

CARSON CITY BOARD OF SUPERVISORS

Minutes of the August 7, 2003, Meeting

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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, August 7, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

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

STAFF PRESENT: Linda Ritter City Manager
 Alan Glover Clerk-Recorder
 Ken Furlong Sheriff
 Al Kramer Treasurer
 Andrew Burnham Development Services Director
 William Naylor Information Services Director
 Mark Forsberg Chief Deputy District Attorney
 Matt Fisk Justice Court Administrator
 Larry Werner City Engineer
 Steve Mihelic Assistant Fire Chief
 Cheryl Adams Deputy Purchasing Director
 Joe McCarthy Redevelopment/Economic Development Mgr.
 John Flansberg Street Operations Manager
 Tom Hoffert Utility Services Manager
 Katherine McLaughlin Recording Secretary
 Justine Chambers Contracts Coordinator
(B.O.S. 8/7/03 Tape 1-0010)

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

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. Rev. Gary Bowers of the First Christian Church gave the Invocation. Mayor Masayko lead the Pledge of Allegiance.

CITIZEN COMMENTS (1-0025) - None.

1. APPROVAL OF MINUTES (1-0030) - Supervisor Aldean moved to approve the Minutes from the Board of Supervisors meeting of May 1, 2003, as written. Supervisor Williamson seconded the motion. Motion carried 5-0.

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2. **AGENDA MODIFICATIONS (1-0038)** - Item 3-B, the Liquor License for Carniceria Dos Amigos #2, is to be held until the Applicant can attend the meeting. Consent Agenda Items 4-3B was pulled for discussion. Item 8A may be continued. The applicant will be present and request the continuance.

LIQUOR AND ENTERTAINMENT BOARD (1-0054) - Mayor Masayko recessed the Board of Supervisors session and immediately convened the meeting as the Liquor and Entertainment Board. The entire Board was present, including Member Furlong, constituting a quorum.

3. **TREASURER** - Al Kramer

A. **ACTION TO APPROVE PANG CHU BAI AS AN ADDITIONAL LIQUOR LICENSE MANAGER FOR ALOHA RESTAURANT LOCATED AT 1936 NORTH CARSON STREET (1-0056)** - Chairperson Masayko reminded Pang Chu Bai that having a Liquor License is a privilege in Carson City and that he must abide by all of the statutes and laws. He cautioned him against selling liquor to minors. Mr. Bai indicated that his employees will adhere to these restrictions. Chairperson Masayko also reminded him that the Sheriff's Office is to be allowed access at all reasonable times when in the pursuit of an investigation. Mr. Bai accepted this condition. Member Furlong noted the favorable Sheriff's Investigative Report. Member Williamson moved to approve Pang Chu Bai as an additional liquor manager for Aloha Restaurant located at 1936 North Carson Street under Carson City Municipal Code 4.13 and that the fiscal impact is a \$75 investigation fee. Member Staub seconded the motion. Motion carried 6-0.

B. **ACTION TO APPROVE A PACKAGED BEER AND WINE LICENSE FOR CARNICERIA DOS AMIGOS II, INC., DOING BUSINESS AS CARNICERIA DOS AMIGOS NO. 4, LOCATED AT 1621 HIGHWAY 50 EAST SUITE 4, WITH FIDEL AND MAGDA SALAS AS THE LIQUOR MANAGERS (1-0054) (1-0116)** - Pulled as the Applicants were not present.

C. **ACTION TO APPROVE QIN SONG AS AN ADDITIONAL LIQUOR MANAGER FOR BAMBOO GARDEN LOCATED AT 3747 SOUTH CARSON STREET (1-0125)** - Qin Song was reminded that having a Liquor License is a privilege in Carson City and that she must adhere to all liquor laws and ordinances including not selling to minors. She agreed to train her employees and to strictly enforce the Codes and Statutes. Chairperson Masayko reminded her that the Sheriff's Office is to be allowed access at all reasonable times and stated, for the record, that she had indicated that she would allow them access accordingly. Member Furlong noted the favorable Sheriff's Office report. Member Aldean moved to approve Qin Song as an additional liquor manager for Bamboo Garden located at 3747 South Carson Street, Carson City Municipal Code 4.13, and the fiscal impact is a \$75 investigation fee. Member Williamson seconded the motion. Motion carried 6-0.

BOARD OF SUPERVISORS (1-0175) - There being no other matters for consideration by the Liquor and Entertainment Board, Chairperson Masayko adjourned it and immediately reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

4. **CONSENT AGENDA (1-0178)**

4-1. **SHERIFF - ACTION TO APPROVE THE ACCEPTANCE OF THE STATE OF**

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NEVADA DEPT. OF PUBLIC SAFETY OFFICE OF CRIMINAL JUSTICE ASSISTANCE BYRNE MEMORIAL FORMULA GRANT IN THE AMOUNT OF \$10,875 WITH MATCHING FUNDS OF \$3,625

4-2. DEVELOPMENT SERVICES - ENGINEERING

A. ACTION TO APPROVE AN AGREEMENT BETWEEN SIBYL TAYLOR JONES AND CARSON CITY WHEREBY SIBYL TAYLOR JONES AGREES TO GRANT A PERMANENT EASEMENT AND RIGHT-OF-WAY FOR THE CONSTRUCTION OF STORM DRAINAGE FACILITIES UPON, OVER AND ACROSS CERTAIN REAL PROPERTY DESCRIBED AS ASSESSOR'S PARCEL NO. 7-111-08

B. ACTION TO APPROVE A NOTICE OF SATISFACTION OF DEVELOPMENT AGREEMENT BETWEEN CARSON CITY AND THE HON FAMILY TRUST DATED 9/21/93 REGARDING APN 7-102-06 LOCATED AT 1855 BRUSH DRIVE, CARSON CITY, NEVADA, FOR SEWER LINE PARTICIPATION

C. ACTION TO APPROVE AN AGREEMENT BETWEEN THE SILVER OAK DEVELOPMENT COMPANY LIMITED PARTNERSHIP AND CARSON CITY WHEREBY THE SILVER OAK DEVELOPMENT COMPANY LIMITED PARTNERSHIP AGREES TO GRANT A PERMANENT EASEMENT AND RIGHT-OF-WAY FOR THE CONSTRUCTION OF STORM DRAINAGE FACILITIES UPON, OVER AND ACROSS CERTAIN REAL PROPERTY DESCRIBED AS ASSESSOR'S PARCEL NO. 8-062-08

4-3. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON CARSON CITY FREEWAY UTILITY RELOCATION, PHASE 1-B (LOMPA) CONSTRUCTION INSPECTION SERVICES, CONTRACT NO. 2003-009 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO STANTEC CONSULTING INC., 6980 SIERRA CENTER PARKWAY, SUITE 100, RENO, NEVADA 89511 FOR A CONTRACT AMOUNT OF \$101,000 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$10,000

B. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON ENGINEERING SERVICES FOR SANITARY SEWER IMPROVEMENTS, CONTRACT NO. 2001-146 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO LUMOS AND ASSOCIATES, 800 EAST COLLEGE PARKWAY, CARSON CITY, NEVADA 89706, FOR AN AMENDMENT NO. 2 AMOUNT OF \$5,870

C. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON APPROVAL OF AMENDMENT NO. 4 FOR COMBS CANYON AND TIMBERLINE WATERSHEDS DRAINAGE DESIGN, CONTRACT NO. 9899-048 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO RESOURCE CONCEPTS, INC., 340 NORTH MINNESOTA STREET, CARSON CITY, NEVADA 89703 FOR AN INCREASE TO THE CONTRACT AMOUNT NOT TO EXCEED \$4,632.50

D. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON THE RENEWABLE ENERGY DEVELOPMENT CONTRACT, CONTRACT NO. 2002-085, WITH PRINCETON DEVELOPMENT CORPORATION, 4151 SHAFTER AVENUE, OAKLAND, CA 94609,

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THAT AUTHORIZES A FEASIBILITY PERIOD TO DEVELOP A RENEWABLE ENERGY STRATEGY AND TO EXCLUSIVELY ASSESS THE VIABILITY OF PROJECTS AND TO PROPOSE MUTUALLY ACCEPTABLE BUSINESS ARRANGEMENTS WITH THE CITY AND ITS POTENTIAL PARTNERS IN ORDER TO PROCEED WITH THE DEVELOPMENT OF SUCH PROJECTS

E. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON DEER RUN ROAD PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 2003-002, AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO STANTEC CONSULTING SERVICES FOR A CONTRACT AMOUNT OF \$62,400 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$6,240

4-4. PURCHASING AND CONTRACTS

A. ACTION TO RENEW CONTRACT NO. 0001-020 WITH SIERRA NEVADA STAGE LINES TO PROVIDE TRANSPORTATION FOR THE 2004 JUNIOR SKI PROGRAM WITH THE SAME TERMS AND CONDITIONS AS ORIGINALLY BID ON AUGUST 15, 2000, AND FOR THE FOLLOWING PRICES: \$552.00 FOR FULL SERVICE CHARTER, \$288.75 FOR BUSES CANCELLED AT PICKUP, AND \$320.25 FOR BUSES CANCELED AT THE RESORT

B. ACTION TO APPROVE THE AWARD OF CONTRACT NO. 0304-007 ROAD BASE AGGREGATE TO CANYON CREEK CONSTRUCTION AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 TO PROVIDE TYPE II CLASS B AGGREGATE BASE MATERIAL AT \$6 PER TON DELIVERED THROUGH AUGUST 7, 2005, WITH THE OPTION TO RENEW FOR THREE (3) ADDITIONAL YEARS SUBJECT TO NEGOTIATION

C. ACTION TO APPROVE CONTRACT NO. 0304-027, A REQUEST FOR THE PURCHASE, INSTALLATION, TRAINING, AND MAINTENANCE OF RECWARE SOFTWARE SYSTEM FROM ACTIVE NETWORK, INC., FOR A NOT TO EXCEED COST OF \$39,000 EXEMPT FROM COMPETITIVE BIDDING

4-5. JUSTICE COURT - ACTION TO APPROVE AN AGREEMENT BETWEEN THE CONSOLIDATED MUNICIPALITY OF CARSON CITY AND MAXIMUS JUSTICE SOLUTIONS, INC., FOR THE PURPOSE OF CONVERTING EXISTING CRIMINAL AND CIVIL CASE DATA OF THE CARSON CITY JUSTICE/MUNICIPAL COURTS FROM AUTOMATED DATA SYSTEMS (ADS) DATA STRUCTURES AND DATA TO MAXIMUS JUSTICE SOLUTIONS' COURT VIEW SYSTEMS

4-6. RISK MANAGEMENT - ACTION TO EXTEND CONTRACT NO. 0203-021 TO CONTRACT WITH CONCENTRA MEDICAL CENTERS BY JOINDER BID THROUGH THE STATE OF NEVADA TO PROVIDE OCCUPATIONAL HEALTH SERVICES THROUGH APRIL 30, 2005, AND AUTHORIZE THE USE OF THIS CONTRACT BY ALL CITY DEPARTMENTS PROVIDING THEY HAVE APPROVED FUNDING

4-7. INFORMATION SERVICES - GIS

A. ACTION TO RENAME SNYDER AVENUE EXTENSION FROM INTERSECTION OF SNYDER AVENUE AND GENTRY LANE SOUTH BOUND TO ITS TERMINATION TO GOLDEN EAGLE LANE

B. ACTION TO RENAME SNYDER AVENUE EXTENSION SPUR TO HOBBY-HORSE LANE

4-8. FIRE

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A. ACTION TO APPROVE THE FIRE CHIEF'S RECOMMENDATION TO PERMIT CAL-NEVA PRECISION BLASTING TO STORE EXPLOSIVES AND BLASTING AGENTS

B. ACTION TO APPROVE THE FIRE CHIEF'S RECOMMENDATION TO PERMIT CALIFORNIA DRILLING AND BLASTING CO. TO STORE EXPLOSIVES AND BLASTING AGENTS

4-9. CITY MANAGER

A. ACTION TO REAPPOINT RICHARD BAKER TO THE HISTORIC RESOURCES COMMISSION FOR A FOUR YEAR TERM ENDING JULY 30, 2007

B. ACTION TO APPROVE A RESOLUTION SUPPORTING THE C-HILL FOUNDATION IN ITS EFFORTS TO ERECT A STRUCTURE REPLICATING THE UNITED STATES FLAG ON C-HILL AND INSURING THAT IF THE C-HILL FOUNDATION IS NOT ABLE TO MAINTAIN THE STRUCTURE, THE CONSOLIDATED MUNICIPALITY OF CARSON CITY WILL EITHER MAINTAIN OR REMOVE THE STRUCTURE AND RESTORE THE SITE TO ITS ORIGINAL CONDITION - City Manager Ritter pulled Item 4-3D for discussion. Mayor Masayko thanked Mr. Baker for applying for the Historic Resources Committee. Mr. Baker was not present. Supervisor Livermore noted the resolution for the C-Hill Foundation is the final item on the Consent Agenda. Supervisor Livermore moved to approve the 19 remaining Consent Agenda items including Resolution No. 2003-R-31. Supervisor Williamson seconded the motion. Motion carried 5-0.

4-3D. (1-0218) Following Ms. Ritter's introduction, Development Services Director Andrew Burnham described the process used to develop the recommendation and explained who the committee members were. The Board previously adopted the committee's economic development goals. Fourteen responses to the RFQ were received. It was felt that the recommended firm is the most qualified. The agreement allows Princeton and its associates to explore alternative energy opportunities. A project is not being proposed at this time. The City's commitment to the exploration is staff's time. Princeton will carry the majority of the risk. The contract is for an initial two year period. Extensions are possible. The City already has a contract with Viron and one for alternative energy at the aquatic facility. The contract provides an opportunity to look for additional alternative energy opportunities. Grants are being used to search for alternative energy opportunities at the landfill and the possibility of creating hydro-power from the Hobart waterline and/or the Brunswick Reservoir. The possibility that the street lights could create an alternative energy source was noted. If the City is lucky, it may be possible to sell energy to Sierra Pacific. The proposal will create jobs as desired by the Economic Vitality Coalition. He then introduced Princeton Chairperson Steve Tabor.

Mr. Tabor introduced his partner Eric Thompson. Mr. Tabor's optimism regarding the City's potential renewable energy opportunities was expressed. (A copy of his presentation is included in the file.) It included geothermal and wind potentials and the marketing and job creation possibilities. He used a flow chart with different company logos to illustrate and identify the firms who participate in his program. His company's background was described. The process time line was briefly highlighted. The proposed program included a listing of other Counties, Cities, and private industry whom may participate with Carson City. Princeton develops the projects at its expense. Carson City can decide if it will participate and if the program is sensible. Princeton is paid when the City purchases renewable energy from either Princeton or one of its partners. Their program includes attracting businesses to the area, such as wind turbine manufacturers. Street lighting was used to illustrate the potential benefits of the program.

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A website will be established. They will work with staff to make the program work and raise the visibility of the region as a manufacturing area. They will work to improve the quality of life for the residents and create a worldwide reputation for innovation.

Utility Services Manager Tom Hoffert highlighted Nevada State Office of Energy Director Carl B. Linvill's letter. (A copy is in the file.) He also limned the purpose of the agreement as contained in the contract. He stressed the need for the Board to determine that the program is a sound business decision before moving forward. This includes the costs and benefits of a long-range proposal. Carson City has the right to accept or reject any or all of the proposals. Princeton and its staff must conduct due diligence to show that the City will benefit from the proposal before the City accepts it. These requirements are included in the agreement.

Supervisor Livermore supported the concept and noted the commitment of 4,000 hours by various individuals and groups on the concept. Its mission was limned. He had been excited to learn that the City had received 50 inquiries to its RFQ. Benefits of the proposal were felt to be substantial. They included an increased tax base and capital investments. Europeans have been doing this program for years.

Supervisor Staub pointed out that Sections 3.1 and 3.3 indicate that the agreement "shall" be extended. Elsewhere in the agreement it uses the term "may be extended". He, personally, preferred "may". Princeton has the ability to get out of the agreement with 30 days notice. Carson City does not have the same ability. The compensation clause 6.3 controls subsequent project proposals but does not include commercially reasonable amounts. He questioned the process if a third company not involved with Princeton finds a method of doing a project cheaper than Princeton. Discussion between Mr. Burnham and Supervisor Staub indicated that Princeton should be paid for finding the idea by the third company. Supervisor Staub felt that the City should be able to reject a proposal if the cost of purchasing the energy is too high. He also stressed his desire to move forward with the proposal with the desire to have it be mutually beneficial to all parties. The proposed agreement will hold the City hostage without some modifications. Mr. Burnham explained that if the City rejects a proposal, it will be responsible for all of Princeton's proven costs incurred developing the proposal. The City can then use/take the idea to another party. He also agreed to changing the "shalls" to "may".

Chief Deputy District Attorney Mark Forsberg felt that Section 3.3 should be read in context with other Sections in the event that the parties agreed to extend the contract for 12 month periods until 24 months have expired. After 60 months have expired, the parties can do whatever they desire. Both Mayor Masayko and Supervisor disagreed. Supervisor Staub pointed out that Section 3.3 does not indicate anything regarding mutual agreement. It merely requires the extension. Section 8.1 was then read. It also uses "shall". He felt that it should be "may". Mr. Tabor felt that may would be appropriate if they were only selling the City energy but the proposal is primarily a jobs program. Princeton will be expending funds in Europe on an effort to entice a firm to relocate to the area. If the firms relocate, Princeton's payoff is to purchase their turbines to sell the City electricity, if the City wishes to buy it. Princeton's incentive to front the money is the ultimate right to be developers of the alternative energy project. If the City does not like the energy price, Princeton wants the City to reimburse its costs to that point. Without the "shall", he felt there is no incentive for them to do this work. As Princeton will be purchasing a large amount of equipment from the European firms, it can require relocation. He then explained that it will require more than two years to complete the relocation and develop a project. Without the required extension, the City will have obtained the jobs

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but Princeton's investment will be gone as the City will not be required to purchase from Princeton or its partners. The City could then purchase its energy from other sources. The proposed business model has been successfully used throughout Europe. It uses the ability to sell power as the base for the hook to bring other manufacturers to the area.

Mr. Forsberg explained that the City did not have any obligation to extend the agreement after the initial 24 month period. If the City elects to extend it, however, it will be for a twelve-month period. This process of extensions is valid for 60 months. Section 3.3 requires the extensions to be 12 month increments. Mr. Tabor explained that his understanding is that the extensions will only be granted if performance criteria is meant. One is to work to bring new manufacturers to the area. If this is successful, the agreement must be extended. He emphasized the need to have the incentive in the agreement in order to be able to recoup the money they spend enticing manufacturers to this area. Discussion between Mr. Tabor and Supervisor Staub indicated that the City's investment is the acquisition of the energy source Princeton provides. It also pointed out that Princeton could walk with 30 days notice. Mr. Tabor felt that this is necessary if it is determined it is not possible for Princeton to perform as envisioned. Supervisor Staub reiterated his desire to have the same ability to terminate the agreement with 30 day's notice.

Mayor Masayko explained his support for alternative energy. He felt that the offer is to go forward for 24 months with Princeton making the investment. The City and its partners are giving Princeton a five-year exclusive market for its energy for Princeton's investment. If the City decides that the price of the energy is too high, the City must repay Princeton for its investment/predevelopment costs. Mr. Tabor indicated that the City would have to pay Princeton for the project if it uses another firm to develop it. It did not require the City to pay Princeton for projects it had not developed. Mayor Masayko believed that the "devil is in the details". If the manufacturing element is left out of the picture, the City should be able to decide whether the energy project is good for the community. If it found that the project is not in the City's best interest, the City should be able to refuse it. Mr. Tabor indicated that the City had the option of accepting its proposal or remaining with Sierra Pacific. It would not be responsible for Princeton's development costs in that project under these circumstances. The City would be responsible for the development costs if it takes Princeton's idea/development and gives it to a third party to develop. The City could use energy generated by a wind farm. It would be responsible for any development costs Princeton encounters developing a wind farm. Mayor Masayko explained that he did not want to be a "forever totally captive customer" for a wind farm developed by Princeton particularly if a third party can produce it at a lower rate than Princeton's. Mayor Masayko felt that the agreement prohibited the City from accepting the third party's energy. Mr. Tabor responded by explaining the commitment that is required to the manufacturer to get it to relocate to this area. This guaranteed demand is necessary to accomplish the relocation. It is based on the power needs of the area they will represent. A maybe figure will not attract them. Mayor Masayko explained that the City cannot make this type of a commitment due to the burden it could place on the taxpayers. He agreed that the manufacturer may not be willing to relocate to this area due to the inability to make a solid commitment. He also explained that energy rates vary from one part of the nation to another. When purchasing off the grid with alternative energy, the opportunities are localized. This is particularly true for Carson City. Mr. Tabor responded by explaining that they will be indicating to the Board/City in the future that "xyz" manufacturing company will be coming to this region. When it comes here, Princeton will buy "x" megawatts of its equipment and the team will develop a project and sell electricity to the City at "y" cents per kilowatt hour. The City will then be asked to make a decision as to whether this would be a good deal for the City.

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Discussion between Supervisor Aldean and Mr. Tabor indicated that Mr. Tabor had agreed to forfeit the 30-day termination clause. Mr. Tabor did not want to speak for his team members regarding whether their proprietary information would be made available to the City. He was willing to relinquish his work to the City but not their work. He also indicated that if it is determined that a project cannot be accomplished, they should both be willing to mutually terminate the agreement. Supervisor Aldean also pointed out that the City's involvement is staff's time and involvement. When a project is submitted with a higher commodity cost, the Board will need to consider the manufacturing benefits in the mix. She questioned whether Princeton would honor the agreement if Carson City is the only partner. Mr. Tabor pointed out that Carson City would benefit even if the manufacturer did not locate within Carson City proper but did locate in the region. The employees will be highly paid and could live in Carson City or surrounding communities. They will shop here. This benefits the entire area. He acknowledged that there could be some equity issues regarding the benefits received by the community based on where they chose to live. All of the partners need to work together in good faith. He suggested that this could be addressed by charging a commodity rate of "x" to the other partners and a higher "y" rate to the community where the firm/employees are located. They hope that the region can become a research and development center. The college will be involved in the program. This should make Northern Nevada an attractive area for renewable energy similar to what the Silicon Valley became with the internet. Supervisor Aldean felt that if this is the case then others should participate in the reimbursement costs. She had "testing the water" concerns for such a program. Princeton is a good company and the proposal is timely. Her support for the proposal was indicated.

Discussion between Supervisor Livermore and Mr. Burnham explained the interview process and numbers. Supervisor Livermore felt that the "parade needed to begin somewhere". The risk to Carson City is minimal. The outcome could be substantial. He supported the agreement and looked forward to a long-term relationship with Princeton.

(1-1125) Supervisor Staub indicated that he supported the project and the Economic Vitality Coalition; however, a good idea should not be supported by a bad agreement. The Board's responsibility is to ensure that the agreement is not something the City cannot get out of in five or ten years. He felt that the compensation on the third party is "picked". He also questioned the terms "affected Princeton investment", "commercially reasonable terms", "development fees", "surcharge on commodity delivered", and "Princeton's affected investment". He also objected to going into an agreement with a firm that Princeton brings forward which may not be the most competitive vendor in the market. The agreement requires the City to pay for the development, design and implementation of a renewable energy source even if Princeton cannot meet the price of a third party competitor. The City is also being required to pay for bringing an attendant economic benefit to Carson City which includes an additional development fee and/or a surcharge on the commodity and/or Princeton's effected development. Mr. Tabor indicated that the term "affected development" is defined in the appendix.

Discussion among the Board compared the concept to retaining an attorney to prepare a will or bankruptcy which would cost \$5,000 for one attorney due to the research involved while another may take his research and charge \$1,500 for the same document. Supervisor Staub explained his desire to ensure that the Board has performed the correct amount of due diligence. He also thanked Mr. Tabor for pointing out the definition on "effected development" and that it had answered his question.

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Mayor Masayko supported Supervisor Staub's concerns. He agreed that it is great to start for a parade but one needs to know how much the parade permit will cost. He supported having "milestones and checkpoints" along the way. The prohibition against accepting proposals from others for five years is acceptable if this is the City's commitment to the project. He also felt that if the renewable energy program was truly and totally competitive it would be completely subsidized. Renewable energy is the good and right thing to do. The proposed plan is a subsidy. The concern is what is the limit? He wanted to make decisions for the community based on the information and not because a requirement in an agreement mandates it. The public perceives the agreement as a prohibition against all other alternative energy providers as indicated by Merlyn Paine's email. (A copy is in the file.) The City could remain on the grid and not purchase energy from any other source. He also questioned how many widgets are out there and how many more energy audits the City could afford.

Supervisor Staub pointed out that the payback requires a 20-year commitment. Mr. Tabor explained that his investment is in staff, hard dollars for design investigation, and plane fares. Reimbursement occurs later in the process and is to be at 100 percent for projects they bring to the Board. The Board can elect to stay on the grid and will not owe anything. If the Board elects to take the project to a third party, his firm is to be paid 100 percent of the costs incurred for that project. Reimbursement for projects which Princeton develops is spread over the life of the project. Mayor Masayko pointed out that this would give his firm a built-in advantage as the City would be purchasing the energy at retail while Princeton would be able to sell it wholesale to others. Mayor Masayko felt that the City should be able to purchase it at less than retail. Mr. Tabor explained that the project should create a savings over the life of the project as the price would be locked in and predictable. Mayor Masayko explained his concern about whether Princeton would still be in existence in 20 years. He felt certain that Sierra Pacific will still be here in 20 years.

Public comments were then solicited. Burke Consortium Representative John Wagner indicated that they had discussed the proposal. They are a probusiness group. They believe that businesses have the right to make a profit and to fail. They hope that failure does not occur in this case. They are concerned about the items raised by Supervisor Staub. They do not want to see the City obligated if something goes wrong. They also wanted other Counties to be involved with the program. He questioned what would happen if they go elsewhere? Does that terminate the City or cause us problems? The windmills may be a tourist attraction. They were also concerned about the City's liability if it is involved. They wished to see the additional "fine tuning" in the agreement. The firm is responsible. He had seen the presentation before. He wanted to see the program move forward, however, did not want to see Carson City become indebted due to it.

Tom Keeton wished to see the agreement move forward and complimented the Economic Vitality Coalition on its work. He agreed that the devil is in the details. If the street lights are used as an energy source, the City should keep 20 percent of the energy and allow Princeton to have 80 percent. Princeton should make a profit as a private enterprise. He was concerned about the other partners and what will happen if the manufacturing firm(s) go to another community/county. The only benefit to the City would be that created by the renewable energy project. Lots of talk has been related to having cheap energy and adding more jobs and factories. This is a compact area which may not have adequate space for factories. He interpreted Section 3.2 to mean that it will be possible for Princeton to do nothing for 60 months and the City would not be able to get out of the agreement. Section 5.1 indicates Princeton has the exclusive right for any and all energy related projects except Sierra Pacific, Southwest Gas, and

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the wood biomass projects which are listed in Section 5.3. This will require anyone with a project to either go to Princeton or wait five years. He could support the clause if it included renewable energy projects. The contract needs to be reworked. He could also do without the energy audit as it will require a new computer program and a conversion. Staff should be able to audit the energy uses. He questioned what would happen if a project is brought forward in the fourth year and the contract expires in the fifth year. Will it be paid for in 20, 16 or 15 years? He suggested that the Board approve the concept and that the contract be reworked and brought back. The concept is the first thing presented by the Economic Vitality Coalition. He also wished to see it go forward.

Patty Wade Snyder described her development in Northern Nevada and California. They are presently looking for other expansion areas. The search includes Carson City. She urged the Board to consider the regional needs as the program can help everyone. Diversity is needed in Carson City. Reno, Fernley, and Dayton decisions impact Carson City. The buying power of these communities is greater than each one individually. She supported regional involvement as it can attract larger companies who will bring little firms with great jobs. This should get the airport going some day. She urged the Board to support the project.

Additional public comments were solicited but none were given. Discussion between Mr. Forsberg and Supervisor Livermore explained that Mr. Forsberg considers the legality of an agreement. If it is understandable, he accepts it. It is the Board's role to judge the concept/idea and not his. He also indicated that he had a different understanding of Section 3.3 and stands corrected on the meaning of the 12-month extension. The questions on the terms should be answered. The contract is legal.

Supervisor Aldean explained that, although the agreement encourages other entities to participate, the City and Princeton must approve their involvement. She also indicated that at the end of the initial 24 month period, a demonstration must be given showing that something is being accomplished before the contract is extended.

Supervisor Staub felt that the matter regarding due diligence could be argued at length and whether it would allow the City to escape from the agreement. Mr. Burnham explained that the agreement had been provided by the State of Washington, revised to meet the City's needs, and compared with other contracts. All of the firms submitting RFQs had received the same information. Supervisor Staub encouraged him to review the contract and address the questions which were raised. Mr. Burnham agreed that if revisions can be made, they will be. He will work with the District Attorney's office on it. Supervisor Staub explained his concern about binding Carson City and the length of time. Mr. Tabor had agreed to change the 30-day termination by Princeton. Supervisor Staub was willing to make a motion to go forward with the process, however, it would be in accordance with a revised agreement which would be submitted to the Board at a future date. The proposal binds the community for 25 years. He wanted to be certain that the community could live with it. Mr. Burnham agreed that the agreement could be delayed and supported moving forward with the project. Mr. Tabor had already agreed to remove the 30-day termination notice. Supervisor Staub felt that both parties should have the ability to terminate the contract and to have similar guarantees.

Mr. Tabor indicated that the RFQ had included the recovery terms. Supervisor Staub indicated that the Board could revise this term if desired. Mr. Burnham agreed that the contract should be fair for both parties. If they put up a fair amount of investment, they should be able to recover it. If they have a project which makes economic sense, which

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the Board should determine, they should be able to recover their investment. Supervisor Staub indicated that 20-year payback may not be good for the City.

Supervisor Aldean questioned the impact a two-week delay would have on Princeton and whether all of the concerns or questions had been posed. She did not wish to see the item continued indefinitely due to new concerns. Mr. Tabor explained the time restriction on the City's ability to sell energy to Sierra Pacific. A two-week delay could delay the City's ability to sell energy to Sierra Pacific for a year. He also explained his belief that, in order to remove the City's ability to leave the agreement or go with a third party, it would eliminate Princeton's ability to seek and relocate a manufacturer to the City as it removes the economic development incentive for the firm to come here.

Supervisor Livermore expressed his desire to approve the contract as written. Princeton will have 24 months in which to perform. They are putting up the hard money. It will be the City's responsibility to use the renewable energy developed by them. It is a fair and equitable contract. He was not willing to wait two weeks.

(1-1817) Supervisor Williamson moved to accept Development Services recommendation on the Renewable Energy Development Contract, Contract No. 2002-085, with the Princeton Development Corporation, 4151 Shafter Avenue, Oakland, California 94609, that authorizes a feasibility period to develop a renewable energy strategy and to exclusively assess the viability of projects, and to propose mutually acceptable business arrangement with the City and its potential partners in order to proceed with the development of such projects with Section 8.1, the 30-day termination clause, being amended to be mutual. Supervisor Livermore seconded the motion. Mayor Masayko expressed his support for the concept but did not want to be stampeded into doing it. His questions remain regarding the details. He was sorry if two weeks is too much time. Supervisor Williamson read the revised Section 8.1 as being: If at any time Princeton or Carson City, in its discretion, determines that the implementation of the Renewable Energy Strategy is infeasible, Princeton and/or Carson City may terminate this Agreement without further obligation by providing 30 days written notice to each party. Supervisor Staub and Mayor Masayko felt that Princeton would not accept with this provision. Mr. Forsberg and Mr. Tabor indicated that they had agreed to striking this sentence. Mr. Forsberg and Mayor Masayko indicated that the obligations in the term are not struck. Section 3 governing the term remains. Mayor Masayko explained his concern with negotiations from the dias. He reiterated his desire to not be stampeded into making a decision. The loss of energy credits should not be used to stampede the Board's decision. He had not known about this opportunity. It is an important long-term decision. Staff and Princeton should be allowed an opportunity to amend the agreement to address the concerns. The Board as a whole embraced the concept and the potential outcome. The contract should not create unintended consequences on either party. Supervisor Williamson felt that they were not being stampeded. People are here that are interested in the issue. There was publicity on the issue. She preferred to do it when everyone is present. Dragging the matter out is not fair to them. Supervisor Williamson then withdrew her amendment and moved to strike the last sentence (of Section 8.1) if it is acceptable to Princeton. She had heard about the issue through the Economic Vitality Coalition. It may also be that some of the Board members have discussed it in more detail than other members have. Mayor Masayko agreed and pointed out that the meeting is the location where the Board members are charged with exercising due diligence to obtain the information the same as the public does. The concept is approved. The motion will force the matter on. He had not put the item on the Consent Agenda. Staff now understands that it is not a "slam dunk" proposal. It is an important and serious contract issue. The Board should perform its due diligence. The "devil is

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in the details". Delaying the item two weeks will not abrogate anything.

Supervisor Aldean explained that she had reviewed the contract two days ago. She had not been involved with the contract prior to that time. The contract had been drafted based on ones used in other jurisdictions. There is a need to have a level of confidence in the agreement before moving forward. Mr. Burnham acknowledged that there had been a lot of people and staff involved with the contract. They were comfortable with the terms. A two-week delay would not pose a problem for him although he wished to move forward with the agreement. He felt that it had been placed on the Consent Agenda in error due to the belief that it needed to be adequately discussed. Supervisor Aldean acknowledged Mr. Tabor's concerns regarding the credits and advantages in the marketplace. The contract is a long-term commitment. She was unsure whether the contract could be revised appropriately in two weeks. She was also concerned that future problems may arise from the revision. Everyone should be on the same page when the contract moves forward. Mr. Tabor indicated that he was willing to "hang in there and keep working" on the contract.

Supervisor Staub emphasized that the Board supports the concept but the agreement must be something both parties can live with for the long term. Discussion between Mr. Forsberg and Mayor Masayko indicated that clear direction would be provided to staff. Supervisor Williamson then withdrew her motion. Supervisor Livermore concurred. Supervisor Staub moved to accept the agreement but with the provision that it will be in accordance with the revised document which shall be to this Board at its next meeting. He felt that this could be done as it will provide both parties with the understanding that the Board is willing to proceed with Princeton. Clarification was requested. Supervisor Staub amended his motion to move to accept Development Services recommendation to enter into a Renewable Energy Development Contract with Princeton Development Corporation, 4151 Shafter Avenue, Oakland, California 94609, and authorize a feasibility period to develop a renewable energy strategy and to exclusively assess the viability of projects and to propose mutually acceptable business arrangement with the City and its potential partners in order to proceed with the development of such projects in accordance with a revised agreement which shall be submitted to this Board at its next meeting. Clarification indicated that the motion indicates the City is to move forward with the contract under an agreement which will be reached in two weeks. Mayor Masayko indicated that in two weeks the Board could vote the agreement up or down. Mr. Forsberg suggested that the motion be to defer action for two weeks. He also questioned the Board's direction regarding the term of the contract and whether the proposal was appropriate or too long. Is the amount described in the second investment section too long or too much? Mayor Masayko indicated that the items of concern had been expressed by him and Mr. Keeton. Mr. Forsberg again requested clearer direction or that it be tabled. Ms. Ritter indicated her belief that a contract with clarification on these items was being requested. She agreed that the revised agreement may not be supported by the Board. There were concerns regarding the terms. The revised agreement will clearly spell out those terms. Supervisor Aldean supported her and noted that the Board, staff, and Princeton may never completely agree upon the terms but that the ambiguities should be eliminated. Supervisor Staub then withdrew the motion.

Supervisor Staub then moved to defer this action for consideration by the Board for a two-week period. Supervisor Aldean seconded the motion. Mayor Masayko felt that the record was a "little" convoluted. Supervisor Aldean explained that she is like other Board members who do not understand some of the contract provisions. She asked that the Board members individually provide staff direction before the deadline for submittal

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of the item for the agenda. All questions should be posed as quickly as possible so that an acceptable agreement can be drafted. Mayor Masayko also felt that comments should not be delayed until the Monday before the meeting. He would reserve his judgement on the revised contract until the Monday before the meeting or whenever he sees the draft. His questions will be vocalized during the Board meeting. Supervisor Livermore explained that when he needs professional help, he seeks it out. Staff had presented an acceptable document to him. Staff should make amendments based on the discussion. He would not wordsmith the document. Staff is the expert. **The motion to defer action for two weeks was voted and carried 4-1 with Supervisor Williamson voting Naye.**

RECESS: A recess was declared at 10:33 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:43 a.m., constituting a quorum.

5. BOARD OF SUPERVISORS - NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-2251) - Deferred.

6. TREASURER - Al Kramer - ACTION TO INTRODUCE ON SECOND READING BILL NO. 118, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 12 (WATER CONNECTION CHARGES AND USER RATES) DELETING SECTION 12.01.060 (REESTABLISHMENT OF CREDIT), AMENDING SECTION 12.01.100 (PENALTIES FOR NONPAYMENT OF BILLS), INSERTING SECTION 12.01.105 (DELINQUENT CHARGES AS LIENS), AMENDING 12.03.055 (DELINQUENT CHARGES AS LIENS), AMENDING 12.03.070 (PENALTIES FOR NONPAYMENT OF BILLS), AND OTHER MATTERS PROPERLY RELATED THERETO (1-2258) - Mayor Masayko indicated that he had not received any comments on the ordinance since first reading. Mr. Kramer explained the letter that will be distributed to tenants regarding the exemption. Reasons for sending this notice were noted. The lien process may be used to obtain delinquent payments instead of turning off the water. Public comments were solicited but none were given. Supervisor Williamson moved to adopt on second reading Bill No. 118, Ordinance No. 2003-19, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 12, WATER CONNECTION CHARGES AND USER RATES; DELETING SECTION 12.01.060, REESTABLISHMENT OF CREDIT; AMENDING SECTION 12.01.100 PENALTIES FOR NONPAYMENT OF BILLS; INSERTING SECTION 12.01.105, DELINQUENT CHARGES AS LIENS; AMENDING 12.03.055, DELINQUENT CHARGES AS LIENS; AMENDING 12.03.070, PENALTIES FOR NONPAYMENT OF BILLS; AND OTHER MATTERS PROPERLY RELATED THERETO with no fiscal impact. Supervisor Livermore seconded the motion. Motion carried 5-0.

8. COMMUNITY DEVELOPMENT - Director Walter Sullivan

A. ACTION REGARDING AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO APPROVE A VARIANCE REQUEST FROM NORTECH CONSULTANTS, LTD. (PROPERTY OWNER: ROBERT QUINN) TO REDUCE THE REQUIRED SETBACK FOR A RESIDENCE FROM THE EXTERIOR BOUNDARY OF A PLANNED UNIT DEVELOPMENT FROM 20 FEET TO 10 FEET ON PROPERTY ZONED SINGLE FAMILY 6,000-PLANNED UNIT DEVELOPMENT (SF6-P), LOCATED AT 1191 THOMPSON STREET, APN 3-361-37 (FILE NO. V-2/03-5) (1-2345) - The possibility that the item will be continued was noted. The appellant, Jerry Mowbray, had indicated a willingness to

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withdraw his appeal if the issues are resolved. They are close to solving the issues. Mr. Mowbray's subsequent letter requested a continuance. During a conference call, Mr. Earl had also agreed to a continuance. Reasons the structure was built in the setbacks were given. Public comments were solicited but none were given. The cost of the appeal and the continuance were described. Supervisor Livermore moved that the Board of Supervisors grant the continuance regarding the Planning Commission's decision to approve the variance request from Nortech Consultants, Limited, property owner: Robert Quinn, to reduce the required setback for a residence from the exterior boundary of a Planned Unit Development from 20 feet to 10 feet on property zoned Single Family 6,000-Planned Unit Development located 1191 Thompson Street, Assessor's Parcel Number 003-361-37. Supervisor Aldean seconded the motion. Motion carried 5-0.

B. ACTION TO ADOPT ON SECOND READING BILL NO. 119, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, SECTION 18.04.195, NON-RESIDENTIAL DISTRICTS INTENSITY AND DIMENSIONAL STANDARDS, AND AMENDING THE CARSON CITY DEVELOPMENT STANDARDS, DIVISION 1, LAND USE AND SITE DESIGN, NON-RESIDENTIAL DISTRICTS INTENSITY AND DIMENSIONAL STANDARDS, BY MODIFYING THE PERMITTED SETBACKS WITHIN THE LIMITED INDUSTRIAL (LI) ZONING DISTRICT, MAKING OTHER CLERICAL CORRECTIONS, AND OTHER MATTERS PROPERLY RELATED THERETO (A-02/03-14) (1-2482) - Neither Mr. Sullivan nor Mayor Masayko had received any comments regarding the ordinance. Public comments were solicited but none were given. Supervisor Aldean moved to adopt Bill No. 119 on second reading, Ordinance No. 2003-20, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, SECTION 18.04.195, NON-RESIDENTIAL DISTRICTS INTENSITY AND DIMENSIONAL STANDARDS, AND AMENDING THE CARSON CITY DEVELOPMENT STANDARDS, DIVISION 1, LAND USE AND SITE DESIGN, NON-RESIDENTIAL DISTRICTS INTENSITY AND DIMENSIONAL STANDARDS, BY MODIFYING THE PERMITTED SETBACKS WITHIN THE LIMITED INDUSTRIAL (LI) ZONING DISTRICT, MAKING OTHER CLERICAL CORRECTIONS, AND OTHER MATTERS PROPERLY RELATED THERETO; File No. A-02/03-14. Supervisor Livermore seconded the motion. Motion carried 5-0.

7. INTERNAL AUDITOR - Steve Wolkomir - ACTION TO APPROVE THE INTERNAL AUDIT REPORT OF THE WATER UTILITY WAREHOUSE - REPORT NO. CALENDAR YEAR 2003-2 (1-2544) - Utility Operations Manager Tom Hoffert, Development Services Director Andrew Burnham - Mr. Wolkomir's introduction included his commitment to include tabs in his reports in the future. Mayor Masayko complimented him on his pagination. Thirty-three of the recommendations have been agreed to by staff/City Manager. Target dates for implementation were indicated. The remaining 11 have been agreed to in principal, however, need some production capabilities in order to be implemented. Hard copies of the report are available at the City Hall. The report will be placed on the Internet. Mayor Masayko encouraged the City Manager to use the report for other warehouse operations in the City. This could eliminate/reduce the need for audits of those functions. Mr. Wolkomir indicated that quarterly status reports will be provided showing the progress made on the 11 remaining items and indicating those items which were closed. Mayor Masayko also indicated that items which have no-cost benefit and cannot be implemented should be presented to the Board for a decision on whether or not to close them. A six to eight month period or the budget sessions should be adequate for implementation of the recommendations. Board comments complimented Mr. Wolkomir on the comprehensive report.

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Mr. Hoffert explained the mutual relationships with other entities which allows them to share parts and resources during emergencies. Justification for having an overstocked warehouse was provided. Mr. Wolkomir's audit had indicated areas where overstocking is not necessary. A shared data base and written interlocal agreements will be beneficial to the program and could reduce the stocking needs. Discussions with other entities are occurring.

Mr. Wolkomir indicated that he did not find any occasions where parts were delivered to an employee's home rather than the work site. Hiring and retention of good, honest personnel reduces the potential for loss of material and provides good asset controls. Mr. Wolkomir complimented Deputy Finance Director Tom Minton and Nick Providenti on their assistance. Board comments complimented staff on its efforts and the integrity of the warehouse program. Supervisor Williamson felt that the audit had found procedural concerns and no glaring problems. It indicated there may be a \$10,000 savings in a budget of \$400,000. Supervisor Staub felt that the report indicated that there are computer efficiencies which should be implemented. Discussion questioned whether the City should maintain a separate warehouse. Consolidation and implementation of a program requiring the vendors to deliver to the job location takes more than six months to implement. Clarification indicated that the warehouse audit had not included anything stored outside the 692 parts in the warehouse. A second audit will be required regarding this material. Supervisor Livermore read the Department's mission statement. He also noted that the Department had been able to meet the high demand during the hot 101-102 degree period in July without exceeding the supply. He complimented staff on this ability. Mayor Masayko questioned whether there were efficiencies in having a consolidated warehouse and sharing resources and bar codes. He asked Mr. Wolkomir to consider this issue in his audit.

Mr. Burnham reiterated that 33 of the 44 recommendations have been agreed upon and will be implemented. Over half of the recommendations were procedural items which will make the operation more efficient and better run. The cost benefits of transferring/consolidation need to be analyzed.

Mayor Masayko stressed the importance of communication in the process and need for the audit to be accepted. Mr. Wolkomir outlined his audit criteria and his request of Ms. Ritter to participate in prioritizing his audit universe. Mayor Masayko indicated that he was looking forward to the audit of the Information Services Department. Mr. Wolkomir explained that he is already working on this audit. Mayor Masayko pointed out the need to be sensitive about how this Department interacts with elected officials and their Departments/duties. Clarification indicated that Mr. Wolkomir had not prioritized his recommendations for the Water Division's warehouse. Reasons for leaving the prioritization to the Department were noted. The Department should be able to measure its performance in the future.

Mr. Hoffert indicated that his staff is committed to implementing the agreed upon recommendations by the end of December. Some of the items have already been implemented as indicated in the report. It is a tight schedule. Updates will be provided. Mayor Masayko asked that the remaining 11 items be assigned target dates for either a report or a decision which could include the budget cycle. Mr. Wolkomir indicated that he would not monitor it if a commitment on the timeframe for implementation is developed. Mayor Masayko indicated that it would be Ms. Ritter's responsibility to use the recommendations for other warehouses.

Supervisor Livermore moved to approve the Internal Auditor's Report on the Water Utility Warehouse, Report No. 2003-2, and, also, direct the City Manager to look at potential opportunities of cost sharing at other Utility

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warehouse locations. Supervisor Staub seconded the motion. Mayor Masayko indicated that the direction to the City Manager is to look at operations with similar circumstances. Motion carried 5-0.

9. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON CARSON CITY WASTEWATER RECLAMATION PLANT PHASE 1 EXPANSION PROJECT, CONTRACT NO. 2003-015, AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO CAROLLO ENGINEERS, 5740 SOUTHEASTERN AVENUE, SUITE 120, LAS VEGAS, NV 89119, FOR A CONTRACT AMOUNT OF \$789,258 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$10,742 (2-0001) - Development Services Director Andrew Burnham, City Engineer Larry Werner - Discussion explained that the current plant capacity can treat 6.9 million gallons of flow per day. Phase 1 will increase the plant capacity to 7.4 million gallons and replace worn out equipment in the north lift station. The replacement equipment can be used when the plant is expanded in the future. Mayor Masayko noted for the record the 2010 to 2020 plan to expand the plant will cost \$16 millions. Mr. Hoffert explained the next phase of the plant expansion is proposed for 2010-2011 but could be delayed based on flows. The plant's history and flow patterns were used to develop the expansion plans. The rate study had programmed the costs for these improvements into the user fees. Lyon County can be served by the City's plant if an agreement is worked out with them. A portion of the plant has been set aside for this purpose. The selection process used to choose Carollo Engineers and the fees were described. Public comments were solicited but none were given. Discussion also noted that staff had considered alternative energy resources. It was felt that this potential will be seriously considered in Phases 2 and 3. Supervisor Staub moved to accept Development Services' recommendation on Carson City Wastewater Reclamation Plant Phase 1 Expansion Project, Contract No. 2003-015, and authorize Development Services to issue payments to Carollo Engineers, 5740 South Eastern Avenue, Suite 120, Las Vegas, Nevada 89119, for a contract amount of \$789,258 and authorize the Contracts Division to issue amendments for a not to exceed amount of \$10,742 and the fiscal impact could decrease the next referenced accounts by \$800,000 and the funding source 515-0000-434-7926, 515-0000-434-7937, 515-0000-434-7938, 515-0000-434-7952, 515-0000-434-7954, 515-0000-434-7956, 515-0000-434-7976, and 515-0000-434-7978 for a total of \$800,000 as provided in FY 2003/2004. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE CARSON CITY SENIOR CENTER EXPANSION PROJECT, CONTRACT #2003-001, TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDERS PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 624 FOR A TOTAL CONTRACT AMOUNT OF \$2,480,926 AND A CONTINGENCY AMOUNT OF \$63,000 (2-0218) - City Engineer Larry Werner - Discussion explained the original engineer's estimate was for \$2.4 million. The proposal is \$64,000 under his/her estimate. Mayor Masayko expressed his desire to stay within the allocated budget as there is no other funding source. Mr. Werner explained the use of value engineering which attempts to reduce the costs. He agreed that additive change orders should be kept to a minimum. The total funding for the project is a "few more bucks than" \$2,544,746.01 as a CDBG grant had been obtained for the project. The need to move the project "smartly along to its completion" was stressed. The subcontractors were involved with the bidding process. They had submitted

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“hard bids with great details” on their portions of the project. Therefore, the number of change orders should be reduced substantially. This is the first project utilizing this method of construction. It has the quality, cost savings, and cost controls expected. Mr. Werner could not estimate the true cost savings created by this project due to the need to replace the original architect and the costs related to his removal. He felt that it may be in the one to one-and-a-half percent range. Replacing the architect had provided better control over the project from the beginning. Metcalf Builders is acting as the construction manager for the City. His costs are included in the project costs on the spread sheet. Clarification indicated that the City was not building the project as a “design build”. The construction manager had broken out the contracts for the City, answered the questions for the subcontractors, and worked with the architect. There are deductive change orders. One change order was the elevator, which was obtained for the original project, that had been sold for \$12,000 to \$13,000. It had never been used. This change order will be given to the Board in the future. Construction should commence in ten to 15 days. The insurance and bonds are to be submitted during this ten-day period. Public comments were solicited but none were given. Mr. Werner indicated members of NDI were present to answer any questions. Supervisor Staub moved to accept Development Services’ recommendation and award the Carson City Senior Center Expansion Project, Contract No. 2003-001, to the lowest responsive and responsible bidders pursuant to the requirements of NRS Chapter 332, 338, 339, and 624 for a total contract amount of \$2,480,926 and a contingency amount of \$63,000; fiscal impact is \$2,543,926; explanation of impact is, if approved, the referenced account will be decreased by the stated amount; and the funding source is 215-1500-451-7530 Senior Center Building/Construction as provided in FY 2003/2004. Supervisor Livermore seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 11:56 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

10. FINANCE - Acting Finance Director Tom Minton

A. OPEN HEARING TO TAKE PUBLIC COMMENT ON THE ISSUANCE OF GENERAL OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING SEWER PROJECTS AND WATER PROJECTS FOR THE CITY; REFUNDING CERTAIN OF THE CITY’S OUTSTANDING WATER BONDS AND SEWER BONDS FOR INTEREST RATE SAVINGS; AUTHORIZING THE CITY MANAGER OR CITY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE BONDS; RATIFYING ACTION HERETOFORE TAKEN NO INCONSISTENT HERewith; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0445) -

Discussion explained this procedural step which is required for issuing the bonds. The 90-day comment period is running. The purpose of the water and sewer bonds was limned. The bond sale is scheduled for October. Public comments were solicited but none were given. Mayor Masayko indicated that the Board had complied with the requirement for a public hearing. No formal action was required or taken.

B. OPEN HEARING TO TAKE PUBLIC COMMENT ON THE ISSUANCE OF GENERAL OBLIGATION (LIMITED TAX) BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) FOR THE PURPOSE OF FINANCING THE V&T RECREATIONAL FACILITIES PROJECT; AUTHORIZING THE CITY MANAGER OR FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE BONDS; RATIFYING ACTION HERETOFORE TAKEN NO INCONSISTENT

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HEREWITH; PROVIDING OTHER MATTERS PROPERLY RELATED THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0500) - Discussion indicated this bond is on the same track and timeframe as the previous bonds. The Convention and Visitors Bureau had pledged room tax revenue to repay the bond. The bond is for \$4.4 million and will extend the Railroad. Public comments were solicited but none were given. Mayor Masayko indicated for the record that the statutory requirement had been complied with. No formal action was required or taken.

11. JUVENILE PROBATION - Chief Juvenile Probation Officer Shiela Banister

A. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT'S RECEIPT OF \$6,500 IN FEDERAL FUNDS FROM THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION TITLE V GRANT PROGRAM (1-0552) - Discussion explained the purpose and proposed use of the funds. Additional funds may be available for this purpose next year, however, the Title V Grant Program will be eliminated in 2004. Last year the City had received \$31,000 from this grant. Supervisor Livermore disclosed that he is a member on the Ron Wood Board of Directors, however, does not receive any compensation for this position. Public comments were solicited but none were given. Supervisor Livermore moved that the Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$6,500 in Federal Office of Juvenile Justice and Delinquency Prevention Title V grant funds during the 2003 calendar year; fiscal impact is \$6,500 with no local match required. Supervisor Williamson seconded the motion. Motion carried 5-0.

B. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT'S RECEIPT OF \$12,600 IN FEDERAL FUNDS DURING THE 2003-04 FISCAL YEAR FROM THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION (2-0629) - Ms. Banister described the program and indicated that the Department will receive \$2,000 more this year than it did last year. Next year the funding will be less than this year's. Discussion explained that counseling is initiated by either Juvenile Probation Officers or the Juvenile Court and includes both the juvenile and his/her family. Supervisor Livermore moved that the Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$12,600 in Federal funds during the 2003-04 fiscal year from the Office of Juvenile Justice and Delinquency Prevention; fiscal impact is \$12,600 in Federal funds with no local match required. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT'S RECEIPT OF \$26,159 IN COMMUNITY YOUTH CORRECTIONS BLOCK GRANT FUNDS DURING THE 2003-04 FISCAL YEAR FROM THE STATE OF NEVADA DIVISION OF CHILD AND FAMILY SERVICES (2-0673) - A local match for the 3-R's program is not required. Its success was limned. It reduces the commitments to Caliente. The Department's administrative assessment will pick up the \$5,000 grant reduction. Discussion explained how the juveniles are determined to be at risk. Tom Keeton noted the funding commitment on Page 4 which will require an increase in the local funding. He urged the Board to support the program. Ms. Banister explained that the Legislature must renew the program. She acknowledged the reduction in funding for this year's distribution. The service is contracted. Mayor Masayko encouraged her to keep the Board posted about the status of the program's funding during the budget process. Supervisor Livermore moved that the

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Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$26,159 in Community Youth Corrections Block Grant funds during the 2003-04 fiscal year from the State of Nevada Division of Child and Family Services; fiscal impact is \$26,159 in State grant dollars with no local match required. Supervisor Williamson seconded the motion. Motion carried 5-0.

D. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT'S RECEIPT OF \$7,730 IN TITLE II PART E FUNDS DURING 2003 CALENDAR YEAR FROM THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION (2-0775) - Discussion indicated the funding is for the Project Coordinator at the Ron Wood Resource Center. Supervisor Livermore disclosed that he is a volunteer on the Ron Wood Resource Center's Board of Directors and that he receives at no compensation for his duties. Discussion explained the program. It was felt that the program may continue with funding from other sources if this grant program is eliminated. Supervisor Livermore moved that the Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$7,730 in Federal funds during the 2003 calendar year from the Office of Juvenile Justice and Delinquency Prevention; fiscal impact is \$7,730 in Federal funds with no local match required. Supervisor Williamson seconded the motion. Motion carried 5-0.

E. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT'S RECEIPT OF \$32,140 IN FEDERAL FUNDS FROM THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACCOUNTABILITY INCENTIVE BLOCK GRANT (2-0845) - Discussion explained that the funds are rolled from the Feds to the State to local agencies. Supervisor Williamson complimented Ms. Banister and her staff on their efforts to obtain grants and be creative in their program funding. Supervisor Livermore moved that the Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$32,140 in Federal Office of Juvenile Justice and Delinquent Program Prevention Accountability Incentive Block Grant funds during the 2003-2004 fiscal year; funding impact is \$32,140 in Federal funds to be matched by \$3,971 as follows: Project A: \$1,897 in Administrative Assessment Funds - budget 4505, Project B: Program A - \$1,267 in Administrative Assessment - Account 4505, and Project B: Program B - \$807 in Administrative Assessment - Account 4505. Supervisor Staub seconded the motion. Motion carried 5-0. Mayor Masayko congratulated Ms. Banister on the Department's successful grant programs.

12. CITY MANAGER - Linda Ritter

A. ACTION TO ESTABLISH THE DATE, TIME AND FORMAT FOR A PROPOSED WORKSHOP OF THE BOARD OF SUPERVISORS TO REVIEW ORGANIZATIONAL AND PROCEDURAL MATTERS AND OTHER MATTERS RELATED THERETO (2-0943) - Discussion indicated the belief that the meeting would take two or three hours. The proposal to utilize laptops rather than have hard copies of all of the Board documents was noted. Following discussion of the August 26th date, Supervisor Aldean moved to authorize the holding of a special workshop with City staff to discuss organizational and procedural matters on August 26, 2003, between the hours of 10 a.m. and 12 noon in the Sierra Room of the Community Center. Supervisor Livermore seconded the motion. Board comments indicated that two hours may be adequate, however, additional time should be taken if warranted. Motion carried 5-0.

B. ACTION TO ADOPT A RESOLUTION AUTHORIZING A PAY INCREASE TO

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UNCLASSIFIED PERSONNEL WITH THE EXCEPTION OF THE CITY MANAGER OF 2.1 PERCENT MINUS ONE-HALF OF ANY INCREASE IN THE PERS CONTRIBUTION RATE EFFECTIVE JULY 1, 2003, AND TO SET THE MAXIMUM LEVEL OF MERIT INCREASE AVAILABLE TO UNCLASSIFIED PERSONNEL BASED UPON THEIR ANNUAL PERFORMANCE REVIEW AT 7.5 PERCENT FOR THOSE NOT AT THE TOP OF THEIR RESPECTIVE PAY RANGE OR A MAXIMUM \$500 BONUS AND OTHER MATTERS RELATED THERETO (2-1090) - Discussion indicated that the use of the CPI indicator was an appropriate measurement and questioned where the 7.5 percent merit came from. Ms. Ritter explained that it is part of the Rules and Regulations and steps for the classified employees. Mayor Masayko asked that there be consistency in the merit program for all employees and that performance be clearly indicated in order to receive the 7.5 percent merit. He also requested a report to the Board delineating the number of employees receiving each merit. He felt that the current Bell curve was skewed. Ms. Ritter explained that the current budget includes five percent merits for all employees even though some will receive an exception rating and the 7.5 rate. The request splits the PERS increase between the City and the employee. Discussion indicated that the CPI was 2.1 percent in June. Board comments felt that a cap should be placed on the CPI to keep it from exceeding the desired five percent allocated by the budget. Supervisor Livermore expressed his belief that the normal merit was in the 7.5 percent range and not the desired five percent range. Ms. Ritter explained that unclassified professional Department heads are hired within a salary range based on their experience and abilities. This may cause some to reach the top of their range faster than other employees. Mayor Masayko reiterated the desire to have a comprehensive report on the number of employees receiving 7.5, 5 and 2.5 percent merits as well as those who receive the \$500 bonus. The Board had set the budget funding allocation for merit increases at five percent. Supervisor Aldean questioned the status of the program to develop measurable performance criteria for the unclassified employees. Mayor Masayko indicated that this program should be carried downward from the City Manager. They wish to award individuals who exceed the goals. Ms. Ritter agreed that the program needed to have measurable performance criteria and that she would work with her Department Heads to establish such a program. Supervisor Williamson encouraged her to include the training and skills program(s) developed by the Organizational Development Team. Ms. Ritter committed to continuing these programs. Board comments questioned the period involved with the program. She also explained that the program was to have been based on performance from June 30, 2002 to July 1, 2003. A resolution should be developed for the next performance period. This resolution should include a cap to the COLA. A revision to Resolution No. 2001-R-6 was also indicated. The resolution should not be presented after the referenced period has expired. It was also felt that the 7.5 percent merit for the fiscal year 2002-03 could not be eliminated at this time. It could be eliminated in fiscal year 2003-04. Clarification indicated the merit is based on the previous year and not the present year. Mayor Masayko indicated that the decision should be made so that the employees know what is expected of them before the time elapses. He suggested that this revision be added to the goals. Clarification also indicated that a resolution for adoption had not been included in the Board's packet and that all of the unclassified positions were not included in the Resolution 2001-R-6 listing. Mayor Masayko suggested that the policy be adopted by the Board and that the Resolution be amended and brought back at a future meeting rather than modifying and adopting a revised resolution developed at the dias. Supervisor Staub moved to authorize a pay increase for unclassified personnel with the exception of the City Manager of 2.1 percent minus one-half of any increase in the PERS contribution rate effective July 1, 2003, not to exceed five percent per year—. Discussion indicated that the rate is for last year and is to be at a 7.5 percent rate. Supervisor Staub continued his motion to include a cap on the CPI at a not to exceed rate of five percent per year and to set the maximum level of merit increase available to unclassified personnel based upon

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their annual performance review at 7.5 percent for those employees not at the top of their respective pay range or a maximum of \$500 bonus and other matters properly related thereto with a resolution to be presented to Mayor Ray Masayko for his signature. Following a request for an amendment, Supervisor Staub amended his motion to have the resolution placed on the Consent Agenda at the next monthly meeting in two weeks. Supervisor Livermore seconded the motion. Mayor Masayko indicated that the 2.1 percent is for the COLA minus any changes in the PERS contribution. Mayor Masayko explained that the motion is authorizing a 2.1 COLA increase and capping the COLA at five percent for the future. Supervisor Staub then indicated that the motion would authorize a cost-of-living increase to unclassified personnel with the exception of the City Manager of 2.1 percent minus one-half of any increase in the PERS contribution rate effective July 1, 2003, that the COLA is not to exceed five percent annually, and to set the maximum level of merit increase available, etc. Mayor Masayko indicated that the COLA cap of five percent is for future years. The cap will not allow a COLA increase above five percent regardless of the national COLA rate. Supervisor Livermore explained that the 7.5 is the cap for merit increases. The performance criterion for such increases is to be established. Ms. Ritter explained that there will be two resolutions presented. One will adopt the COLA for the previous fiscal year. A second resolution will revise the policy for the future. Supervisor Staub withdrew his motion. Supervisor Livermore withdrew his second. Discussion indicated that Resolution 2001-R-6 will be revised by a second resolution. Supervisor Staub then moved to authorize a cost-of-living pay increase effective June 30, 2003, to unclassified personnel with the exception of the City Manager of 2.1 percent minus one-half of any increase in the PERS contribution rate effective July 1, 2003, and to set the maximum level of the merit increase available to unclassified personnel based upon annual performance reviews of 7.5 percent for those not at the top of their respective pay range or a maximum \$500 bonus and other matters properly related thereto with a resolution to comport with this action to be presented in two weeks, at our next meeting, on the Consent Agenda. Supervisor Livermore seconded the motion. Following discussion, Supervisor Staub amended his motion to include the Internal Auditor as an exception. Supervisor Livermore concurred. Supervisor Staub continued his amendment to include effective June 30, 2003, and not July 1, 2003. Supervisor Livermore again concurred. Discussion indicated that the performance period for the merit is July 1, 2002, to June 30, 2003. The CPI is for the same period. A new resolution will be presented regarding the July 1, 2003, to June 30, 2004, period. The motion was voted and carried 5-0.

C. ACTION TO APPROVE GOALS, OBJECTIVES AND MEASUREMENT CRITERIA FOR THE CITY MANAGER FOR THE FIRST PERFORMANCE REVIEW PERIOD WHICH SHALL END IN DECEMBER OF 2004 (2-1795) - Clarification between Mayor Masayko and Ms. Ritter corrected the ending date of the period to be December 31, 2003. Ms. Ritter read the goals as had been established in February. Mayor Masayko stressed his belief that measurables should be established and reports provided before December 31. The bonus at risk for this period is \$5,700. Discussion indicated that it may not be possible to provide 20 hours of training for all Department Heads and flexibility may be needed. Mayor Masayko encouraged her to bring the item back to the Board for discussion and flexibility rather than wait until the last minute. Communication between them was stressed. An update/status report should be provided at least twice a year. This will open communications. Supervisor Aldean supported his remarks that objectivity should be provided similar to that which occurred when the Princeton item was discussed. Ms. Ritter should also provide a comprehensive documentation on what has been accomplished and what has failed. Her best effort to accomplish the objectives should be provided. Mayor Masayko felt that a progress report should be provided on the status of the interlocal agreement with Lyon County. Supervisor Aldean suggested that a report be provided at each Board meeting. Ms. Ritter

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agreed that status reports should be provided so that there are no surprises. Mayor Masayko also felt that this would provide the ability to measure her progress and a decision can then be made as to whether a partial credit should be given. Supervisor Williamson pointed out that several of the items were being worked on, i.e., the hospital has broken ground, the sexual harassment training for staff is occurring, etc. Ms. Ritter indicated that the pay for performance for unclassified personnel is being worked on but may not be completed by December 31. She acknowledged that she did not expect to receive 100 percent of the bonus. Next year she hoped to reach the goals as there will be better measurements and understanding of the chances for success. Mayor Masayko urged her to tell the Board how the measurements should be handled. Progress on the goals should be indicated. Without measurables, success will be nebulous. Her base salary will not increase a lot each year but the bonus potential makes it a "real life compensation". This process should not be subjective. Supervisor Staub also felt that the process should not be subjective. He felt that former City Manager John Berkich's performance criteria and program had been fair and equitable. It had included measurables that reduced the potential for subjectivity to overrun fairness and equity. Ms. Ritter asked that the Board establish the goals' reward value. Mayor Masayko explained his feeling that the Freeway Phase 2 should have a higher ranking than the hospital. He agreed that the reward values should be established by the Board in order for Ms. Ritter to know what is important to the Board and to help her determine the priorities. This is the same as the Board had done with its goals. Supervisor Aldean supported his recommendation. Mayor Masayko also felt that the Board and Ms. Ritter should discuss the items again in two to four weeks so that communication and better alignment of the goals can occur. This would avoid any miscommunication. Supervisor Livermore explained that he had placed a value of \$2,500 on the auto mall, \$1,500 on the corridor, \$1,500 on the Hospital/Regional Medical Center, \$1,000 each for the interlocal agreements with Douglas and Lyon Counties, \$1,000 for the media training, \$1,000 for press releases, \$1,000 for Department training, \$3,000 for the Freeway, and the Board could add another goal to raise the amount to \$15,000. Mayor Masayko supported his concept as it provides measurables. He also acknowledged that unanticipated things could change the goals, however, a substitution should not occur without discussion with the Board. He suggested that Ms. Ritter develop a plan for developing the urban interface plan that connects with BLM's schedule, a plan to hold personnel costs at 6 percent, a plan for implementation of the Internal Auditor's recommendations, etc. He also indicated that Ms. Ritter was not to be held 100 percent accountable for implementation of these plans but should develop a process for implementation. Ms. Ritter indicated that she understood and would bring back a list of additions so that the Board can determine what should be added or deleted. Mayor Masayko cautioned her against presenting a list that is so large it will not be doable. The list should be understandable and measurable. Supervisor Staub pointed out that the listing contained a lot of goals. The community-wide goals will be established in November. There are goals with staff and a need to coordinate with staff. He felt that Ms. Ritter should judge what can be met and tell the Board how it will be met. Ms. Ritter should have control over the goals. Mayor Masayko reiterated the need to understand what the Board is expecting of her. He encouraged her to indicate, if a figure does not work, that a different plan should be presented to the Board. He also felt that if the pay for performance program is not implemented at the top, it will never occur. The program must be based on the amount of work and understanding/communication between them. Discussion between the Board and Ms. Ritter indicated the Board's desire that she set a ranking for the goals. Ms. Ritter pointed out that her goals should be the Board's and that its feedback is most important in the establishment of priorities. Rapport and communication with staff were stressed. The items listed in the goals are important and need to be completed. Other items could be added as desired. Supervisor Aldean indicated a reluctance to add more to the listing. She also pointed out that some of the items are what Ms. Ritter should do as City Manager. Supervisor Livermore felt that the workshop will define the items. He

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also pointed out that the goals were set in November. Who would have known at that time that the Governor would make the Carson City freeway a priority. This changed the ranking of goals from that established in November. Times change issues and priorities. The workshop could establish the importance of the goals. Ms. Ritter suggested that her listing be a status on the progress of the longer term goals and strategies. She proposed to have a listing of revisions and priorities for the workshop. The Board can then determine the indicators for the priorities and add to the listing. She stressed that time is short. Supervisor Livermore reiterated that the goals had been established in November and were adopted in February with the former City Manager. Ms. Ritter needs to attend a session and work through the process to understand how they had been developed. He suggested that it may be fairer for Ms. Ritter to have a review in September on the status of half of a year's performance and that the bonus of 20 percent of her base salary be split into two sections with half of it considered now. Mayor Masayko explained that he did not feel that an evaluation should occur at this time on the first six months' performance. There is a need, however, for communication to commence so that alignment can occur. He felt that thirty minutes should be allowed for discussion of the goals at the August 26 workshop. Staff will be there to participate in the discussion. Ms. Ritter agreed that this is an appropriate time to develop consensus building, establish the goals' priorities, and receive guidance from the Board. Mayor Masayko deferred action on the item. No formal action was taken.

RECESS: A five minute recess was declared at 3:11 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:15 p.m.

D. CLOSED SESSION - ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO THE NEVADA OPEN MEETING LAW, NRS 241.015(B)(2), FOR THE PURPOSE OF RECEIVING INFORMATION REGARDING POTENTIAL OR EXISTING LITIGATION FROM AN ATTORNEY EMPLOYED OR RETAINED BY THE CITY AND/OR DELIBERATING TOWARD A DECISION (2-2662) - Supervisor Aldean moved to recess into Closed Session. Supervisor Livermore seconded the motion. Motion carried 5-0. Mayor Masayko recessed the Open Session at 3:16 p.m.

E. OPEN SESSION - Mayor Masayko reconvened the Open Session at 4:17 p.m. The entire Board was present constituting a quorum. There being no other matters for discussion, Supervisor Williamson moved to adjourn. Supervisor Aldean seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 4:18 p.m.

The Minutes of the August 7, 2003, Carson City Board of Supervisors meeting

ARE SO APPROVED ON December 18, 2003.

/s/
Ray Masayko, Mayor

ATTEST:

/s/

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Alan Glover, Clerk-Recorder