contracts Manager Kim Belt reviewed the agenda materials. In response to a question, Utility Manager Tom Guinn reviewed the bid process and advised that "CAT ... has a local representative. ... when you're talking large equipment like this, we do have local representatives but we really don't have any local manufacturers that build the equipment here. ... We try to stay as local as we can when we're talking any kind of equipment or purchase power, but it does come down to price for us too." Mr. Guinn acknowledged that the equipment will be serviced by a local Nevada firm. In response to a question, he provided a brief description and history of the old landfill compactor. He discussed the importance of the compactor to the operation and life span of the landfill.

In response to a question, Ms. Belt explained that in order to purchase the equipment, the City has to enter into the agreement to participate in the cooperative. She acknowledged the agreement is only for the subject purchase. In response to a previous question, Mr. Werner explained the method by which the life cycle costing of equipment is evaluated. "At this point, the evaluation was made, it's not worth the cost to refurbish it because we don't gain that much useful life for the cost. We're better off to go ahead and do a purchase."

In response to a question, Mr. Guinn expressed the opinion that the new compactor is a better piece of equipment "because of the technologies in this heavy equipment." He expressed the further opinion that "as each year goes by, we are getting better equipment, ... stronger ... This type of equipment was never intended for landfills in the beginning. It was intended to push dirt so ... as the landfills are becoming more popular as far as maintaining and making their life span longer, that this equipment is becoming stronger and more capable." In response to a further question, he provided additional clarification of previously-mentioned repair costs to the old landfill compactor. In response to a further question, he was uncertain as to the disposition of the old compactor. He expressed a preference to have a backup landfill compactor, but was uncertain as to costs associated with additional repairs and maintenance. Supervisor McKenna suggested there should be residual value for the steel and engine of the old compactor. He agreed with the benefit of a backup piece of equipment. Mr. Guinn reiterated the importance of the compactor to the landfill operation.

Finance Department Director Nick Providenti advised that the cost of the new compactor will be allocated from the medium-term bond proceeds. He noted, for the record, the cost will be allocated from the capital projects fund and not the landfill equipment fund. Mr. Werner advised that all surplus equipment is transferred to Fleet Maintenance, which staff makes a determination as to whether it should be reserved for backup, scrapped, publicly auctioned, or sold to another governmental agency.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to approve and authorize the Mayor to sign a National Purchasing Cooperative Interlocal Participation Agreement with BuyBoard National Purchasing Cooperative, and approve the purchase of a 2012 Advantage 500 Landfill Compactor, pursuant to NRS 332.115(1)(m), from Al-Jon Manufacturing, LLC, for \$649,637.00, to be funded from the capital projects fund, as provided in FY 2012 / 2013 (P.O. No. 2012-114, Contract No. 1112-192). Supervisor Walt seconded the motion. Motion carried 5-0.**

20. PUBLIC WORKS DEPARTMENT

20(A) POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT WITH NDOT FOR THE CARSON CITY FREEWAY PROJECT WHICH IDENTIFIES RESPONSIBILITIES ASSOCIATED WITH PHASE 2B-2

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IMPROVEMENTS, RIGHT-OF-WAY, UTILITY RELOCATION, AND MAINTENANCE (9:53:23)

- Mayor Crowell introduced this item, and Utility Manager Thomas Guinn reviewed the agenda materials. In conjunction with a displayed map, he reviewed elements of the Phase 2B-2 project and responded to corresponding questions of clarification. In response to a question, Mr. Werner advised of "no ability, at this point, to do anything with Appion Way." He explained difficulties associated with the steep grade between the existing Carson Street and the frontage road. In response to a question, he advised of no "nexus between what NDOT's doing and Appion." Mr. Werner and Mr. Guinn committed to keeping the dialogue open between City and NDOT representatives.

In response to a question, Mr. Guinn advised that the project has not yet been submitted to the bid process. The preliminary engineer's estimate was done by the Louis-Berger Group. In response to a further question, Mr. Guinn anticipates that the contingencies included by the Louis-Berger Group will cover any overruns. "These have been revised to the actual construction quantities." In response to a question, Deputy Public Works Director Darren Schulz advised that engine brakes will not be allowed on Fairview Drive. In response to a question, Mr. Guinn advised that "detours have always been an issue. We've had the fire and police departments ... coordinating with us as far as those detour routes." Mr. Werner advised that detour routes for construction are under the City's control. In response to concerns expressed by Supervisor McKenna, Mr. Guinn advised that the haul route hours will be established in the technical specifications. He further advised that construction managers will be available on a daily basis if the detour routes become a problem. (10:06:10) NDOT Project Manager Dale Keller acknowledged the accuracy of Mr. Guinn's statements. "We do outline that in our plans and also in our technical specifications. They do have limitations to the contractor and if there is an event that does arise, our construction administration does oversee that and does hear any problems from the public."

Mayor Crowell entertained additional Board member questions or comments and, when none were forthcoming, public comments. When none were forthcoming, he entertained a motion. **Supervisor Aldean moved to accept the Public Works Department recommendation to approve and authorize the Mayor to sign an Interlocal Agreement with NDOT for the Carson City Freeway Project which identifies responsibilities associated with the Phase 2B-2 improvements, right-of-way, utility relocation, and maintenance due to construction of Phase 2B-2 of the freeway project. Supervisor Walt seconded the motion. Motion carried 5-0.**

20(B) POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN AN AGREEMENT FOR THE ADJUSTMENT OF UTILITY FACILITIES WITH NDOT FOR THE CARSON CITY FREEWAY PROJECT WHICH IDENTIFIES ADJUSTMENTS OF UTILITY FACILITIES ASSOCIATED WITH THE PHASE 2B-2 CONSTRUCTION AND OWNED BY CARSON CITY (10:07:52) - Mayor Crowell introduced this item, and Mr. Guinn reviewed the agenda materials. In response to a question, Mr. Guinn described the method by which the reimbursable costs are calculated. Mr. Werner provided additional clarification, and Mr. Guinn advised that the project will be submitted to the bid process in early August. In response to a question, Mr. Guinn advised that overhead costs for management are calculated by the same percentage. He acknowledged that all warranted reimbursable costs have been included.

Mayor Crowell entertained public comments; however, none were forthcoming. In response to a question, Mr. Guinn advised that the bid process will be advertised in July and that bids will be opened in early August. He acknowledged that any significant increases in costs will be agendized for review and approval by the Board. Mayor Crowell entertained a motion. **Supervisor Aldean moved to accept the Public Works Department recommendation to approve and authorize the Mayor to sign an agreement for**

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the adjustment of utility facilities with NDOT for the Carson City Freeway Project which identifies adjustments of utility facilities associated with the Phase 2B-2 construction, and owned by Carson City; funding source the 2012 water bond and the 2012 sewer bond; total anticipated fiscal impact is \$661,180.67. Supervisor McKenna seconded the motion. Motion carried 5-0. Mayor Crowell recessed the meeting at 10:14 a.m. and reconvened at 10:28 a.m.

21. FINANCE DEPARTMENT

21(A) POSSIBLE ACTION REGARDING PRESENTATION BY THE CARSON CITY MUNICIPAL GOLF CORPORATION (“CCMGC”) OF A STATUS UPDATE OF ACTIVITIES AT THE EAGLE VALLEY GOLF COURSE AND POSSIBLE ACTION TO APPROVE DEFERRING THE LEASE PAYMENT THAT WAS DUE TO CARSON CITY, ON JULY 1, 2011 FOR \$80,000, AND JANUARY 1, 2012 FOR \$40,000, AND THE LEASE PAYMENT THAT WILL BECOME DUE ON JULY 1, 2012 FOR \$80,000 UNTIL A PERFORMANCE AUDIT CAN BE CONDUCTED BY THE CITY’S INTERNAL AUDITOR, MOSS ADAMS, LLP (10:36:25) - Mayor Crowell introduced this item, and Finance Department Director Nick Providenti reviewed the agenda materials. In response to a question, Mr. Providenti expressed the belief that the Eagle Valley Golf Corporation Board members play golf for free. In response to a further question, he advised that the Board of Supervisors will direct Moss Adams, LLP relative to the performance audit. Mr. Werner suggested that Moss Adams, LLP could develop an audit plan for presentation to the Board. Supervisor Walt expressed an interest in more detail relative to the day-to-day operation of the golf course. In response to a question, Mr. Providenti advised that “we’ve ... been deferring [the lease payment] and adding years to the end of the lease ... term.” Mr. Werner clarified that the balance owed is not proposed to be reduced. “We’re just increasing the amount of time that they have to pay it.”

Supervisor Abowd expressed agreement with Supervisor Walt’s preference for a detailed performance audit. In response to a question, Mr. Providenti reviewed the Moss Adams audit schedule. He suggested the Board could provide direction for Moss Adams to make the golf course performance audit a priority. Discussion followed. In response to a question, Mr. Providenti was uncertain as to the total capital expenditures since 2007. Supervisor Aldean suggested that capital expenditures should be prioritized in light of the inability to make the lease payment. In response to a question, Mr. Providenti advised that Steele & Associates, LLC conducted the 2011 audit review. In response to a further question, he advised that Steele & Associates, LLC is an independent accounting firm.

In response to a question, Mr. Munn advised that no remedy would be waived by taking no action and enforcing the lease payment. In response to a further question, he suggested that the Board’s fiduciary responsibility is more of a political question than a legal question. He expressed the opinion there is no legal fiduciary responsibility relative to the contract. “... there’s a lot of issues in play regarding if you declared a breach and you lost your operator, is the City going to operate the golf course and what are they going to do with their effluent. There’s a lot of elements that play into this mix that would influence whether you would want to strictly enforce the contract. In that regard, ... you wouldn’t breach any fiduciary duty in trying to balance all of those issues.” In consideration of the annual auditing process, Mr. Providenti expressed a preference for the Board to approve deferring the lease payment. He acknowledged the Board could defer action until Moss Adams completes the performance audit. Following discussion, Mayor Crowell expressed a preference to preserve the rights and liabilities for both sides pending the performance audit.

Supervisor McKenna expressed an interest in holding the “unfair competitive advantage discussion,” and a preference to require the Eagle Valley Golf Course to increase their rates “at least as high as or higher

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than the private golf courses here.” He noted that sixty days to complete the performance audit comprises most of the summer season. In consideration of “getting this balanced,” Supervisor Walt discussed the importance of generating revenues and cutting expenses. She noted that one of the largest expenses is salaries and wages, and expressed an interest in whether the golf course has made attempts to decrease expenses. She further inquired as to that portion of the operation which is run by volunteers.

(10:59:28) Eagle Valley Golf General Manager / Golf Director Jim Kepler provided historic information on the ownership and operation of the municipal golf course. He advised that the golf course is only able to make partial payments at this time. He expressed a preference to conduct the performance audit “and see what the value of the golf course to the community is and how it’s run properly for the community versus other things in the City that are run the same way, versus Parks and Rec. Why are we different? I’m not sure why. ... we bring in lots of money to the community, millions and millions of dollars. You get tax money off of it ... You have one of the finest municipal golf facilities in the western United States. Not only my opinion. The opinion of the golfers, opinion of other people in the golf business. Obviously, you have a lot of fine ... semi-private golf courses in the area as well.” Mr. Kepler advised that the “budget for salaries is lower than it was six years ago. ... We go from 43 to 50 in staff in the summertime to eight in the wintertime.” He reiterated that the golf course is unable to pay \$120,000, but noted that the \$3 million paid back in 14 years is “unheard of ... in private industry for golf courses; for a public course to pay that kind of money to the City back.” He advised of having decreased costs last year by \$100,000 “because we had less income.” He acknowledged that costs can be decreased further. He advised that the contract provides for not spending more than \$10,000 on any project without prior approval from the City.

At Mayor Crowell’s request, Mr. Kepler background information on rates and current rate information. He acknowledged that volunteers are eligible for free golf, and referenced the criteria included in the agenda materials. In response to a question, he advised “we’re the only golf course that raised our rates this year over last year.” At Mayor Crowell’s request, he compared rates between Eagle Valley Golf Course, Silver Oak, Empire Ranch, Genoa Lakes, and Dayton Valley. In response to a question, he discussed staffing levels relative to salaries and wages, and compared this year’s salaries and wages budget to last year’s. He acknowledged the ability to make a \$30,000 to \$40,000 payment this year. In response to a question, he discussed the marketing strategies which have been and are being implemented. In response to a further question, he reviewed outstanding loan balances. In response to a further question, he discussed the role of the CCMGC Board of Directors. In response to a further question, he expressed the opinion that “the facility is doing well. Based on the way the City does studies, ... you ... did a study a few years ago for your ball fields and your soccer fields ... and last year I gave you an extensive file that showed the kind of income we bring in based on your rules and regulations on how we do it. And I believe that we bring in a substantial amount of money to the area.” He expressed certainty that the other golf courses also generate substantial revenue. He expressed pride in the Eagle Valley Golf Course and its staff, and appreciation for all the assistance provided by Mr. Werner and Mr. Providenti. He requested the Board to consider the history of the Eagle Valley Golf Course and suggested “the business plan was broken from the day you started building golf courses and you took the income away from the golf course.”

Mayor Crowell entertained public comment. (11:14:55) Dwight Millard, representing Empire Ranch Golf Course, expressed appreciation for the Board’s position and concern over delaying action until completion of the performance audit. He expressed a preference for the audit to be conducted “by somebody who understands golf business.” He suggested that “the audit isn’t going to produce any more cash than they have today so ... it’s not relevant to whether they can pay their payment or not. Kicking the can won’t produce any cash.” He noted that as of December 31, 2011, Eagle Valley Golf Course owed “\$449,000 in deferred payments to the City. They’re asking today for an additional \$200,000. ... that means now

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we're at \$649,000." He expressed confusion over the method by which the payments are being deferred. "... if they owe the City \$649,000, based on their financial statement, they're insolvent. They're upside down. They owe more than their actual assets show that they have." Discussion followed, and Mr. Millard inquired as to "the benefit to Carson City ... of having that golf course out there ... You have other golf courses. You're not providing a service that's ... not there. You're not providing an ambulance service that wouldn't be here if there wasn't any. ... So for a select few golfers ..., other than that minority group in Carson City, who else benefits from this if you don't get a lease payment. If you get a lease payment and you're leasing the property out, you're okay. But you're better off to give it away." Mayor Crowell suggested that if the golf course is given away, it can still continue to operate. "Somebody's going to operate it and then somebody's going to end up with a golf course that has no debt against it. And what does that do for the private sector?" Additional discussion followed, and Mr. Millard expressed the understanding "you have to lease things at fair market value. You can't give preferential treatment on leases to anybody. State law says you've got to do that."

Supervisor Aldean advised of City properties that are leased to non-profit corporations for \$1 a year. "You have to be a non-profit to qualify and you have to provide some sort of tangible benefit." Mr. Millard expressed uncertainty as to the tangible benefit of the Eagle Valley Golf Course. In reference to the financial statement included in the agenda materials, Mr. Millard expressed the opinion that the salaries and wages are "pretty much in line with what I'm spending and probably not unusual." He expressed concern over "\$470,000 in supporting services ..." and travel costs. He noted no expenditure for seed and fertilizer and advised that he "spend[s] somewhere around \$20,000 a year on those items." He inquired as to whether this is a "park and rec contribution." He advised of having recommended increasing golf rates by \$2 a round which would "make its payment." He further advised that he was not testifying relative to the "unfair advantage, but just the simple fact that they need to be not in breach of the contract. They need to make their payment that's due to you. ... \$2 a round ... would certainly do that." In consideration of the Board of Supervisors being comprised of five people, Mr. Millard suggested reducing the 12-member CCMGC Board. He reviewed the landlord responsibilities for maintenance, reiterated that the "lease has to be at fair market value," and expressed appreciation for the "fact that they're a good course, ... that they're part of the Divine 9." He expressed uncertainty that the Eagle Valley Golf Course needs to "be the best municipal course on the west course. A municipal course is generally built to provide local, reasonable golf for the local people ..." He inquired as to the method by which non-profit corporations borrow money. He reiterated the opinion that the Eagle Valley Golf Course should increase rates, and that a review should be conducted relative to golf business operations.

Supervisor McKenna expressed the opinion that the "global benefit ... is the reduced cost of operating the sewer utility. ... this thing is unique in that it's a piece of land designed to basically be part of a sewer plant that we have an operating business on that seems to be successful." He expressed reluctance for the City to compete against its citizens, and a preference for a "mechanism so that we're not hurting our ... businesses by having the City subsidize a business because that business is cutting our sewer costs." He suggested the possibility of convening a committee comprised of golf course owners and citizens to determine golf rates. Mr. Werner acknowledged that the Edmonds Sports Complex is irrigated with effluent water. He further acknowledged the belief that the Edmonds Sports Complex users are non-profit organizations. Supervisor Walt advised that the non-profit organizations which use Governor's Field and the Edmonds Sports Complex were requested by the Youth Sports Association to increase rates. She advised that the Comstock Shoot-Out Soccer Tournament results in a \$2.9 million economic impact to the community. She expressed concern that the non-profit organizations which use the community center and other non-profits will also be requested to increase fees. She expressed the opinion that rates at the golf course should be considered. Mr. Kepler advised that the Edmonds Sports Complex uses approximately

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25 million effluent gallons per year. The Eagle Valley Golf Course uses approximately 300 million effluent gallons a year. He expressed agreement with Supervisor Walt's concerns relative to non-profit organizations having to increase their fees, but expressed uncertainty that the same non-profits are "paying back to build the facility of the fields which probably cost millions and millions of dollars ... We're getting asked to pay back something you guys built and you want us to pay for your infrastructure. ... it's two different things. We believe we can pay for ourselves to operate but ... our contract is to pay back a bond you guys spent to build new cart bonds, a new septic facility. So you gave us the thing, now you want us to pay for your improvements. It's two different things we're talking about here." Mr. Kepler expressed the opinion that "non-profits should pay for themselves if they can. It depends on what they provide the community. Effluent water is obviously part of this deal, but ... [non-profits] just pay to use the facilities. Big difference." Supervisor Walt advised that the non-profit organizations contributed to construction of the Edmonds Sports Complex. Mr. Kepler reiterated that the Eagle Valley Golf Course has paid \$3 million. He expressed the opinion "we pretty much pay for ourselves currently. ... we have a bond payment to pay you ... back for the fields and the infrastructure you built there which nobody else ... do[es]. If you ... took over the golf course, ... instead of having four guys mow grass, you'd have to have fifty employees like we do and they'd have to be City employees. That was the design of this deal. It has nothing to do with the fact that we don't want to pay you back. We should be fair grounds for both people. If you want us to pay for what we use, that's fine, but ... I don't know that it should be a lease payment. You already own it. It's different ... from that standpoint. ... I ran Pop Warner for years. We didn't get asked to pay back the school for the field we were playing on. We had to pay for use of the field, pay for the janitors and that kind of stuff. We paid all those fees but we didn't have to pay to build the field."

Supervisor Abowd inquired as to where an increase of \$2 per round of golf would place the Eagle Valley Golf Course competitively with the other golf courses in the area. Mr. Kepler advised that every golf course in the area has decreased rates due to the economy. He discussed difficulties associated with a \$2 per round increase in rates. He advised that rates are being increased "gradually to get in line which makes more sense to get us where you guys want us to get to." He suggested "re-doing the agreement and saying, 'Let's base on your income, or based on rounds,' so you ... have a basis to come back to all the time instead of us always trying to figure out where we're going here." Supervisor McKenna acknowledged the golf course was constructed with public money and "we're asking you to pay for that ... And that's the payment that's not being paid. It's not any other payments. It's that initial building of the golf course payment. And the citizens of Carson City get substantial value from building that golf course because it is a place where treated effluent can be dumped and it defers the cost of the City having to build a treatment facility to take out further things so that the water can be dumped into the Carson River. So if we were to close that course tomorrow and stop dumping treated effluent, we'd either be fined or we'd be building a large facility to take stuff out of the water. So there's a cost there either way. Asking your non-profit to pay for that improvement, that construction probably is unfair. But then you look at the other side of it. We have people that have invested their own money in building golf courses here in Carson City that bring a similar benefit to Carson City, they take our treated effluent to water their golf course. They do exactly the same job you do, but they have to pay for their land and they have to pay their mortgage payment, and they have to pay their interest on acquiring that land." Mr. Kepler acknowledged the accuracy of Supervisor McKenna's description, and suggested "no question their business plan was to do that with housing and everything else. We don't have that option." Supervisor McKenna stated, "... we have to look at, is your not paying a lease payment or paying for the ... initial infrastructure, etc., does that place them at an unfair disadvantage operating against a City business." Mr. Kepler acknowledged the possibility. Supervisor McKenna inquired as to how to get rid of the unfair disadvantage.

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Mr. Kepler expressed the opinion that “the money we’re paying back is not for building the golf course. The money we’re paying back is for re-keying the golf course back in the ‘90s. The one that was built in ‘77 was strictly for effluent reasons. The one that was built in ‘87 was kind of a fiasco. You had a grand jury and everything else to investigate the situation that happened with the golf course. It was a business plan gone bad but it’s there and it’s operating. If the golf course goes away, it goes back to another party. ... Then in ‘90, when you decided to get rid of the golf course and give it to a non-profit, they spent a bunch of money to fix a bunch of stuff and this is where it gets kind of murky. We don’t know where all the money came from or went to. It’s tough finding the records going back, but ... we spent this money to fix the golf course, we spent this money to give a better facility for the effluent so, once again, a golf course you’re asking us to pay for something that nobody else in town pays for.” Supervisor McKenna inquired as to whether it is fair to request the Eagle Valley Golf Course to pay that payment. Mr. Kepler expressed the opinion “it should be renegotiated if you look at the overall value of what it does for the community and vice versa. And it might come back we owe three times that much. I don’t know that.” He expressed the opinion “that we provide a pretty good service and ... we’re pretty self-sustaining and that’s kind of what our goal is to be.” He expressed the personal opinion that the Eagle Valley Golf Course should not have to pay “for the bond payment whatsoever after we’ve given you \$3 million on a less than a \$3 million investment initially. So, we’re paying taxes because the City didn’t have much money to pay for it initially. So you went and got a bond and so you’re taxing a non-profit corporation that you created because you didn’t have the cash to pay for it. ... If it had been paid up front, cash, we would be here ... arguing about stuff.” Mr. Kepler acknowledged that the Eagle Valley Golf Course probably operates to the disadvantage of the other two golf courses in Carson City “because we have restrictions on rates and we have restrictions on the amount of money we have.” Supervisor McKenna inquired as to the possibility of implementing across-the-board rates. Mr. Kepler advised “it’d make it easier for us. I don’t think it’d be the best thing for the community.” He reiterated the suggestion to “go back to the beginning and see why this whole thing came about. ... It’s not the last five years. It’s going on for thirty years ... and it’s a good project. And it got really bad for a while. Now it’s getting a little bit better.” Mr. Kepler acknowledged that the operation is not perfect, “and the business model is not good for anybody in town right now.”

In response to a question, Mr. Kepler expressed the belief that the CCMGC Board is still interested in operating the Eagle Valley Golf Course. In response to a further question, he expressed the belief “that they take it personal, they’ve got time invested in it, they have passion for golf ... Some of them aren’t even golfers. They’re people in the community that believe in the product we have out there. They think it’s nice to be part of something. Probably a third of our local golfers ... have ownership, they believe. ...” The reason for developing the CCMGC Board initially was to “have so many business people oversee the golf course.” Mr. Kepler expressed the opinion “maybe they didn’t do a great job at times, but ... the [CCMGC] Board is doing a better job now because they’re getting more information because we have more auditing. ... Everything’s above board and we’re going forward and if there are any questions, it should come out in the audit ...”

Supervisor Abowd inquired as to whether Moss Adams can determine a reasonable lease payment. In response to a question, she clarified that the golf course operations are steadily improving and inquired as to a method by which to renegotiate the lease based on Moss Adams recommendation such that the payment is achievable. Mr. Werner expressed uncertainty “because if you go back and look, had not those facilities built whatever they did at the time and the City issued a debt for that and just said, ... let’s bring in the corporation to do this project,’ there would be no payment. We would receive zero payments from them. Essentially, we would have taken a municipal asset, hired a non-profit organization to run it “... because the idea would be ... that you make it self-sufficient. This golf course was never started with the idea that it was going to make money for the City. It was to offset the cost of providing the golf course as

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was in Mills Park and as was the effluent.” In response to a question, Mr. Providenti advised that debt was issued in 2002 - 03. Mr. Werner further explained “then they kind of paid the debt off or they were paying it off through the City’s debt service and then they said, ‘Oh, by the way, ... you’ve got some buildings out of this so why don’t you pay us \$400,000 a year for five years.’” Mr. Providenti further clarified “they were basically paying off the debt and ... they refinanced some debt. They added some more debt on in 2003 and ... reduced the amount of the loan payment.” Mr. Kepler further clarified “the first year, it was \$650,000, then it was \$400,000 for about four years, then it went to \$280,000 ... and then \$200,000.” Mr. Werner suggested “if we were to start fresh ... and say, ‘We own all those assets out there. We’ve paid for them, would you as the [CCMGC] come in and operate that for us,’ we probably wouldn’t charge them a dime.” In response to a question, Mr. Providenti advised that the bond is scheduled to be paid off in 2019 “at a couple hundred thousand dollars a year.” In reference to Supervisor Abowd’s question, Mr. Werner advised that designating a lease payment is “kind of convoluted.” He offered to discuss the possibility with Moss Adams staff.

In response to a question regarding unfair competition, Mr. Werner suggested inquiring of the private golf course owners the reason for developing private golf courses “when we already had one. ... the City’s golf course was here and operating and stable and then, for marketing reasons for land use sales, they brought in those golf courses.” He suggested “it would be the same thing as if we were operating our ball fields today ... and then this sports arena gets started and then the people that started the sports arena say, ‘Well, we’re not getting enough money. You need to start charging for what you provided through the recreation program.’” Mr. Werner expressed understanding for the concerns expressed by the private golf course owners, but the opinion “that’s their problem ... They came in when our municipal golf course was working just fine. We had to have this golf course for several reasons; one of them to replace the golf course at Mills Park.” Supervisor McKenna inquired as to whether the City should pay the private golf courses for taking the City’s treated effluent. Mr. Werner advised of having been a proponent in the past, “but that means we’d need to raise sewer fees ...” He suggested “there’s a legitimate argument that, although they get free effluent to replace water, we still need someplace to get rid of effluent. So there’s a balance there someplace and so reasonably maybe you could say there should be a subsidy to all the golf courses for some amount for them taking effluent, but that then would translate to an increase in sewer fees ...” Supervisor McKenna suggested “the whole purpose of having the golf course and operating it isn’t treated effluent, it’s having a municipal course and you would handle it differently.” He expressed a preference to “get to someplace where we don’t have this same discussion next year.” In response to a comment, Mr. Werner referenced an earlier suggestion by Supervisor Abowd for “some nominal increase you could do that does offset that cost that doesn’t reduce the number of players to the Eagle Valley Golf Course.” He noted that Moss Adams will also conduct a performance audit, and that they will be requested to provide a reasonable expectation from a third-party viewpoint relative to increasing rates. He agreed with finding a way to put the matter to rest.

In response to a question, Mr. Providenti estimated the balance on the unpaid obligation at \$1.5 million. In response to a further question, Mr. Werner advised that “the application of effluent means you can’t drive that water into the ground water. ... You have to maximize that plant uptake of nitrogen and phosphates in the root zone based on your application rates. It’s a tricky business.” Mr. Kepler advised that every golf course has monitoring wells which are tested monthly. In response to a comment, Mr. Werner advised that the nitrogen and phosphates are required to be hauled off in the form of cut grass. Supervisor Aldean noted the “huge aesthetic benefit” of the golf course to the eastern gateway of the City. In consideration that the west course reverts to the previous owner if not used for golf, Supervisor Aldean emphasized the importance of “com[ing] up with some solution that keeps the golf course intact, operating, at least breaking even ... as a facility that provides a service to the people of this town; not only a

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recreational service but an aesthetic one.” Mr. Werner advised that staff will present these issues and aspects to the auditors, and request them to develop a plan which also takes into consideration the arguments of the other golf course owners. He acknowledged that the City would be responsible for any major line breach at the golf course. Mr. Providenti advised of a \$75,000 provision in the wastewater budget. In response to a comment, Mr. Werner advised that the City would provide assistance to any of the private golf course owners in the event of any major line break. Mayor Crowell expressed an interest in the auditor’s recommendation as to whether the City should “get back in the golf course business and, if so, what would the level of subsidy be, what would be the financial exposure to the City.” In addition, Mayor Crowell expressed an interest in the auditor’s recommendation regarding whether the arrearage owed by the Eagle Valley Golf Course should be forgiven because they may not be valid. He requested the auditor “to review the lease terms for any lease terms they think should be modified, assuming that Eagle Valley Golf Course goes forward as a tenant, and to review the rates in terms of competitiveness and ability to raise rates to pay current costs.” Supervisor Walt acknowledged an interest in the auditors benchmarking expenses to the industry standard.

Mayor Crowell entertained additional public comment. (12:01:45) Mark Turner, representing Silver Oak Golf Course, advised that the City required the Silver Oak development to have a certain amount of open space. “As a means of addressing that requirement ... imposed upon us, ... the golf course seemed the most logical way to handle that for aesthetic ..., recreational purposes and also to dispose of the effluent water that is such an item of contention ...” He advised of not having decided to “build a golf course first and foremost. We decided that we had to deal with an open space requirement and that was the best means of doing that.” He expressed uncertainty that “the lease payment is as of much concern ... as their ability to lower their rates on golf to below market ...” He acknowledged the “gross oversupply” of golf in northern Nevada “given the number of players that we have. And, as a result of that gross oversupply, it drives the cost of golf down.” Mr. Turner advised that “Silver Oak and its major shareholder ... has always thought it very important to honor our financial obligations to Carson City. And we’ve done so and it’s come at a substantial personal sacrifice at times, especially the last few years.”

In response to a question, Mr. Turner expressed the hope that if the City was to resume operation of the Eagle Valley Golf Course, “that you would cooperate in coming up with some sort of price arrangement that doesn’t dramatically undercut your private operators here in town.” Mr. Turner suggested that a golf course is not the only method by which to dispose of effluent water. He noted the intent of the Silver Oak development to offer recreation and an aesthetically pleasing development. He suggested submitting the Eagle Valley Golf Course management contract to the bid process. He acknowledged the possibility of selling the golf course to a “third party at a fair price ... that accurately reflects the value of the investment in that golf course. Then they do have a basic cost structure that they have to take into account when they’re trying to figure out how much they’re going to charge for golf on a daily basis. That’s what drives our rates.” Supervisor Aldean described the other options to accommodate the City’s open space requirement. In response to a question, Mr. Turner advised that other options were considered. “Open space could have been like wild open space. That carries with it potential fire hazards. And communities ... that have high homeowners association costs are extremely unattractive to buyers right now.” In response to a question, Mr. Turner expressed support for an audit, and discussed the importance of “the company that runs the Eagle Valley Golf Course honor its financial obligation to Carson City.” He expressed the opinion there is inadequate transparency associated with the Eagle Valley Golf Course finances. In response to a comment, Mr. Turner reiterated the suggestion “there may be other people ... who might have an interest in operating that facility and may have a way of doing it more efficiently and being able to honor those obligations.” In response to a question, he suggested that a for-profit company should be considered. Discussion followed. In response to a further question, Mr. Turner expressed the

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opinion that “comparing Eagle Valley to Silver Oak is difficult because Eagle Valley has two 18-hole courses and we have one.” In response to a further question, he suggested that the Eagle Valley west course “should be comparable to [Silver Oak]. ... difficulty is similar and rounds should be similar. They’re less expensive so they’re going to attract more players. Expense is everything when it comes to recreation these days so the low cost operator is going to steal the most business.”

Mr. Munn acknowledged there are laws against price fixing. In consideration of the audit, Supervisor Aldean requested Moss Adams to research comparable situations, and to consider restructuring the frequency of payments to monthly or quarterly. Supervisor Aldean expressed the opinion that the City should set aside funding to assist the private courses with repairing line breaks. (12:19:30) Mr. Turner advised that the effluent service line was built at Silver Oak’s expense. “... not only are we disposing of the water but we also built the transportation infrastructure to get that commodity to the west side of Carson City.” Supervisor Aldean noted the benefit to Silver Oak and every other private Carson City golf course to not having to pay for treated water. There is a benefit to Carson City for not having to build a tertiary treatment plant. Supervisor Aldean inquired as to an analysis to determine the greater benefit to the private courses or to the City. Mr. Werner offered to conduct the analysis.

(12:21:03) Dwight Millard advised of having analyzed the Empire Ranch Golf Course and Eagle Valley Golf Course gross income “and they brought in approximately \$4,000 more per hole than we did. ... Their expenses are only a couple thousand more per hole ... Their financials are very much in line. ... their labor is actually \$3,000 per hole cheaper than ours is on an overall.” Mr. Millard stated, “I don’t see anything out there that’s non-reasonable.” He expressed concern “that we’re maintaining the property.” He suggested declaring the CCMGC in breach of contract “because they don’t have \$300,000 in the bank, not because they don’t make their payment.” He expressed an interest in the “12-man board come back to you with a lease that they would like to have and I would like them to lease it and the lease to be at \$1 a year and then you need to consider” their responsibilities relative to maintenance and repairs. He expressed the opinion “there’s a solution here.”

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. Supervisor Aldean expressed appreciation for the comments and recommendations, and a preference for waiting for the audit results. She suggested taking no action, pending outcome of the audit and acknowledged a request to direct Moss Adams to perform the audit. Discussion followed, and **Mayor Crowell entertained a motion to table this item. Motion carried 5-0.** Mayor Crowell recessed the meeting at 12:28 p.m., and reconvened at 12:38 p.m.

21(B) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AUTHORIZING THE ISSUANCE OF A MEDIUM-TERM OBLIGATION TO FINANCE THE COST OF AMBULANCES, WHEELCHAIR VANS, AND IMPROVEMENTS AND EQUIPMENT FOR THE CITY LANDFILL, AND TO REFUND CERTAIN OUTSTANDING MEDIUM-TERM OBLIGATIONS FOR THE CITY; SPECIFYING THE DETAILS FOR THE “CARSON CITY, NEVADA GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE MEDIUM-TERM AND REFUNDING BOND, SERIES 2012”; SPECIFYING THE TERMS AND CONDITIONS OF SUCH BOND, THE METHOD OF PAYING THE BOND AND ITS FORM; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO (12:38:12) - Mayor Crowell introduced this item, and Mr. Providenti reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Walt moved to introduce, on first reading, Bill No. 106, an ordinance authorizing the issuance of a medium-term obligation to finance the cost of ambulances, wheelchair vans, and improvements and equipment for the City landfill, and to refund**

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certain outstanding medium-term obligations for the City; specifying the details for the “Carson City, Nevada general obligation (limited tax) various purpose medium-term and refunding bond, series 2012;” specifying the terms and conditions of such bond, the method of paying the bond and its form; and providing other matters properly relating thereto. Supervisor McKenna seconded the motion. Motion carried 5-0.

21(C) POSSIBLE ACTION TO ENTER INTO INSURANCE AGREEMENTS WITH AFFILIATED FM FOR PROPERTY INSURANCE AT A TOTAL PREMIUM OF \$273,061, TRAVELERS INSURANCE COMPANY FOR AUTO PHYSICAL DAMAGE AND EXCESS LIABILITY COVERAGE AT A TOTAL PREMIUM OF \$381,798, GREAT AMERICAN FOR GOVERNMENT CRIME INSURANCE AT A TOTAL PREMIUM OF \$9,745, AND WITH ILLINOIS UNION FOR LANDFILL POLLUTION LEGAL LIABILITY INSURANCE AT A TOTAL PREMIUM OF \$12,518, FOR A GRAND TOTAL OF \$677,122, FOR FY 2012 / 2013 (10:29:17) - Mayor Crowell introduced this item, and Finance Department Director Nick Providenti reviewed the agenda materials. Mr. Providenti introduced Wells Fargo Insurance Brokers Gary Roberts and Brandon Lewis. At Supervisor Aldean’s request, Mr. Providenti elaborated on the unforeseen liability claims referenced in the agenda report.

(10:32:14) At Mayor Crowell’s request, Wells Fargo Insurance Services Senior Vice President Gary Roberts provided additional clarification relative to the increased premiums. Mr. Providenti acknowledged that Travelers Insurance Company had paid claims. Mr. Roberts advised of “a couple of claims that are showing an incurred amount. They may not have spent it yet, but they anticipate doing that.”

Mayor Crowell entertained Board member and public comments. When none were forthcoming, he entertained a motion. Supervisor Aldean moved to enter into insurance agreements with Affiliated FM for property insurance at a total premium of \$273,061; Travelers Insurance Company for auto physical damage and excess liability coverage at a total premium of \$381,798; Great American for government crime insurance at a total premium of \$9,745; and with Illinois Union for landfill pollution legal liability insurance at a total premium of \$12,518, for a grand total of \$677,122 for FY 2012 / 2013. Supervisor McKenna seconded the motion. Motion carried 5-0. Mr. Roberts expressed appreciation for the City’s business and commended the City staff.

Supervisor Aldean moved to enter into insurance agreements ... Supervisor Abowd seconded the motion. Motion carried 5-0.

21(D) POSSIBLE ACTION TO ENTER INTO AN EXCESS LIABILITY INSURANCE POLICY WITH NEW YORK MARINE INSURANCE COMPANY FOR EXCESS WORKERS COMPENSATION LIABILITY INSURANCE SERVICES FOR A TOTAL PREMIUM OF \$75,597 - Deferred.

22. HUMAN RESOURCES DEPARTMENT

22(A) POSSIBLE ACTION TO APPROVE THE “AMENDED COLLECTIVE BARGAINING AGREEMENT” BETWEEN CARSON CITY AND THE CARSON CITY FIREFIGHTERS ASSOCIATION, LOCAL #2251, OF THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, JULY 1, 2010 TO JUNE 30, 2017 - Deferred.

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22(B) POSSIBLE ACTION TO APPROVE THE “AMENDED COLLECTIVE BARGAINING AGREEMENT” BETWEEN CARSON CITY AND THE CARSON CITY FIRE DEPARTMENT CLASSIFIED CHIEF OFFICERS ASSOCIATION, JULY 1, 2010 TO JUNE 30, 2017 - Deferred.

22(C) POSSIBLE ACTION TO APPROVE THE COLLECTIVE BARGAINING AGREEMENT BETWEEN CARSON CITY AND THE CARSON CITY EMPLOYEE’S ASSOCIATION, EFFECTIVE JULY 1, 2012 TO JUNE 30, 2013, AND THE ADDENDUM BETWEEN CARSON CITY, DISTRICT COURT, JUSTICE COURT, AND THE EMPLOYEE’S ASSOCIATION - Deferred.

22(D) POSSIBLE ACTION TO ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS OF CARSON CITY SETTING FORTH THE BENEFITS FOR UNCLASSIFIED EMPLOYEES, EFFECTIVE JULY 1, 2012 (12:40:05) - Mayor Crowell introduced this item, and Human Resources Department Director Melanie Bruketta reviewed the agenda materials. In response to a question, Finance Department Director Nick Providenti estimated between 50 and 60 of the unclassified employees would be eligible for merit increases. In response to a comment, discussion took place regarding the funding sources. In response to a question regarding the performance pay provision, Mr. Werner advised that the specification for certification is usually in the job description. “[For] general government employees, we don’t have that specificity and we’ve talked about that. That’s one of the things we’re trying to work through with our active strategies but we’re a year or so out ... to have that in there.” Mr. Werner expressed a concern “that we still have a lot of people that are unclassified that are general government employees, were hired initially when we first started doing the salary freezes. They came in at the very bottom of the range. They’re working side-by-side with people that have been here for years that are a little bit higher paid. At some point, there needs to be some equity there. ... Not every employee gets this. There a lot of us that don’t get it because we’re already topped out. ... this really relates to somebody that’s come in, that’s probably been hired in the last two or three years, entry level, it helps them out.”

Supervisor Aldean suggested it would be helpful for a manager to have some specific criteria for consideration of merit increases. Ms. Bruketta advised that the performance evaluations include specific criteria and each employee is rated on whether or not that criteria is met. In response to a further question, Mr. Werner described the method by which the evaluation is memorialized. Ms. Bruketta advised that each employee is also required to complete a self-assessment relative to goals and objectives. Mayor Crowell suggested adding the phrase, under Performance Pay, as follows: “All unclassified employees may receive an annual merit increase for work performance based upon compliance with job performance criteria and the recommendation of their supervisor or the appointing authority.” Ms. Bruketta offered to return to the Board with the recommended revision, and discussion followed regarding the required noticing and review procedure.

In response to a question, Mr. Providenti offered to double check the fiscal impact. In response to a further question, Mr. Werner and Ms. Bruketta provided additional clarification relative to the previous comments regarding entry level unclassified employees who will likely be eligible for merit increases. Mayor Crowell entertained public comment and, when none was forthcoming, consensus of the Board was to reagenda the item for the next meeting.

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22(E) POSSIBLE ACTION TO APPROVE THE EMPLOYEE HEALTH INSURANCE PLAN WITH ST. MARY'S HEALTHFIRST, THE EMPLOYEE DENTAL AND LIFE INSURANCE PLANS WITH THE STANDARD, AND THE EMPLOYEE VISION PLAN WITH VSP (12:52:49) - Ms. Bruketta introduced this item and reviewed the agenda materials. In response to a question, she explained the criteria for a registered domestic partner through the Nevada Secretary of State. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to approve the employee health insurance plan with St. Mary's HealthFirst, the employee dental and life insurance plans with The Standard, and the employee vision plan with VSP. Supervisor Walt seconded the motion. Motion carried 5-0.**

RECESS AND RECONVENE BOARD OF SUPERVISORS (12:56:29) - Mayor Crowell recessed the meeting at 12:56 p.m. and reconvened at 2:02 p.m.

23. CITY MANAGER - DISCUSSION AND POSSIBLE ACTION TO DIRECT THE BALLOT QUESTION'S GENERAL LANGUAGE AND DIRECT THE CITY MANAGER AND CLERK-RECORDER TO BRING AN NRS 392.482-COMPLIANT RESOLUTION BEFORE THE BOARD FOR PLACEMENT OF AN ADVISORY BALLOT QUESTION, INCLUDING THE EXPLANATION OF THE QUESTION, A DESCRIPTION OF THE ANTICIPATED FINANCIAL EFFECT, AND THE ARGUMENTS FOR AND AGAINST THE QUESTION, ON THE NOVEMBER 2012 GENERAL ELECTION BALLOT FOR FINANCING THE DESIGN, DEVELOPMENT, CONSTRUCTION, OPERATION, AND MAINTENANCE OF A NEW KNOWLEDGE AND DISCOVERY CENTER LIBRARY AND PUBLIC PLAZA PARK, ON PROPERTY TO BE DONATED TO THE CITY BY THE HOP AND MAE ADAMS FOUNDATION, THROUGH AN INCREASE IN THE SALES TAX BY 1/4 OF ONE PERCENT, PURSUANT TO NRS CHAPTER 377A (2:02:47) - Mayor Crowell introduced this item. Mr. Werner provided background information and reviewed the agenda materials. Mr. Werner acknowledged that the \$1.9 million to be generated by the sales tax increase would be sufficient to meet the annual bond payments based on the anticipated rates. He explained that "based on today's economy and the little we're collecting in sales tax ... would generate the \$1.9 [million]. ... we anticipate that the 1/4 of one percent would actually grow and that's why we thought we could possibly use the operation and maintenance side of it to offload the general fund." Supervisor Aldean advised of a discussion with Mr. Werner about the possibility of implementing a 1/8 of one percent increase in the sales tax "and perhaps making up the balance with redevelopment money which is what redevelopment money is intended to do." Mr. Werner acknowledged the accuracy of the statement "only if the petition is out of the picture. The petition that's being circulated requires that any public funds that are used for this project have to be approved by the vote of the people. So if we were to do the 1/8 cent sales tax instead of the full 1/4 and want to use redevelopment funding, assuming that the petition goes forward, is successful at the general election or is adopted by this Board in ordinance form, then that source of funding would also have to be put to a vote of the people to use." Supervisor Aldean suggested integrating the option into the advisory question. "... if our intent is to maintain the ultimate amount of flexibility, ... some folks would prefer ... a smaller sales tax increase and exercise our option to use redevelopment money which, frankly, ... is an appropriate use for the redevelopment fund." In response to a question, Mr. Werner expressed concern that "the more we try to write those things into a ballot question, the more confusing it gets and I'm not sure we could write it very clearly. ... That I'd have to turn over to Mr. Glover and our District Attorney and you folks to do that."

Supervisor Abowd inquired as to how Supervisor Aldean's suggestion would affect funding and rates. Mr. Werner advised that he would have to analyze it. "... a 1/8 cent sales tax [increase] would be half so we'd be looking at ... \$950,000 and then the balance of that would have to come out of redevelopment which we

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currently don't have so that means you would not be able to fund this using that combination ... until such time as we had adequate funding coming into redevelopment." Discussion followed, and Mr. Werner advised that "from a practical standpoint ... it would be nice if you decided on a ballot question. That, in turn, ... has to come back at the next meeting in the form of a resolution and, again, at that point, you could probably modify the language a little bit. But once we adopt the resolution, then it passes to Mr. Glover's office as the question and he, then, develops the pros and cons for that question. At that point, we cannot tinker with the question anymore. So you have this meeting and one more before we'd run out of time on this."

Supervisor McKenna inquired as to the possibility of the Board doing nothing this year and next year's Board "changes the name of the project and adds some bells and whistles to it so it's a different project." Mr. Werner advised of the assumption that the petition will go forward. "If that's in place, then no matter what we do today, in the future with that petition, ... we'd have to come up with then a mechanism and a description ... and then take that to a vote of the people to determine that it's an appropriate use of funding." Mr. Werner expressed uncertainty that the project was limited under the petition in scope as to the site or whether it was an expansion of the library in general. Mr. Munn supposed "that would become a point of contention. Their language in the petition is 'No public funding shall be used for the proposed Carson City Center Project, commonly known as the Nugget Economic Development Project or Nugget Project, without a majority vote of the people approving such public funding.' So, ... the issue that would arise is that the one envisioned for the Nugget area or if the Board later decided to move it down Roop Street somewhere whether that's a different project. That would become a legal point of contention."

Supervisor McKenna inquired as to the action the Board would take to "implement the view of those people that have signed the petition." Mr. Werner suggested that "assuming the petition has ... the appropriate number of signatures, then that petition gets presented to you, as the Board, for adoption of an ordinance to include the language of the petition as a minimum ... And, at that point, the Board could adopt the language of the petition and maybe even clarify it to expand it ... and make that an ordinance of the City which means you, yourselves, have restricted you from doing any of this stuff until you take any funding source to a vote of the people. And then that means that that petition would not go to the general election. If you did something like this ballot [question], that would go to the general election and, if it got a significant number of positive votes, then you would have satisfied the law and ... on the quarter percent sales tax and you would have satisfied the petition on seeking a vote for funding. If the ballot question that we're proposing did not pass, you still would have that ordinance in effect that says you can't use any source of ... public funding for this project without taking something else to the vote of the people." In response to a question of clarification, Mr. Werner explained "that the petition question would never go to the general election because the Board could potentially adopt that language in an ordinance. It's an initiative petition. If the Board adopts the ordinance, then the petition stops at that point. So there would be no question going to the general election." Mr. Werner assured Supervisor McKenna that the Board will know whether there are an appropriate number of valid signatures before the final ballot question language is adopted. "... it has to be verified by the City Clerk before it goes either to you or to the general election." In response to a question, Mr. Glover advised that once the petition is submitted, the Clerk's Office has five days in which to randomly sample 500 signatures. "We'll know by the end of the month."

Supervisor McKenna expressed a preference to ensure that "everybody knows the steps so that nobody says they're trying to take advantage of me in this process." He expressed a preference for the process to be "very, very fair." He expressed the opinion "this is the Library's question," and deferred "to what they

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want on it. If people would like to take off maintenance and things like that, ... that is a negotiation with the Library people because they're the ones that are taking this forward." Mr. Glover advised that the deadline to submit the petition would be Thursday, June 28th.

In response to a question, Mr. Werner reviewed feedback received relative to the draft language. He advised of having e-mailed the draft language to approximately twelve interested parties as well as members of the Library Board. In response to a further question, Mr. Werner discussed Library Director Sara Jones' commitments relative to ongoing operations and maintenance in consideration of the 30-year life of the sales tax increase.

Mayor Crowell entertained public comment. (2:25:26) Lori Bagwell thanked Mr. Werner for meeting with her and Fred Voltz. She expressed understanding for the importance of "maximum flexibility," and concern regarding the "perception of the project itself and the commitment that people have made throughout this entire process. Operating and maintenance was never to be a part of this new project and certainly, as one of the people working in the ballot, it was all about the use for the construction of the project going to a vote of the people." She expressed the opinion that "there's ways when we answer the ballot question with the yeses and nos and things like that, we can stipulate to ongoing use of general fund for the general operations of the Library." She expressed concern that "this tax now expands what the original project and the intent and all the discussions that we've had over the last few years. You're going to be able to use anywhere from five to ten years' worth of money beyond the repayment of the bond that would be pure ... supported tax for this Library which then means you can take your existing general fund that you give to the Library and no longer do that. You can then cost allocate to this restricted fund. It's going to change the entire process that you utilize to fund the Library. It's going to make it a tax-supported Library and I don't think that was ever the intention of anyone, including the Library Board. They have assured us all it was to build a downtown project." Ms. Bagwell expressed the opinion "you should keep to ... the spirit of what you've committed to and what the Library Board committed to and what, honestly, all of us working on the petition have committed to, everyone that we've gone and talked to to ask to sign the petition. It's all about should we use taxpayer money to construct the facility. It's really that simple. And that's why we've presented to try and be honest and stay with the spirit of what everyone's been talking to. So, yes or no, the public can agree to the tax or not but we think it should remain in the spirit of what was discussed with the Library Board, with the Board of Supervisors, the advisory committees, every person that we've asked to sign the petition." She implored the Board "to just live to the spirit of what we all discussed."

In response to a question regarding the circulating petition, Ms. Bagwell advised that the City Center Project means "building a new Library ..." In response to a further question, she stated, "Obviously, there's some contentions about the wording but it's because you have to come up with something to name the project and everybody's called it the Nugget project, the discovery project, the library. So that's why in the ballot, you see we tried to use all the names. The objective of the ballot question is should a new library be built with taxpayer money." Ms. Bagwell suggested "the ballot question could be much simpler. It could be, 'Do you want Carson City to build a new library?' And, if so, we'll consider using redevelopment dollars, general fund dollars, sales tax dollars, whatever avenues you have to you. You could solve the ballot question and this question in one swoop and just do a clean ballot question that way." In response to a further question, Ms. Bagwell reiterated "the ballot is the Library." Discussion followed, and Ms. Bagwell stated, "It's not our intention to stop the City from receiving a donation of land from the Mae and Hop Adams Foundation and to do something viable with that land. For us, it was always about the Library itself expanding and should taxpayer dollars, at this point, in this economy and everything that's going on, should we use taxpayers dollars, which at that time was redevelopment and landfill dollars and

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utility dollars ..., should we do that. And we asked for you to put that on the ballot and you told us no. So we went the other way and created a petition to ask the public, 'Should the Board of Supervisors, before they spend our money, put that on the ballot?'"

At Mayor Crowell's request, Ms. Bagwell explained that the fiscal impact "assume[s] ... the \$27 million that was necessary for the project. ... it may change slightly and we used the three to five percent that [Mr. Providenti] had said in the public hearing that the bond money may cost, based on current rates. And so that's how we calculated and that's why it's \$36 to \$43 million, depending on how good a rate you get. And we wanted to explain in the question, a lot of times you say, ... it's only \$22 million but it isn't because there is interest costs and people should understand and most of us in business know that it's not \$22 million, it's however much over the term we're going to be paying." In response to a comment, Ms. Bagwell advised of having agreed to the dollars per taxpayer in the fiscal note section. "We only added a little in the explanation of the question so that people understood they had to pay interest. ... And really, to us, the way that we've written it fits more ... in the spirit of everything that we have discussed; that [Ms. Jones] can run the Library." Ms. Bagwell recognized "over thirty years, there's no way [Ms. Jones] is going to run the Library for the same exact cost, but it was never intended that this tax was going to be used for that. You would do that in the normal course of budgeting like you do for every other department. And ... normally, your general fund would move the right percentages up that funds all of your police, fire, libraries, parks." Mayor Crowell noted the possible exception that "under the prior methodology, ... that was ... roughly 60 percent of the project costs that we were discussing were donated funds. If you go to the 1/4 cent sales tax, it's a hundred percent bonded money and ... there's a distinction there that should apply as to whether or not you include operation or maintenance." In response to a further question, Ms. Bagwell suggested there are choices to be made. "... the objective could be that these dollars should be dedicated to debt service which is what we're recommending. ... the objective for us is that it can only be used for debt which would stop cost allocation from being assessed against these dollars and ... often the taxpayer doesn't even realize what cost allocation is. That was the big flap over the Question #18 is you think you're honestly voting to do something and then you find out that the money's being siphoned off to support parks and to support all the general obligation of the City." Ms. Bagwell expressed the opinion that "the Library has the Friends of the Library. They go out and they support their common good and the cause that they have and I don't see a reason why we need to change that methodology. They are a general fund account, currently, and Friends of the Library. Just like people help because they believe in sports or I believe in F.I.S.H. or somebody believes in RSVP." Ms. Bagwell expressed the belief "the Library should stay in the normal course of how it earns its dollars or generates its funding. ... the tax should go straight to debt service and ... it would go a long way to tell the public that you're doing what you said that we just want to build ... a facility and I'm going to ask the taxpayer permission to do it and potentially use this quarter cent to retire that debt."

At Mayor Crowell's request, Mr. Munn read a portion of NRS 377A.030 into the record. Mayor Crowell inquired as to whether a question can be crafted "along with what Ms. Bagwell is saying ... that omits language of the statute when the statute does not speak in the disjunctive." Mr. Munn advised "it would not be wise to construct it in a way that deviates from the statute because otherwise you end up in a circumstance where when you need to do the things the statute says you can do, then you're asking the DA's office for an opinion and we have to decide what the law is at the risk of being sued."

Supervisor McKenna expressed the understanding that the purpose of the subject item is to draft a question that goes on the ballot that decides the fate of a project the Library people want. "We're not here to draft the language for the petition. We're not here to draft anything other than to take what the Library people want to put on the ballot and ask the voters. Then if they put on there that they want to paint the thing blue

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every Wednesday, then the voters can decide whether they like that. If the voters want maintenance in this thing, the voters can decide it.” He inquired as to Ms. Bagwell’s intent to “narrow this down to discussions ... had when the funding was coming from ... funds other than new funds from the voters. So we’re trying to limit what the Library can ask for and then we’re going to put it out there for the voters to say yes or no for this new thing. But what the Library people really want is this bigger project and it’s a whole new discussion.” Ms. Bagwell expressed the understanding that the Library Board of Trustees “has never indicated that they needed more money for maintenance and operations. ... [Ms. Jones] has ... said that she just wants a new building to do good work for the community and that she can bring in jobs and have computers. And she was going to change her staffing.” Supervisor McKenna suggested that Ms. Bagwell has taken people at their word “and that helps you decide how you’re going to vote. Somebody else who just arrives in town tomorrow is going, ‘Well, maybe they ought to have some money for maintenance,’ but that’s been taken off the discussion.” He inquired again as to the purpose of the agenda item. “Are we going to argue the question or are we going to put a question on the ballot that the Library folks want and then we can vote it up or down.” Ms. Bagwell advised that “at the last meeting, you asked us to work together and to create our comments concerning the ballot question. ... That’s what we did. And so it is a debate upon what you should present to the public to vote on.” Supervisor McKenna inquired as to whether the petition becomes moot if a ballot question is developed during this meeting. In response to a question, he advised that the petition would become moot “because your group got what it wanted today by limiting what the Library people wanted.”

Mayor Crowell disclosed that his brother is a member of the Friends of the Library and the Library Foundation Board. He advised of having disclosed the same to the Ethics Commission, which indicated no conflict of interest. Mayor Crowell entertained additional disclosures. Supervisor Abowd disclosed a former membership of the Downtown Consortium, of which Steve Neighbors is a member. She further disclosed that The Greenhouse Project recently received a donation from the Hop and Mae Adams Foundation. She further disclosed that she owns property in the downtown area. Mayor Crowell disclosed that he owns property, through a corporation, in redevelopment area one. Mayor Crowell entertained additional disclosures.

In reference to comments relative to “a project,” Supervisor Walt advised that “this petition changed that whole format. The petition changed the grant funding. The petition changed the donations. It changed it altogether. So ... to refer back to what was is really not something that we can do. ... that petition changed the whole dynamics of this funding.” Supervisor Walt inquired as to the reason for “tak[ing] that away from the voter. ... if that language is in there, let it be in there and let the voters decide whether it be operating and maintaining.” Ms. Bagwell noted the Board’s “right to select how you want this ballot question to go. We don’t have to agree.” She advised that “if the operating and maintenance stays in there, I’ll vote no and I will go around to every single person and talk about cost allocation, we will talk about Question #18 and you know how bad people feel about the fact that they voted for that when you see what comes out in cost allocation. We went to a legislative bill to try to fix that.” Ms. Bagwell suggested that implementation of the sales tax should be considered “a grant. The City’s granting the Library the money to ... do their vision. And ... when you sign for grant dollars, the one thing you have to sign for is there’s no such thing as supplanting those dollars. You cannot take grant dollars and move your general fund that you used to use there. You, indeed, can do that if you present this question the way that [Mr. Werner] has done and that is why we are adamantly opposed to that. It was never about a supplant idea and now you’re recommending ... ‘Let’s go for the maximum. The Library’s going to get more than they ever asked for.’ It was about building a Library and all we’re saying is stick to that.”

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Supervisor Abowd expressed understanding for Mr. Werner's position, the Question #18 allocations, and the whole issue of maintenance being the larger portion of dealing with properties now. "... not having a crystal ball but trying to cover all bases for a project in the future ... is the only reason that was put in there." Supervisor Abowd acknowledged the struggle, and expressed a preference for the sales tax increase to simply retire the debt. She looked forward to hearing from Library representatives. Supervisor Aldean recalled Library Director Sara Jones committing to utilizing the existing budget to operate the proposed new facility. She expressed agreement relative to operation of the Library, and proposed that the Library Foundation establish a special endowment to raise funds from the private sector to ensure operation of the Library at the level we desire. She inquired as to the reason the ballot question shouldn't be advisory, and expressed a preference for maintaining flexibility. Ms. Bagwell expressed agreement with an advisory question.

In response to a question, Mr. Werner advised that facilities maintenance funding is reflected in the Parks and Recreation Department Facilities Maintenance budget. Supervisor Aldean noted the irresponsibility associated with not setting aside maintenance funding. In response to a question, Ms. Bagwell expressed agreement with "language that says it dies when the ... debt's retired." Mr. Werner acknowledged maintenance of the plaza component would be a Parks and Recreation Department function. Following a brief discussion, Ms. Bagwell clarified she was not "asking you to do anything than what you committed the first time around." In response to a question, she expressed the opinion that if the operation and maintenance language is removed from the ballot question, "you might get the flexibility and agreements that you're after." Supervisor Aldean expressed the opinion "it would be imprudent not to include a reference to redevelopment money and our ability to use redevelopment money especially if we can avoid raising the sales tax up to a quarter of a percent." Ms. Bagwell expressed support for "anything that stops me from having to have my total cost at the cash register less." Ms. Bagwell acknowledged that retailers receive a percentage of the sales tax collected.

(3:01:15) Ward 2 Supervisor Candidate Dennis Johnson requested the Board to "separate completely the petition in its language and have this language be a stand alone; not try to blend the two together, not try to mix them up. Let the petition stand on its own. Let the petition stand the way the people signed it. That is a ... totally and completely different issue. When you start trying to mix the two, you're going to end up with trouble, not only for you but for the voters. They will have to be able to understand clearly what they're voting on. But to answer the question about that, the petition addresses the Carson Nugget project as it's been published, as it's been promoted ... It's approximately six blocks southwesterly of Robinson and Stewart." Mayor Crowell noted that the project should have started as a concept, and suggested that the petition has the same flaw "because it talks about a concept and not a project. ... It's difficult to think through what exactly that means ..." Discussion took place with regard to whether the petition includes the plaza as a component of the project.

Mr. Munn advised the Board of a case decided by the Nevada Supreme Court in 2004, *Horn vs. The City of Mesquite*. "In that case, the citizens had an initiative petition to basically force the City not to sell real estate without an appraisal and not to sell real estate below appraisal. And the first time they ran into a circumstance where they needed to do that because NRS allows that authority, they challenged the initiative petition and it was struck down as being repugnant of the NRS authorities that the City of Mesquite possessed." Mr. Munn noted "a great similarity in what is being put into the ballot in this case, in our circumstance." He clarified he was not stating the subject petition is not enforceable, but "depending upon a source of funding or a mechanism allowed by the NRS for you to do something, it may not be enforceable."

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(3:06:17) Linda Barnett provided background information on the citizens group behind the petition. "It came about because the entire project that was ... trying to be done had a hotel component." She expressed the opinion that "every time [the project] came about, it was different." She inquired as to "what the project is at this point." She challenged Mayor Crowell to walk the precincts, and advised that "over 70 percent of the people in February had never even heard of this project. ... It shows that the citizens committees ... are not broadening this to the community. ... In fact, most of the times when we knock on the door and say, 'Have you heard about the downtown City Center Nugget Library Knowledge and Discovery Center Project' ..., they have never even heard of it." Ms. Barnett implored the Board "to please go the community and ask them and if it has to be on a ballot now, fine. But shouldn't this have been done before?" She expressed concern over Supervisor McKenna's comments, and expressed the opinion the "citizens should actually be heard on this. It's been divisive in this community for at least a year and a half now, extremely divisive."

Supervisor McKenna expressed regret that Ms. Barnett had misunderstood the purpose of his comments. "People in this town don't trust people in this town and they especially don't trust this Board. ... People do not have trust so what I'm trying to do is to bring this out to get back to a common ground where people can start trusting each other again and move this City forward and stop wasting all of our time by having petty ... arguments." Supervisor McKenna expressed the belief "that we cannot afford, even with a quarter cent sales tax, a new building in Carson City. But that has nothing to do with the item on discussion today. The item on discussion today is what should this ballot question say and let's get it on the ballot or get it off the ballot." Supervisor McKenna expressed an interest in "want[ing] ... things out there, everything. I want people to know that I know you don't trust me and I know that there are people that do trust me. That was the point of my discussion. Let's get back to facts, reality and let's start moving this community forward and stop fighting with each other."

Ms. Barnett expressed the belief "that's exactly what the petition is asking. We want to be heard. We want black and white, yes or no." She expressed the personal opinion the ballot question should read, "Do you want a library or not. Yes or no, but ... we've done this petition because we're trying to combat things that have been done for three and a half to four years now on this project." Mayor Crowell expressed understanding for the sensitivity associated with the project. He assured the citizens "we're either going to adopt an ordinance or it's going to go to the ballot so there's going to be a vote one way or the other on this." He expressed the personal preference to avoid debates over "who's done what or who hasn't done what." It's time "for us to say, 'Okay, whatever's been done, put it up and let's move forward.' And that's where we are so all we're trying to do is design a question that's going to fairly allow people to make a reasonable decision." Ms. Barnett requested the Board to "incorporate the language that truly should be."

Supervisor Aldean reiterated Mr. Munn's advice that unless the statutory language is used, the question could be subject to challenge. She stated, "We're not opponents in this. We may disagree, but at the end of the day, we all live in Carson City. We all pay taxes and everybody wants to be fairly heard." Supervisor Aldean advised of having served on this Board for nine and half years. "This Board, as it currently is constituted, is probably one of the most transparent ... People, in a participatory democracy have to take the initiative to stay informed. You cannot spoon feed them. You start spoon feeding people, you can spoon feed them with all sorts of misinformation and that's not the intent of this Board." Supervisor Aldean expressed the hope "we can just come together as a community, work on some language that not everybody may be a hundred percent satisfied with, ... but if the majority are, then ... we have a product we can take to the voters and get a reasonable response from them."

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(3:14:13) John Vettel displayed a copy of the initiative petition, and expressed the understanding that the Board was discussing an ordinance which “would also address this issue and give the people an opportunity to vote.” He assumed that the petitioners would drop the petition if the ordinance was acceptable to them. Mayor Crowell explained the initiative petition is a request to craft an ordinance. “What happens is the petitioners submit the petition to Mr. Glover, finds out if there are sufficient signatures. If there are sufficient signatures, it comes to this Board. We have ... at least three choices. One, you could do nothing. Two, you could say, it’s going on the 2012 ballot. Or, three, ... we’re just going to adopt an ordinance that incorporates the language ... If it is done that way, ... then it doesn’t go to the ballot.” Supervisor Aldean expressed the understanding that the petitioners had indicated they will not be willing to drop the petition even if the Board places its funding question on the ballot. “They either want it to go forward as a question on the ballot or be adopted as an ordinance. They will not agree, even if we agree on language in connection with the quarter of a percent sales tax, they want it to be in full force and effect either as a ballot question or as an ordinance.” Mr. Vettel read the language of the petition into the record, and suggested that an advisory question would not satisfy the petition. Mayor Crowell explained that the question is advisory because of the language required by the Department of Taxation relative to a sales tax increase under NRS 377A. He advised that the question will be binding “in the sense that if this quarter cent sales tax were approved, ... we’re not required to do it but we can do it. If it’s disapproved by the voters, we cannot raise the sales tax.” Mayor Crowell assured Mr. Vettel that “without an affirmative vote of the people on the question ... being discussed here on the quarter cent sales tax, there can be no expenditure of funds.” Mr. Vettel thanked the Board for the clarification. Supervisor McKenna advised that the petition will be discussed by the Board at another meeting. He provided additional clarification of the purpose of the subject agenda item.

(3:20:43) Michael Pollard explained the sales tax mechanism according to the Internal Revenue Code. In response to a question, Mr. Werner advised that \$9,646 was used to determine taxable purchases by household according to the U.S. Census Bureau. Mr. Providenti further clarified that the median income level of \$52,000 was used to determine taxable income. Mr. Pollard expressed opposition to the Nugget project, but encouraged that the operating and maintenance costs language be left in the wording of the ballot question.

(3:22:38) Fred Voltz suggested that petition language proposed by Mr. Werner “omits five major pieces of information that, in good disclosure format, should be included. The first one is the total taxpayer project costs, not whatever is being given by the Nugget people but strictly the amount that the taxpayers have to come up with over time ...” He expressed the opinion that “a very clear statement of that, even if it’s in a range of numbers is vitally important to the public making an informed decision about it. Secondly, something that’s not included is the City’s present cumulative bonded indebtedness. At one time, there was talk about having no debt to accomplish this project, but right now the City, with the \$1.1 million that you folks have approved, is at \$223 million including the School District. If this project was to go forward, it would be \$251 million or a 12 percent increase in one fell swoop. The public needs to know that fact and be able to make a decision on it. Thirdly, there has been no disclosure of the loss of property taxes.” Mr. Voltz expressed the understanding that “in Carson City, only twenty percent of the buildings and land actually pay property taxes. There’s schools, churches, government land all exempt from paying taxes, including the golf course that you folks were talking about this morning. Those parking lots that could be potentially donated to this project current pay \$26,000 a year in property taxes to the general fund. That would go away but, more importantly, if the land stays in public ownership and was not redeveloped by a private party, there’s going to be a much bigger loss if the land was redeveloped at some point in the future. Also, ... this is the fourth missing element, it should be disclosed to the taxpayers that if the sales tax revenues decrease and there’s a shortage to pay the bond, the taxpayers and the general fund will be

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liable for paying that. ... And, finally, the ... back of the envelope type of analysis that there are no phase one problems with this property, one needs to have somebody who is expert in that area to make that judgment. It can't be done by public works people or by looking back only 70 years of uses on that property. There could be substantial environmental problems that need to be addressed there." Mr. Voltz strongly suggested that the Board include the five elements in the ballot question language. He expressed the opinion that "people signed that petition because they want to vote on the issue. They don't want you to adopt it as an ordinance, they don't want the ordinance to be changed at some point in the future. They want to have the say one way or another on that language. That's the petition they signed; that's the fiduciary responsibility the petition gatherers have to submit that petition and to hopefully get that on that ballot." In response to a question, he reiterated that "people signed that petition wanting to vote on it and you need to honor that. The ordinance does not accomplish that effect. You're not giving the city the whole chance to say yes or no ..." Mayor Crowell advised that the petition requests adoption of an ordinance. Mr. Voltz replied, "... the petition can be handled in two ways. You folks can decide to adopt it as an ordinance or it can go directly to the ballot. There's that option to go either way." Discussion followed, and Mr. Voltz reiterated "the public wants to vote on this as expressed by the people who have signed that petition and that's their expectation." He expressed the opinion, "the problem is and has been for quite a while now, there are many alternatives to this project that should have been researched by City staff and they've been brought to the attention of the Board and City staff and they've chosen to ignore every single one of those." He discussed the importance of "looking at all viable options and then explaining in a logical, rational way why options do and do not work. And that has not been done here." Mr. Voltz advised that the Board and the City Manager were provided with "a long list of vulnerabilities, exceptions, alternatives, solutions ... and nothing was done with any of those things."

(3:31:27) Phyllis Patton, a former member of the Library Board of Trustees, advised of having lived in many cities throughout the country over the years. She recalled that the library project was started in 2007 when she was a member of the Library Board of Trustees. She provided detailed background information on the process of developing the project, including a citizens survey, a space needs assessment, and the donation by Mr. Neighbors. "The Library's plan, from 2009 ... until today has not changed. It's still 65,000, two stories, 100 computers or more, downtown and we're back on the ballot asking the voters for a sales tax increase. So we're right back where we started from. All of this other stuff has been peripheral." She expressed uncertainty as to "the big stink ... in getting taxpayers to pay for a public library that is badly needed." She provided historic information on the current library and discussed the need for the new library.

(3:37:21) Bruce Kittess stated, "The world is changing, we're going broke, we can't make any money on our investments. ... it's more than just Carson City. We'd love to have a library ... but the economy of the world and our country and our state is changing."

(3:38:03) Mayor Crowell congratulated Sandy Foley on her reappointment to the Library Board of Trustees. Ms. Foley advised that she serves as chair of the Library Board of Trustees, and thanked the Board for the reappointment. She advised of having served as a member of the Library Board of Trustees for the last five years. She provided statistical information relative to Library operations. She advised of a familiarity with the development and evolution of the library project, and expressed commitment to bring the library to fruition. She discussed the importance of achieving some certainty in the funding mechanism of the project. She expressed the hope that, through hard work, diligence, and careful explanation, the citizens will see the benefit of the City Center project. She expressed the further hope that the citizens will vote to fund and maintain the library / plaza project. She expressed agreement with Supervisor Walt's comments from several years ago which indicated a desire to build the project for the benefit of the

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community. She noted that visitors to the community will be included in the sales tax increase. She described the City Center project as “the best downtown innovation that it has seen ...” In response to a question, Ms. Foley advised of several versions of the ballot question language. Supervisor McKenna expressed an interest in “somebody tell[ing] us what the Library wants.”

(3:44:01) Former Supervisor and Library Board of Trustees Member Robin Williamson expressed agreement with Supervisor Aldean’s earlier comments “that this is a marvelous Board of dedicated public servants who all were elected with probably 8,000 to 10,000 votes so you’ve been knocking on neighborhood doors for a long time.” She read proposed ballot question language into the record, and Mr. Werner acknowledged the legality of the proposed language. Supervisor Abowd inquired as to adding the following language: “... or less if redevelopment area one monies become available.”

(3:46:00) Library Director Sara Jones advised that “we haven’t even entertained any language, but ... we could say that if you want to do that, I don’t see why anyone would have any reason that they would oppose that because it’s been part of the discussion all along.” Ms. Jones discussed the importance of flexibility, and advised “I haven’t moved one step away from telling you that I can operate this with typical budget allocations.” She advised that she has no maintenance in her budget. Maintenance is part of the Parks and Recreation Department Facilities Maintenance Division budget. “It’s why that Library desperately needs a new roof and doesn’t have one. It’s why my carpet has duct tape and has for ten years. The maintenance issue is very, very large and ... that’s something to consider.” Ms. Jones expressed the opinion that the language read into the record by Ms. Williamson is “pretty good ...” She agreed with allowing the voters to decide without narrowing the question.

Supervisor Aldean agreed with Ms. Jones’ comments relative to maintenance. She expressed the opinion that part of the Board’s mission is “to heal some wounds within the community and to be faithful to representations that were previously made.” In response to a question, Ms. Jones expressed no opposition to removing the operations and maintenance language from the ballot question. In response to a further question, she discussed the “completely different purposes” of the Nevada State Library and Archives and the Carson City Library. She advised that the two libraries share computer systems and “all kinds of things that do make sense.” She advised that the Nevada State Library and Archives is nearly completely federally funded. She reiterated the commitment that the operational funding will not change. In response to a question, Ms. Jones advised that she and the Library Board of Trustees are “completely ready to go forward ...” She advised that library projects are passing “every month in this country. ... It’s not impossible to say that we can do this. We embrace it and we’re ready to go.”

Mayor Crowell entertained additional public comment. (3:54:03) Carol Howell thanked the Board “for finally getting it to this position.” She expressed the opinion that “this project has changed financially from ... we’ll never approve or agree to anything that takes taxpayers money. It’s going to stand on its own to now a quarter of a percent sales tax increase. We went from a major project of hotels, office buildings, a plaza ... to downsizing it. If you put this verbiage on the ballot as it stands, there’s enough people out there already that doesn’t understand or know what the project is. Right now, it looks like it’s no longer a parking facility but it is a library and a plaza but by the time we get this to November, I’d like to see some definition in this verbiage about what the project is ... because too many people don’t understand what the project is.” Mayor Crowell expressed the opinion that the language proposed both by the City Manager and the petition group defines what people would be voting on. He explained that there will also be arguments for and against.

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In response to a question, Mr. Werner advised that any parking garage will be constructed with private funds, not City funds. Supervisor Aldean acknowledged the pain associated with the process, and expressed the opinion that the present project is better because of the public input. In response to a question, Mayor Crowell advised there is no endowment associated with the ballot question. He acknowledged that the land donation is included in the ballot question language. Supervisor McKenna read the pertinent language into the record, and looked forward to the “time when we can discuss facts and not worry about the hidden meaning of our words when we’re discussing this particular project.” Supervisor Abowd advised that augmenting the petition “imploded fund raising efforts. They had various people who were willing to contribute to this but they backed away because you can’t fund something that you don’t know you’re going to have. It changed the complexion of things. That’s why we’re here today.”

In response to a question, Mr. Werner expressed concern that the template “is pretty clear about how we’re to express the impacts to the people and ... if we start adding a bunch of caveats in there, it’s more than what we need to give them and it may be confusing. ... They need to understand, and the State requires, what is their annual impact if they vote for this.” In response to a question, Mr. Munn expressed the opinion that the pro and con arguments will flesh out the issues. Supervisor Aldean suggested revisions to the ballot question language, and emphasized the importance of including the option of utilizing redevelopment funding for the project. Discussion followed, and Mr. Munn referred again to the Nevada Supreme Court’s decision relative to the City of Mesquite. Extensive discussion followed regarding the proposed language of the ballot question and the explanation.

Mayor Crowell entertained additional public comment. (4:10:29) Maya MacKenzie read into the record a letter from The Hop and Mae Adams Foundation Trustee Steve Neighbors. She provided a copy to the Clerk for the record.

(4:12:20) Bruce Kittess inquired as to the size of the garage based on the pledged donation. Mayor Crowell expressed the understanding that the garage will be public and constructed with private funds. In response to a question, Mr. Werner advised that the City will not maintain the garage.

Mayor Crowell closed public comment and entertained a motion. **Supervisor Aldean moved to direct the City Manager and Clerk-Recorder to bring a resolution for the Board for the placement of an advisory ballot question, including the explanation of the question, the fiscal analysis, environmental statement, and arguments for and against the question on the November 2012 general election ballot for financing the design, development, construction, and acquisition of a new knowledge and discovery center library and public plaza, on property to be donated to the City by The Hop and Mae Adams Trust, and to increase the sales tax up to a quarter of one percent for funding the new knowledge and discovery center and public plaza to supplement redevelopment funding.** Mr. Werner clarified that the arguments for and against will not be included in the resolution. “The resolution will be passed without those and then the resolution will be transmitted to the Clerk and then he’ll then prepare them.” **Supervisor Aldean amended her motion to indicate Mr. Glover’s corrections on the record.** In response to a question, she clarified that the language approved today will include the option of using the quarter of a percent to design, develop, construct, and maintain a new knowledge and discovery center. (4:16:25) Ms. MacKenzie clarified that The Hop and Mae Adams Foundation, not the Trust, is donating the land. Supervisor Aldean acknowledged no opposition to phrasing the question as suggested by former Supervisor Robin Williamson “as long as the content remains the same.” Supervisor Aldean further acknowledged the potential use redevelopment funds as opposed to absolute use. She further acknowledged no opposition to no change in the redevelopment tax rate being included in the ballot question explanation. “And the removal of any reference to any operational funds being financed by the

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enactment of this sales tax.” Mayor Crowell entertained a second. **Supervisor Walt seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote. **Motion carried 5-0.** Mayor Crowell recessed the meeting at 4:17 p.m. and reconvened at 4:33 p.m.

24. PARKS AND RECREATION DEPARTMENT - POSSIBLE ACTION TO ADOPT AND APPROVE, INCLUDING AUTHORIZING THE MAYOR TO SIGN, A RESOLUTION CONSENTING TO A RELINQUISHMENT AND LAND TRANSFER AGREEMENT BETWEEN CARSON CITY AND THE STATE OF NEVADA DEPARTMENT OF TRANSPORTATION FOR AN 11-ACRE PUBLIC PARK ALONG IMUS ROAD IN NORTH CARSON CITY (4:33:46) - Mayor Crowell introduced and provided an overview of this item. Parks and Recreation Department Director Roger Moellendorf reviewed the agenda materials in conjunction with displayed slides. He disclosed that he lives in the subject neighborhood.

(4:36:45) In response to a question, NDOT Deputy Chief Right-of-Way Agent / Surplus Property Committee Chair Ruth Borelli advised of having considered disposing of the subject property. She reviewed the options available to NDOT for disposing of surplus property, and advised of previous consideration given to disposing of the subject properties through sale. “When the City came forward and requested it for public use as a public park, the Director, our Chief Right-of-Way Agent, ... and the committee all felt that for the public good, it would be best to relinquish rather than to sell. At that point, negotiations were terminated with this individual.” In response to a further question, Ms. Borelli advised “the commitment was made to a park.” She was uncertain as to whether the department has a preference. In response to a further question, she advised that the relinquishment language was for a public park.

Mr. Moellendorf acknowledged earlier comments that there is no expectation of when the park would be developed. The intent of the Parks and Recreation Department would be to not make plans to develop the park until funds were available to construct and maintain it. Mr. Moellendorf advised of citizen input which indicated a preference for leaving the area “pretty much in a natural state, not a highly developed park ...” He referenced the Fulstone Wetlands open space on Northridge Drive, as an example. Park Planner Vern Krahn referenced Ronald D. Wilson Memorial Park as an example of a hybrid park, with components including large turf areas and natural areas.

Supervisor Aldean expressed the opinion that Craig Mullet should be given the opportunity to repurchase something which previously belonged to him prior to it being acquired for a public purpose. Ms. Borelli described “other complications that involved this particular property. He did not own the property when [NDOT] purchased it.” The previous owner had offered first right of refusal to two different individuals, Mr. Mullet being one. In response to a question, Ms. Borelli provided additional clarification and extensive discussion followed.

In response to a question, Mr. Krahn described the parcels as “a park planner’s dream” due to the linear neighborhood access all along Imus Road “as well as how they interconnect with both the single-family 6,000 lots as well as the acre lots. You have all these homes ... being able to feed down Ruby Lane into the park.” In consideration of park development, the unique parcels provide for phasing and for some areas to be designed for active recreation and others to be left more natural. In response to a further question, he advised of no mention of equestrian components during the neighborhood meetings. He acknowledged the possibility of including equestrian access to Duck Hill as part of the public master planning process. In response to a question, Mr. Moellendorf was uncertain as to costs to demolish existing structures. He advised of having visited the site with Public Works Department Director Andy Burnham, who “felt very confident that ... was a task that his forces could do in house and ... it would take very little time ...,”

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probably less than a week.” In response to a question, Mr. Krahn expressed the belief that eliminating parcels would create a discontinuity problem. He discussed plans for development of a parking lot.

In response to a question, Ms. Borelli clarified discussion regarding elimination of a certain parcel. In response to a question regarding the possibility of eliminating the lower two parcels, she advised that NDOT would not enter into negotiations with the gentleman interested in acquiring them. “... we would more than likely go to a public auction ... because of the legal issue that exists with these two first rights of refusal out there.” Mr. Krahn acknowledged public testimony, at the Parks and Recreation Commission, indicated no desire for any of the parcels to be sold at public auction. In response to a question, discussion took place regarding existing zoning designations. In response to a further question, Mr. Krahn described the possibility of a “small ... pickup baseball field. ... It wouldn’t be game-sized fields. These parcels are broken up so much that it would be very, very difficult to try to do that.”

Ms. Borelli advised of the requirement to publicly auction the 59 Ruby Lane parcel. With regard to the possibility of excluding 49 Ruby Lane, she acknowledged there would be nothing gained by the interested party because he would have to compete with other potential buyers as part of a public auction process. In response to a question, Mr. Krahn estimated two weeks for the Public Works Department to demolish the existing structures. Depending upon the Public Works Department schedule, he anticipates the demolition could be complete during the summer or early fall. Ms. Borelli advised that one tenant at 40 Ruby Lane has been given notice and will be out of the house by July 1st. Discussion followed regarding demolition costs, the possibility for low income housing and associated liability issues. Ms. Borelli and Mr. Moellendorf discussed the results of the environmental assessment. Ms. Borelli acknowledged that the City would accept relinquishment of the subject properties as they exist today, with no warranties, no indemnities for anything undisclosed.

Supervisor Aldean requested to modify the language of the Board action and the resolution to indicate “we’re acquiring the land for the purpose of an open space public park, totaling 11 acres.” Supervisor Walt referred to a circulating petition indicating a preference for “a better definition for ‘reasonable public use’ ... to read a neighborhood park and / or open space.” In consideration of concerns expressed at the Parks and Recreation Commission meeting regarding the well, Mr. Krahn advised of the intent to abandon it. Ms. Borelli advised of no problem with regard to changing the language of the resolution. She further advised that the resolution will serve as the conveying document. In response to a question, Mr. Krahn discussed present and future plans for the gate.

Mayor Crowell entertained public comment. (5:12:25) Dan Webster, a resident of 98 Ruby Lane, advised of having developed the petition and provided background information with regard to the same. He discussed present uses of the area by pedestrians and equestrians, and expressed a preference that none of the property be submitted to the public auction process. He expressed the opinion that the neighborhood would be opposed to use of any of the property for low income housing.

In response to a question, Mr. Moellendorf advised that 59 Ruby Lane is not included in the proposed relinquishment. Mr. Krahn provided additional clarification. Ms. Borelli advised that if no one comes forward at public auction, NDOT may approach the Parks and Recreation Department to include the parcel. In response to a question, she explained the circumstances giving rise to public auction of 59 Ruby Lane. In response to a question, Mr. Krahn advised of two existing points of connection for irrigation water. In response to a further question, he discussed the benefits of designating the property as a neighborhood park. Mr. Moellendorf provided additional clarification, and Mr. Webster expressed understanding that the neighborhood park designation does not preclude general public access.

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(5:21:34) Kiwanis International California / Nevada / Hawaii District Lieutenant Governor Lee Pisiewski advised of having been in the community for over 40 years. In reference to letters included in the agenda materials, he discussed various Kiwanis community projects over the years. He discussed an interest to develop a Kiwanis park in Carson City, “and be at some level responsible ...” He offered the assistance of the Kiwanis Club to plant trees and provide labor, as necessary. Mayor Crowell and the Board members thanked Mr. Pisiewski and commended the offer.

(5:25:18) Kiwanis Club of Sierra Nevada Secretary Ken Beaton described the labor provided at Blackwell’s Pond Park. He expressed support for phasing development of the park.

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. **Supervisor McKenna moved to adopt and approve, including authorizing the Mayor to sign, Resolution No. 2012-R-11, consenting to a Relinquishment and Land Transfer Agreement, between Carson City and the State of Nevada Department of Transportation, for an 11-acre neighborhood park or open space along Imus Road in north Carson City.** Supervisor Walt seconded the motion. **Motion carried 5-0.** Mayor Crowell thanked the Kiwanis Clubs.

25. BOARD OF SUPERVISORS NON-ACTION ITEMS:

STATUS REVIEW OF PROJECTS - None.

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (5:27:58) - Supervisor

Walt advised that the Carson City Convention and Visitors Bureau meeting scheduled for Monday, June 11th had been canceled. Supervisor Abowd announced that the missing flower basket had been recovered, and that she would be conducting a walk about beginning at noon on Friday, June 8th. Supervisor Aldean read prepared remarks into the record regarding the TRPA Regional Plan Update. She provided the TRPA website information for anyone interested in additional information. Mayor Crowell commended Supervisor Aldean on her consensus building skills. Mayor Crowell advised that he will be in a sage grouse hearing on Monday, June 18th and that Mayor *Pro Tem* Aldean will handle the special Board meeting.

STAFF COMMENTS AND STATUS REPORT - None.

26. PUBLIC COMMENT (5:33:57) - Mayor Crowell entertained public comment. (5:34:05) Andrea Engelmann advised of having recently watched the candidate interviews conducted by the Chamber of Commerce. With regard to a discussion about City budget hearings, Ms. Engelmann inquired as to meetings between the City Manager and his department heads to which the Board members are invited. Mr. Werner advised that no such meetings have taken place. At Supervisor Walt’s request, Ms. Engelmann re-read her quote from the candidate interviews. Supervisor Walt acknowledged the Board members are invited to participate in budget meetings between the City Manager and his department heads. She advised of never having attended such a meeting. Ms. Engelmann suggested that a Notice of Possible Quorum should be

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published for such meetings. Supervisor Aldean advised that the Board members understand that no quorum of the Board can meet without proper public notice under the Nevada Open Meeting Law. She advised of periodic one-on-one meetings with the City Manager, "but we are very mindful of our responsibility not to violate the Open Meeting Law." She discussed refinements to the City's budget process over the years, and Mr. Werner provided additional clarification relative to the process.

Ms. Engelman discussed costs associated with a recent goal-setting event scheduled by the Open Space Advisory Committee last week. Mr. Werner discussed the benefit of goal-setting sessions. Supervisor Walt advised that her home, office, and cell phone numbers are all public information, and welcomed inquiries relative to clarifications. Mayor Crowell entertained additional public comment; however, none was forthcoming.

27. ACTION TO ADJOURN (5:40:25) - Supervisor Abowd moved to adjourn the meeting at 5:40 p.m. Supervisor Walt seconded the motion. Motion carried 5-0.

The Minutes of the June 7, 2012 Carson City Board of Supervisors meeting are so approved this 5th day of July, 2012.

SHELLY ALDEAN, Mayor *Pro Tem*

ATTEST:

ALAN GLOVER, Clerk - Recorder