

CARSON CITY BOARD OF SUPERVISORS
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A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, September 4, 2008 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

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

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Sue Johnson, Internal Auditor
Melanie Bruketta, Chief Deputy District Attorney
Kathleen King, Recording Secretary

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

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE, AND INVOCATION (8:33:49) - Mayor Teixeira called the meeting to order at 8:33 a.m. Roll was called; a quorum was present. Supervisor Williamson led the pledge of allegiance. Father Chuck Durante, St. Teresa of Avila Catholic Community, gave the invocation.

PUBLIC COMMENTS AND DISCUSSION (8:36:17) - In reference to the landfill operation, Jim Shirk suggested considering the "blue bag" process used in Incline Village. He discussed the ethanol plant constructed at the Washoe County landfill. He further suggested considering the use of parking meters in the downtown area "where people pay for parking from 9:00 to 5:00. A nominal fee could bring revenue into the City." He commended Recreation Sports Manager Joel Dunn on his promotion of sports tournaments, and requested the Board's consideration of expanding sports tournaments as a "full-time commitment for our City." He inquired as to the Board's position on the possibility of the Golden Baseball League bringing a triple A team to Carson City. Mayor Teixeira called for additional public comment; however, none was forthcoming.

1. ACTION ON APPROVAL OF MINUTES - August 7, 2008 (8:38:13) - Supervisor Aldean moved to approve the minutes, as presented. Supervisor Staub seconded the motion. Motion carried 5-0.

2. CHANGES TO THE AGENDA (8:38:40) - In reference to the contract which is the subject of item 3-2, Mr. Werner corrected a typographical error on page 22 to read "subsection 21.9 of this Article ..." He requested to delay item 4 until such time as the Washoe Tribe chairman could be present.

3. BOARD OF SUPERVISORS CONSENT AGENDA (8:39:14) - Mayor Teixeira entertained requests to hear items separate from the consent agenda. When none were forthcoming, he entertained a motion. **Supervisor Livermore moved to approve the consent agenda, consisting of four items: Item 3-1, Carson City Airport Authority; item 3-2, Human Resources, with the correction noted by City Manager Larry Werner; item 3-3, Purchasing and Contracts; item 3-4, Parks and Recreation - Open Space, as presented. Supervisor Staub seconded the motion. Motion carried 5-0.**

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3-1. CARSON CITY AIRPORT AUTHORITY - ACTION TO APPROVE: (1) AN AMENDMENT TO THE CARSON CITY AIRPORT LEASE WITH MOUNTAIN WEST AVIATION, LLC; (2) A NEW LEASE AGREEMENT FOR A PORTION OF THE CARSON CITY AIRPORT LEASE AGREEMENT WITH MOUNTAIN WEST AVIATION, LLC; (3) AN ASSIGNMENT OF THE NEW LEASE AGREEMENT FROM MOUNTAIN WEST AVIATION, LLC TO KCXP INVESTMENTS, LLC

3-2. HUMAN RESOURCES - ACTION TO APPROVE THE COLLECTIVE BARGAINING AGREEMENT BETWEEN CARSON CITY AND THE CARSON CITY FIRE DEPARTMENT CLASSIFIED CHIEF OFFICERS ASSOCIATION FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2010

3-3. PURCHASING AND CONTRACTS - ACTION TO ACCEPT THE WORK AS COMPLETED, TO ACCEPT THE CONTRACT SUMMARY AS PRESENTED, AND TO APPROVE THE RELEASE OF FINAL PAYMENT IN THE AMOUNT OF \$240,706.85 FOR CONTRACT NO. 2006-170, CARSON CITY FREEWAY PHASE 2A UTILITY RELOCATIONS, FIFTH STREET, LINEAR DITCH TO BUTTI WAY PROJECT TO MARV McQUEARY EXCAVATING, INC.

3-4. PARKS AND RECREATION - OPEN SPACE - ACTION TO AUTHORIZE THE OPEN SPACE MANAGER TO SIGN THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT FINANCIAL ASSISTANCE AGREEMENT IN THE AMOUNT OF \$437,454 FOR BIOLOGICAL CONTROL AND HAZARDOUS FUELS REDUCTION ON LANDS ADJACENT TO PRIVATE PROPERTY ON THE WEST SIDE OF CARSON CITY

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

4. SHERIFF - ACTION TO ADOPT A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN CARSON CITY AND THE WASHOE TRIBE OF NEVADA AND CALIFORNIA (8:44:45) - Sheriff Ken Furlong introduced Washoe Tribal Police Chief Richard Varner, and provided an overview of the subject item. Chief Varner introduced Washoe Tribe Chairman Waldo Walker, Washoe Tribe Administrator Jorge Lopez, and Washoe Tribe Legal Counsel Suzanne Garcia.

(8:45:58) Chairman Walker provided background information on the development, and an overview of the provisions, of the intergovernmental agreement. He described the agreement as “an important tool, an important bridge” between governments “so that we can protect our people.” He expressed “wholehearted” support for the intergovernmental agreement which creates a cooperative working relationship between Washoe Tribal Police and the Carson City Sheriff’s Office.

Mayor Teixeira discussed the significance of the intergovernmental agreement to the community. In response to a comment, Sheriff Furlong explained that the Washoe Tribe “covers four different areas in two different states.” Mayor Teixeira referred to his and Sheriff Furlong’s participation in the Governor’s Methamphetamine Task Force and in Partnership Carson City. He related comments from a recent methamphetamine conference which indicated that “the Washoe Tribe, Carson City, and Douglas [County]

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have basically raised the bar of entities working together.” He commended Chairman Walker on the cooperative relationship developed between the Washoe Tribe and Carson City. He complimented Sheriff Furlong and Chief Varner as well, on the far-reaching significance of the agreement.

Sheriff Furlong advised that Washoe Tribe representatives participate with Sheriff’s Office representatives as members of the Partnership Carson City Law Enforcement Board. He further advised that the intergovernmental agreement represents a lot of hard work on the part of Washoe Tribe and City representatives. He described the agreement as “an historical document for the City.”

In response to a question, Chairman Walker advised that Washoe Tribe representatives are working with Douglas County representatives on a similar agreement. Supervisor Aldean advised of discussions with Chairman Walker regarding the possibility of developing a similar cooperative agreement between the Washoe Tribe and the Carson City Fire Department. She expressed an interest in continuing to explore the possibility, and Chairman Walker agreed to accommodate a meeting date.

Mayor Teixeira called for public comment and, when none was forthcoming, entertained a motion. Supervisor Aldean noted a correction to paragraph 20, Reservation of Rights, to read as follows: “Nothing contained in this Agreement is intended *nor* shall it be construed as a waiver ...” **Supervisor Aldean moved to adopt Resolution No. 2008-R-41, an intergovernmental agreement between Carson City and the Washoe Tribe of Nevada and California. Supervisor Livermore seconded the motion. Motion carried 5-0.**

In response to a question, Sheriff Furlong discussed the operational provisions of the intergovernmental agreement in consideration of Washoe Tribe and Carson City jurisdictions. Mayor Teixeira congratulated Chairman Walker, Chief Varner, and Sheriff Furlong.

5. HEALTH AND HUMAN SERVICES - ACTION TO ADOPT, ON SECOND READING, BILL NO. 130, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 9, HEALTH AND WELFARE, CHAPTER 9.04, HEALTH DIVISION PERMIT AND FEE SCHEDULE, TO ADD NEW SECTION 9.04.065, ADDITIONAL FEES, WHICH ALLOWS THE DEPARTMENT TO SET REASONABLE FEES FOR PROVIDING SERVICES TO MEMBERS OF THE PUBLIC, AND OTHER MATTERS PROPERLY RELATED THERETO (8:39:59) - Health and Human Services Department Director Marina Works introduced herself for the record. Mayor Teixeira and the Board members welcomed her. Ms. Works reviewed the agenda report. Mayor Teixeira called for public and Board member comments. When none were forthcoming, he entertained a motion. **Supervisor Aldean moved to adopt, on second reading, Bill No. 130, Ordinance No. 2008-31, an ordinance amending Carson City Municipal Code, Title 9, Health and Welfare, Chapter 9.04, Health Division Permit and Fee Schedule, to add new section 9.04.065, Additional Fees, which allows the department to set reasonable fees for providing services to members of the public, and other matters properly related thereto. Supervisor Williamson seconded the motion. Motion carried 5-0.**

6. FIRE - ACTION TO ADOPT, ON SECOND READING, BILL NO. 131, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 14, FIRE, SECTION 14.02.045, SECTION 105.7 - REQUIRED CONSTRUCTION PERMITS, TO PROVIDE FOR A TECHNICAL CORRECTION TO AN INTERNAL REFERENCE, AND BY AMENDING SECTION 14.02.115, SECTION 903 - FIRE SPRINKLERS, TO REVISE THE METHOD FOR THE DETERMINATION OF TOTAL FLOOR AREA, AND OTHER MATTERS PROPERLY RELATED THERETO (8:41:27) - Fire Chief Stacey Giomi introduced this item and reviewed the agenda report. Mayor Teixeira

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entertained comments from the Board members and from the audience. When none were forthcoming, he entertained a motion. Supervisor Staub moved to adopt, on second reading, Bill No. 131, and Ordinance No. 2008-32, amending the Carson City Municipal Code, Title 14, Fire, Section 14.02.045, Section 105.7, Required Construction Permits, to provide for a technical correction to an internal reference, and by amending Section 14.02.115, Section 903 - Fire Sprinklers, to revise the method for the determination of total floor area, and other matters properly related thereto. Supervisor Aldean seconded the motion. Motion carried 5-0.

7. DEVELOPMENT SERVICES - PLANNING AND ZONING - ACTION TO ADOPT, ON SECOND READING, BILL NO. 132, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 18, ZONING, CHAPTER 18.02, ADMINISTRATIVE PROVISIONS, SECTION 18.02.115.8, TEMPORARY USE PERMITS, TO MODIFY LANGUAGE ASSOCIATED WITH OUTDOOR SALES AND ACTIVITIES FOR CONSISTENCY PURPOSES; AMENDING CHAPTER 18.03, DEFINITIONS, SECTION 18.03.010, WORDS AND TERMS DEFINED, TO MODIFY THE DEFINITIONS OF BEAUTY SHOP, MOTEL, PERSONAL SERVICES, TO DEFINE ANIMALS AND FOWL, AND TO DELETE THE DEFINITION OF FULL SERVICE BEAUTY SALON AND MOBILE CANTEEN; AMENDING CHAPTER 18.04, USE DISTRICTS, SECTION 18.04.120, NEIGHBORHOOD BUSINESS, TO ADD THE SPECIFIC OUTDOOR SALES AND ACTIVITIES REFERENCE; AMENDING SECTION 18.04.130, RETAIL COMMERCIAL, TO MODIFY LANGUAGE ASSOCIATED WITH OUTDOOR SALES AND ACTIVITIES FOR CONSISTENCY PURPOSES, AND TO DELETE FACIAL COSMETIC SHADING, PERMANENT, FROM ACCESSORY USES FOR CONSISTENCY; AMENDING SECTION 18.04.135, GENERAL COMMERCIAL, TO MODIFY LANGUAGE ASSOCIATED WITH OUTDOOR SALES AND ACTIVITIES AND OUTSIDE STORAGE FOR CONSISTENCY PURPOSES, AND TO ADD FACIAL COSMETIC SHADING, PERMANENT, AS A PRIMARY PERMITTED USE; AMENDING SECTION 18.04.145, LIMITED INDUSTRIAL, TO MODIFY LANGUAGE ASSOCIATED WITH OUTDOOR SALES AND ACTIVITIES AND OUTSIDE STORAGE FOR CONSISTENCY PURPOSES; AMENDING SECTION 18.04.150, GENERAL INDUSTRIAL, TO MODIFY LANGUAGE ASSOCIATED WITH OUTDOOR SALES AND ACTIVITIES AND OUTSIDE STORAGE FOR CONSISTENCY PURPOSES, AND TO CORRECT PAINT MANUFACTURING TO ALPHABETICAL ORDER; AMENDING SECTION 18.04.155, AIR INDUSTRIAL PARK, CORRECTING OUTDOOR STORAGE TO OUTSIDE STORAGE FOR CONSISTENCY PURPOSES; AMENDING SECTION 18.04.185, PUBLIC REGIONAL, CORRECTING MUSEUM TO ALPHABETICAL ORDER; AMENDING CHAPTER 18.05, GENERAL PROVISIONS, SECTION 18.05.045, HOME OCCUPATION, CORRECTING OUTDOOR STORAGE TO OUTSIDE STORAGE FOR CONSISTENCY PURPOSES; AMENDING SECTION 18.05.065, USES REQUIRED TO BE WITHIN A STRUCTURE, CORRECTING OUTSIDE SALES TO OUTDOOR SALES FOR CONSISTENCY PURPOSES; AMENDING CHAPTER 18.14, EXTRACTION OPERATIONS, SECTION 18.14.030, TEMPORARY ON-SITE AGGREGATE FACILITIES / PRODUCTION, CORRECTING OUTSIDE SALES TO OUTDOOR SALES FOR CONSISTENCY PURPOSES; AMENDING CHAPTER 18.16, DEVELOPMENT STANDARDS, DIVISION 1, LAND USE AND SITE DESIGN, SECTION 1.2, SITE DESIGN, CORRECTING OUTDOOR STORAGE TO OUTSIDE STORAGE FOR CONSISTENCY PURPOSES; AMENDING SECTION 1.12, OUTSIDE STORAGE, TO CLARIFY OUTSIDE STORAGE PURPOSE; AMENDING SECTION 1.19, ADULT MERCHANDISE RETAIL ESTABLISHMENT PERFORMANCE STANDARDS, CORRECTING OUTSIDE SALES TO OUTDOOR SALES FOR CONSISTENCY PURPOSES; AND AMENDING SECTION 3.7, TREES, CORRECTING OUTSIDE DISPLAY TO OUTDOOR DISPLAY FOR

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CONSISTENCY PURPOSES; AND MAKING VARIOUS TECHNICAL CORRECTIONS, AND OTHER MATTERS PROPERLY RELATED THERETO (8:43:16) - Planning Division Director Lee Plemel introduced and provided an overview of this item. He advised of having received no additional comments since the first reading. He further advised that the corrections noted during first reading had been made. Mayor Teixeira entertained public and Board member comments. When none were forthcoming, he entertained a motion. **Supervisor Williamson moved to adopt Bill No. 132, on second reading, Ordinance No. 2008-33, an ordinance amending various portions of the Carson City Municipal Code, Title 18, including clarifications relating to the provisions for outside storage and outdoor sales and activities, and including various technical corrections, as published on the agenda, based on the findings contained in the staff report. Supervisor Aldean seconded the motion. Motion carried 5-0.**

8. PARKS AND RECREATION - ACTION TO ACCEPT THE CARSON RIVER MERCURY SITE SUPERFUND STUDY AREA REPORT PREPARED BY RESOURCE CONCEPTS, INC.

(8:52:50) - Mayor Teixeira recessed the meeting at 8:53 a.m. and reconvened at 8:59 a.m. Open Space / Property Manager Juan Guzman introduced this item and reviewed the agenda report.

(9:00:18) Resource Concepts, Inc. Principal Marvin Tebeau provided an overview of the Study Area Summary, which was included in the agenda materials, and narrated a SlideShow presentation of the same. In response to a question, he advised that any earth moving planned for within the Carson River flood plain is required to be coordinated with the Nevada Division of Environmental Protection. In response to a further question, he advised that the V&T railway project “is well above the flood plain.”

Mr. Tebeau advised that the project proposed for the area of the Morgan Mill Road river access area “will require no additional work with respect to mercury. We will need to ... take a few verification samples for NDEP when it’s over ...” If mercury is discovered in any area, the protocol is to bury it with “two feet of clean cover.”

In response to a question, Mr. Tebeau advised of having been informed by Environmental Protection Agency representatives that brown field funds don’t qualify at a superfund site. “Primarily the responsible parties from 1860 ... are the people responsible for the work that should be done here.” In response to a further question, Mr. Tebeau advised that mercury does not dissipate, nor is it soluble in water. He explained that mercury is introduced into the food chain by algae assimilation. He acknowledged that mercury is not absorbed by terrestrial plants. Mr. Werner inquired as to issues associated with pipeline trenching. Mr. Tebeau reiterated that any earth moving within the flood plain would need to be coordinated with NDEP. He clarified that mercury issues have mostly been relative to building development envelopes. In response to a further question, he advised that the EPA reduced the superfund study area from the entire watershed to the Carson River flood plain and the small tributaries from Six Mile Canyon and Gold Canyon. “It took ... six years to make that decision.” Mr. Tebeau anticipates that Carson City will not be totally relieved of the superfund site any time soon.

Mayor Teixeira called for Board and public comments and, when none were forthcoming, entertained a motion. **Supervisor Williamson moved to accept the Carson River Mercury Site Superfund Study Area report prepared by Resource Concepts, Inc. Supervisor Livermore seconded the motion. Motion carried 5-0.** Mayor Teixeira thanked Mr. Tebeau for his presentation.

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9. DEVELOPMENT SERVICES - ACTION TO ACCEPT A LETTER OF INTENT FROM THE BANK OF THE WEST TO ABATE THE NUISANCE AT 1200, 1210, 1220, 1230, 1240, AND 1300 RACE TRACK ROAD, CARSON CITY, NEVADA 89701, APN 009-311-64, AND AUTHORIZE THE MAYOR TO SIGN THE LETTER OF INTENT (9:17:30) - Development Services Director Walter Sullivan introduced this item and reviewed the agenda report. He emphasized that the agreement, which is in the process of being finalized, is separate from the subject letter of intent.

Supervisor Aldean advised of one issue remaining to be resolved in that the Bank is requesting to be relieved of any further obligation “above and beyond the initial abatement.” There is some concern that, if the remaining structures become a nuisance, the City should have the right to request further abatement at the site. Mr. Sullivan acknowledged the accuracy of the statements, and reviewed previous correspondence sent by City representatives to the property owner. He advised that Bank of the West’s letter of intent indicates a responsibility to address the “imminent danger” to the surrounding neighborhood.

Mayor Teixeira called for public comment and, when none was forthcoming, entertained a motion. **Supervisor Aldean moved to accept the letter of intent from Bank of the West to abate the nuisance at the Shulz Ranch race track, APN 009-311-64, and to authorize the Mayor to sign the letter of intent, subject to the understanding that if any of the remaining structures become a nuisance, the City should have the right to request additional abatement; and subject to the inclusion in the final agreement that it shall be binding on the bank’s successors in interest. Supervisor Livermore seconded the motion. Motion carried 5-0.**

10. CITY MANAGER

10(A) SELECTION OF CARSON CITY’S LATINO EMPLOYEE OF THE YEAR, AS REQUESTED BY NEVADA HISPANIC SERVICES, AS PART OF THEIR SALSA Y SALSAS CELEBRATION (9:21:55) - At Mr. Werner’s request, Supervisor Livermore presented this item. Supervisor Livermore provided background information on this item, and on the Salsa y Salsas event. He read into the record a portion of the letter from Chief Juvenile Probation Officer John Simms which was included in the agenda materials. He introduced Juvenile Probation Officer Tony Urrutia, Carson City’s Latino Employee of the Year. The Board members, City staff, and citizens present applauded Mr. Urrutia.

(9:24:55) Mr. Urrutia thanked the Board for the honor “to represent the Hispanic community ... with this recognition.” On behalf of the Board and the community, Mayor Teixeira congratulated Mr. Urrutia. Mr. Urrutia acknowledged he works primarily with young people. In response to a question, he advised of having served in the Juvenile Detention / Probation Department for the last five years. Mayor Teixeira inquired as to Mr. Urrutia’s assessment of the gang and drug problems in the community. Based on his case load, Mr. Urrutia expressed the opinion that progress is being made. He advised of having seen “a lot of families and youth change their lives.” He described the “G.E.D. wall” in his office and advised he sees “that wall getting full.” He expressed the belief that the service provided by the Juvenile Detention / Probation Department is working for the community. “It’s hard to keep up ... with the gangs and the drugs and everything else, but one at a time, we’re making an effort and I can see progress.” In response to a further question, Mr. Urrutia estimated 95 percent of his case load is gang related. “The other five percent is mostly other situations.” He acknowledged the percentage was not nearly as high five years ago. He further acknowledged an increase in black tar heroine use among young people.

Supervisor Staub congratulated Mr. Urrutia on the award. Mr. Urrutia acknowledged “bringing in the families” of the gang-affiliated youth represented in his case load. In response to a further question, he advised the families are very receptive to addressing the problem of gang affiliation. He discussed the

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opportunity to help Hispanic families “understand how the system works here and educate the parents, and they’re very receptive, very grateful.” In response to a further question, Mr. Urrutia advised he would spend additional funding on resources. He discussed the need for treatment for the youth he works with, and advised of having searched the nation for a gang psychologist. He advised that former gang members are requested to provide testimonies to influence the young people against gang affiliation.

Supervisor Aldean congratulated Mr. Urrutia on his award, and inquired as to the recidivism rate. Mr. Urrutia explained that recidivism is difficult to measure because of the age of his clients. “When they are finished with their probation ..., they’re usually eighteen and we don’t get to see them again.” Mr. Urrutia acknowledged interaction between the Juvenile Detention / Probation Department and the Sheriff’s Office.

In response to a further question, Mr. Urrutia advised that the Juvenile Detention / Probation Department jurisdiction includes young people aged eight to 21. He has been working with children as young as five or six, in cooperation with their parents. He acknowledged the gang influence is “reaching down to very early ages” and that this is “where we need the intervention.” In reference to Partnership Carson City, Mayor Teixeira discussed the need to focus on “the younger, at-risk, potential gang members ... and really get to the families ... and the kids at a much earlier age.” Mr. Urrutia agreed. Mayor Teixeira and the Board members thanked Mr. Urrutia and, together with City staff and the citizens present, applauded him once again.

Supervisor Livermore invited everyone to attend the Salsa y Salsas event on September 12 and 13, 2008. Mayor Teixeira entertained a motion. **Supervisor Livermore moved to select Tony Urrutia as Carson City’s Latino Employee of the Year, as requested by Nevada Hispanic Services as part of their Salsa y Salsas Celebration. Supervisor Aldean seconded the motion. Motion carried 5-0.** Mayor Teixeira congratulated Mr. Urrutia once again, recessed the meeting at 9:37 a.m., and reconvened at 9:43 a.m.

10(B) ACTION TO APPROVE SUBLEASING A PORTION OF THE BREWERY ARTS CENTER TO SCOTTY’S FAMILY RESTAURANT TO OPERATE A CAFÉ SUBJECT TO THE TERMS OF THE LEASE BETWEEN CARSON CITY AND THE BREWERY ARTS CENTER (9:43:55) - Mr. Werner explained the reason for withdrawing this item.

10(C) ACTION TO RESCIND RESOLUTION NO. 2001-R-6 AND TO ADOPT A RESOLUTION REGARDING UNCLASSIFIED PERSONNEL AND TO APPROVE A THREE PERCENT (3%) COST OF LIVING INCREASE FOR UNCLASSIFIED PERSONNEL, EFFECTIVE JULY 1, 2008 (9:44:35) - Mr. Werner introduced and provided background information on this item. He reviewed the agenda report and the provisions of the proposed resolution. He thanked Internal Auditor Sue Johnson for her assistance in analyzing the difference in “roll up costs” between Resolution No. 2001-R-6 and the proposed resolution. He explained that the proposed resolution will start to reduce roll up costs because the management leave hours don’t roll up. “They’re always static, they don’t compound.” Mr. Werner advised of having postponed budgeting for increases “until we knew what the whole status was.” He further advised there are additional, ongoing revenues to cover the cost associated with the proposed resolution, including \$450,000 from the landfill sale of salvage metals. In addition, the property tax revenue was approximately \$250,000 above the estimate. Mr. Werner anticipates no negative impact to the budgeted revenues.

In response to a question, Mr. Werner explained the proposal to add 40 hours of management leave for a total of 80 that could be taken within a year. If the management leave is not taken within one year, the unclassified employee would have the option of the City buying back up to 40 remaining hours of

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management leave. In response to a further question, Mr. Werner advised that cost of living increases are always subject to negotiation. He acknowledged that, outside of the cost of living increase, the impact of the proposed resolution “isn’t much of a fiscal hit.”

Supervisor Aldean commended Mr. Werner’s efforts, but advised of having discussed her disagreement over providing a two percent increase for standard performance. She expressed understanding for the need for parity between the classified and unclassified employees. She discussed the importance of providing an incentive to improve performance, going “above and beyond what’s required ... by their job description.” Mr. Werner agreed with Supervisor Aldean, and advised that he has emphasized the need for performance measurements in each City department.

Supervisor Livermore expressed concern over the City’s projected and actual revenues. Mr. Werner provided an overview of the ending fund balance figures, and advised there is approximately \$900,000 more than anticipated from last year to this year, “even with the downfall of the June numbers.” Supervisor Livermore expressed concern over the fiscal trends in consideration of the timing of the proposed resolution. He suggested deferring action for another sixty days to ensure the City’s revenues “have seen a bottom.” Mr. Werner advised there will be time to make corrections between now and the end of the fiscal year. He explained that the Carson City Employees Association contract will likely be presented to the Board for action at the September 18th meeting. He expressed the belief “we need to take everybody forward. We deal with all of our employees as a group and, if we have to make the tough decisions when we see the shortfall, then we’ll make them. Otherwise, we have this one group of employees that essentially won’t get the benefit that everybody else gets.” Supervisor Livermore expressed concern over the citizens of Carson City and “their taxes that we’re awarding here.” He estimated 160 unclassified employees which “make up a good percentage of our overall workforce.” He acknowledged the obligation to “do collective bargaining. We’re not obligated to do this at any time.” Mr. Werner pointed out that unclassified employees are not precluded from forming their own union. He assured the Board and the citizens, “We will never spend more than we have budgeted. ... If we do something today that costs money, that still has to be within our budget capabilities. We will not go beyond that.” Mr. Werner advised that a continuing downward trend would be addressed as a whole. He expressed understanding for Supervisor Livermore’s concerns, and the belief that the proposed resolution represents “what ought to be for the unclassified employees.”

Mr. Werner acknowledged that unclassified employees are at-will employees who can be fired for any reason at any time. In response to a comment, he explained that a standard performance evaluation translates to an employee doing the job they were hired to do “and that’s okay. But it also means that you’re not necessarily going to be rewarded for doing what you’re hired to do.”

Supervisor Staub expressed agreement with Supervisor Aldean’s previous comments that standard performance deserves standard pay “and that’s as far as it goes.” He pointed out that a standard performance employee would also receive a cost of living increase. In response to a question, Mr. Werner advised of a needed correction to the proposed resolution in that there are certain categories of specially appointed deputies which should not be included “because ... they’re more at the will of the particular elected official.” He advised that, by charter, elected officials are allowed to appoint certain numbers of deputies outside the merit system. He explained that the proposed resolution should not cover these specially appointed deputies, and that there should be another mechanism. Discussion followed, and Supervisor Staub expressed a preference for a reasonable, equitable resolution. He disagreed that any employees who already received a raise this year should receive an additional three percent increase.

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Following additional discussion, Mr. Werner advised he would reagendaize this item for the next Board of Supervisors meeting. He responded to questions of clarification regarding the provisions of the proposed resolution. In response to a further question, he advised there are presently 33 vacant general fund positions. Additional discussion took place, and Mr. Werner invited Board member comments between now and the next Board meeting.

11. MAYOR TEIXEIRA - DISCUSSION AND POSSIBLE ACTION TO REQUIRE THE REPAYMENT TO THE GENERAL FUND OF THE \$2,000,000 PROVIDED TO THE REDEVELOPMENT AUTHORITY; THE REPAYMENT WOULD BE COMPLETED WITHIN EIGHT YEARS OR SOONER OF THE DATE OF THE APPROVAL OF THIS ACTION (10:10:08)

- Mayor Teixeira introduced, provided background information on this item, and reviewed the agenda report. He advised "this payback is not within the redevelopment budget. This is revenue that's in excess." He expressed the opinion that the excess was triggered by the sale of Carson-Tahoe Hospital on Mountain Street. "The key is that it is considerably newfound money." Mayor Teixeira referred to the recently completed Bodine's Casino and improvements to the Casino Fandango, and noted that "redevelopment, finally, is getting a pretty substantial revenue stream." He discussed the incentives approved for the Burlington Coat Factory and Sportsman's Warehouse developments. He expressed concern over the July sales tax revenues in consideration of the general fund. He reviewed the proposal to annually allocate \$250,000 from the redevelopment authority to the general fund over a period of eight years; the allocation to be used only for capital projects. He clarified he was not advocating to earmark the funding. He reiterated "redevelopment is in a position now to pay back what the general fund paid them so that we can take that revenue and do something for the overall community, not just a specialized district." He emphasized he would have never agendaized this item "had not the revenue been there," and expressed the opinion that redevelopment should "pay back what they borrowed."

Supervisor Williamson expressed understanding for Mayor Teixeira's position, and discussed the history of the \$2 million which was transferred from the landfill to the general fund for the purpose of rehabilitating "an empty big box." "But for the \$2 million from the landfill which was transferred to the general fund, that project would not have been possible." Supervisor Williamson advised that the revenues were "supposed to be paid back ... through the sales tax" revenue generated. She reviewed the provisions of the corresponding agreement, and advised that the \$2 million had not yet been allocated to the retail developer. She reviewed the figures reflected in the Breakdown of Revenues and Expenditures by Area which she had distributed to the Board members and staff prior to the start of the meeting. She advised that approximately \$187,000 has been projected because of the old Carson-Tahoe Hospital property being converted to "tax paying status." She expressed concern over the number of non-profit entities purchasing property in the downtown and south Carson redevelopment project areas. "Churches buy land, they go off the tax rolls. We get an historic deferment, they go off the tax rolls. ... So while this might be a bump right now, we don't know what else is going off the tax rolls as we speak and so I'm reluctant to spend money that I'm not sure we have." Supervisor Williamson inquired as to whether the redevelopment authority will be required to repay the \$2.5 million incentive which is to be allocated to Sportsman's Warehouse. She further inquired as to whether the \$4 million set aside for the auto dealers will be required to be reimbursed. She discussed the importance of consistency and being "up front with ... our public, our staff, and what proposals we're making to potential developers." She expressed a preference to "stick with the original deal, that the \$2 million is going to be paid back through the increased sales tax to the general fund, and allow us to keep whatever little monies we have ... to try to work enthusiastically and energetically to make more deals so that we'll generate more sales tax and attract new businesses and a new work force to Carson City."

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Mayor Teixeira entertained additional Board member comments. When none were forthcoming, he opened this item to public comment. (10:22:47) Business Development Manager Joe McCarthy expressed agreement that a “well-operated, mature redevelopment agency should be using tax increment ... of the increase in that budget to be able to finance and / or underwrite quality redevelopment projects that ... the Board approves.” He advised that the recently designated redevelopment project area 2 had “very little, if any, tax increment,” which is the reason the Board “made a decision to facilitate and jump start significant redevelopment projects by the initial cash outlay of \$2 million to stimulate rehabilitation of the old Wal-Mart and which leveraged the attraction of Sportsman’s Warehouse.” Mr. McCarthy reiterated that the tax increment in a mature redevelopment project area should be used to invest in new projects, and the subject case represents a new project area lacking tax increment. He referred to the Ribeiro development; the Fandango improvements, including the Galaxy theater and lodging property; and the potential construction of a new Toyota store. He described the developments / improvements as a transformation of South Carson Street. “And that transformation, in a lot of ways, is predicated on your vision to be able to stimulate investment in the shopping center itself.” He pointed out that using tax increment “on the go forward” will be possible. He expressed concern that trimming the available redevelopment funds will make the job of leveraging additional deals “a little bit more difficult.” Allowing the resources to continue considering the opportunities throughout the redevelopment project area will provide the opportunity to “grow the sales tax base in the future.” Mr. McCarthy described the retail business as cyclical, and advised of anticipating a continued moribund retail environment in the community for a number of months. He advised that Carson City is the only jurisdiction in the area with new stores. He suggested considering tax increment in the future “to make all your deals go forward and have back loaded deals on sales tax.”

Supervisor Livermore expressed the opinion that the suggestion was not to use general fund revenues “unless there’s an extraordinary project.” He suggested the Mayor’s intention was to level the playing field so that “back end money” would be used for further projects. In response to a question, Mr. McCarthy suggested that back end projects still require a commitment of 20 percent. The assessed value growth can be used to repay the 20 percent. Mr. McCarthy referred hypothetically to Sportsman’s Warehouse, and advised that the assessed value tax increment could be used to repay the 20 percent “so all of the sales tax is dedicated to the general fund and have redevelopment be the agency by which they would make that payment for you.”

Supervisor Williamson expressed additional concern over the subject item, in that redevelopment project area 2 represents an opportunity for sales tax generators. She discussed additional opportunities, for redevelopment project area 1, in the form of an expanded library, a convention center, a hotel, and residential construction. “If you take the only money ... that project area 1 has to repay a debt that we thought we already had covered, then ... we can’t really do a lot of back end things on that. There’s not going to be a tremendous sales tax generator but there’s going to be a tremendous benefit to our community in terms of housing, jobs, attracting conventions, ... all sorts of different businesses. But it’s not going to be as easy to quantify as ‘x’ amount of sales tax generated. If you take all the funds from project area 1 and give them to project area 2, we aren’t going to be able to have those discussions with potential developers.” Supervisor Williamson suggested deferring action on this item until January.

Supervisor Aldean expressed understanding for Mayor Teixeira’s intentions. She pointed out that the revenues from the landfill represented a windfall to the general fund. She discussed the possibility of an interdepartmental loan, with a five percent interest rate. Supervisor Aldean suggested this would be a more appropriate approach, and expressed concern over “double dipping.” “The general fund is going to benefit from increased sales tax collections as a result of Burlington. ... If Burlington doesn’t bring in the

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\$250,000 ..., the difference could be made up from incremental property tax growth.” Supervisor Aldean expressed the belief “this is what redevelopment is all about, taking money, investing it, and then allowing the general fund to benefit from increased sales tax revenue.” She expressed support for retaining as much money as possible for reinvestment opportunities, and agreed with deferring action on this item. She pointed out that the arrangement can be made at any time. “If, in fact, the incremental tax increases are sufficient to cover the debt, then we can certainly revisit the issue. ... Redevelopment is in the fledgling stage right now and ... needs all the resources it can muster to continue the work that it’s been doing to increase the vibrancy of our economy and provide the sales tax revenues we need to operate the general fund.”

Mayor Teixeira called for additional comment and, when none was forthcoming, passed the gavel to Mayor *Pro Tem* Staub. Mayor Teixeira stated that redevelopment revenue increases are going to continue. He pointed out that the Ormsby House is receiving a “huge discount at this point in time on their tax rate.” He advised that Toyota just received a building permit and the majority of that ad valorem tax will be allocated to redevelopment. He stated, “the landfill is part of our salvation in these bad economic times.” He reiterated that the hospital sold with the bulk of the sale proceeds being allocated to redevelopment. “The key here is there are additional funds available from redevelopment to the general fund which is bleeding, and we’ve got projects we need to fund and things we need to do.” Mayor Teixeira expressed the opinion that the recommended action is proper, and **moved to approve the action to repay the general fund for the \$2 million provided to the Redevelopment Authority; the repayment would be completed within an eight year or sooner date of this action.** Supervisor Livermore seconded the motion. Mayor *Pro Tem* Staub requested a roll call vote. **Mayor Teixeira, Supervisor Livermore, Mayor *Pro Tem* Staub - yes. Supervisors Williamson and Aldean - no. Motion carried 3-2.**

12. BOARD OF SUPERVISORS

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM THE MEMBERS OF THE BOARD - None.

STAFF COMMENTS AND STATUS REPORT - None.

13. ACTION TO ADJOURN (10:38:24) - Supervisor Livermore moved to adjourn the meeting at 10:38 a.m. The motion was seconded and carried 5-0.

The Minutes of the September 4, 2008 Carson City Board of Supervisors meeting are so approved this 2nd day of October, 2008.

MARV TEIXEIRA, Mayor

ATTEST:

ALAN GLOVER, Clerk - Recorder