

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 2

MENT SERVICES RECOMMENDATION ON THE TRANSPORTATION ELEMENT OF THE MASTER PLAN PROJECT, CONTRACT NO. 9798-112 AND APPROVE AMENDMENT NO. 5 TO DKS ASSOCIATES FOR AN INCREASE TO THE CONTRACT AMOUNT OF \$5,300

3-3. PURCHASING AND CONTRACTS

A. ACTION TO APPROVE THE AWARD OF CONTRACT NO. 0203-010, SODIUM HYPOCHLORITE SOLUTION TO SIERRA CHEMICAL CO. AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 AT A COST OF .5068 CENTS PER GALLON LESS A ONE PERCENT CASH DISCOUNT IF PAID WITHIN 15 DAYS THROUGH JUNE 5, 2005, SUBJECT TO THE ESCALATION AND/OR DE-ESCALATION PROVISIONS

B. ACTION TO APPROVE CONTRACT NO. 0203-027, A REQUEST FOR THE PURCHASE OF AN INTERACTIVE VOICE RESPONSE SYSTEM (IVRS) FROM SELECTRON TECHNOLOGIES, INC., FOR A NOT TO EXCEED COST OF \$108,00 EXEMPT FROM COMPETITIVE BIDDING - Supervisor Plank moved to approve each of the four items from the three Departments on today's Consent Agenda as presented. Supervisors Livermore and Staub seconded the motion. Motion carried 5-0.

4. BOARD OF SUPERVISORS

A. ACTION TO APPOINT A MEMBER OF THE BOARD OF SUPERVISORS TO A FOUR YEAR TERM TO THE NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY (1-0094) - Mayor Masayko requested reappointment to the Commission and explained his reasons for making the request. The term expires 6/30/06, however, the enabling Statute restricts his term to his time in office. Supervisor Plank explained his support for his reappointment and moved that Mayor Masayko be reappointed to a four-year term with the condition that he be in office in Carson City to the Commission for the Reconstruction of the V&T Railway. Supervisor Livermore seconded the motion. Motion carried unanimously.

B. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0140) - Mayor Masayko reported on the V&T Railway Commission meeting including Senator Reid's efforts to obtain Union Pacific Railway Foundation's support. The Commission is also obtaining the services of former Senator Richard Bryan as a lobbyist in an effort to obtain some funding from Senator Reid's ISTE program. The plan to become a stand-alone organization was also limned. Office space and some logistic support have been offered by the Convention and Visitors Bureau. Efforts are underway to have September be known as the "Month to Reconstruct the V&T Railway". Ken Dorr of Capital Engineering is working to obtain a bridge from Southern Nevada that could be used to cross Highway 50. The benefits of the railway and its office location were touted. He thanked the Board for his reappointment. Supervisor Livermore reported on his participation in the following activities/meetings: Health Smart's Board of Directors meeting and Executive Director Kathy Loomis' resignation; the Open Space Advisory Committee's Moffet property dedication ceremony; Carson-Tahoe Hospital Finance Committee meeting; the Chamber of Commerce Manufacturer's meeting; Economic Development Committee meeting; Fremont Elementary School's Fifth Grade awards and stepping up ceremony; his involvement with Hilda Christianson's problem with a pit bull in the Eagle Highland area, complimented Animal Services staff members Tracy Edgar and Dan Warne on their handling of the incident, and asked Mr. Berkich to relay his appreciation; the Little Leagues' Pancake Breakfast; the Carson Water Subconservancy District meeting, the number

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 3

of telephone calls he had received regarding the transit provider item which will be discussed later in the meeting and his meetings with the low bidder, Paratransit General Manager Marc Reynolds, and others. Supervisor Staub reported on his participation in the following meetings/activities: the RTC meeting; the Public Transit Advisory Committee (PTAC) meeting; the Taste of Downtown; the Little League Pancake Breakfast and its success; the Community Council on Youth meeting and announced its summer youth program for the Boys and Girls Club including the use of schools buses to take the children to the activities; meetings with PTAC members and Paratransit General Manager Marc Reynolds; the Airport Authority meeting and its concern about the Economic Development Program's failure to acknowledge its existence; and his family and Little League activities. He announced the Reno Hooligan's Tournament scheduled for June 26 and July 3 and the District I Tournament scheduled for July 6 through July 15. The opening ceremony for the District I Tournament was described. Supervisor Williamson reported on her participation in the following meeting/activities: the High 5 Employee Award Program; the Downtown Task Force Review Committee meeting on the economic strategic planning report and announced its final presentation scheduled for Tuesday from 7 to 9 p.m. at the Brewery Arts Center; the Open Space Advisory Committee's Moffet dedication ceremony; her discussions with various transit companies regarding the bids; the success of her walk along the Carson Freeway, thanked NDOT Project Manager Jim Gallegos for serving as the tour guide, displayed GROW's brochure, and solicited donations for it; the Subconservancy District meeting; the Taste of Downtown, and the "C" Hill Flag ceremony. Supervisor Plank reported on his participation in the following activities/meetings: the Development Services barbeque luncheon; the Ron Wood Resource Center meeting; a meeting with Mr. Berkich regarding his evaluation process and standards; the RTC meeting; his interview by Dave Morgan; his visit to "C" Hill Flag and the open space that he felt the City should seriously consider acquiring and his discussion with Mr. Guzman on that property; his family activities; the V&T Railway Commission meeting which he had attended as a member of the Northern Nevada Railway Foundation and his belief that the Commission's expansion will be beneficial; the Senior Centers Advisory Council meeting including its budget problems and the delay in construction on the building's expansion project; the Parks and Recreation Commission meeting; the Retired Federal Employees meeting; the regular meeting of the V&T Railway Foundation and announced its fundraiser plans for the last day of the balloon races in Reno in September; meetings on the transit service contract; and a discussion with Health Director Winkelman regarding some illegal dumping in the creek at the Boys and Girls Club property at Northridge and Lompa. Mayor Masayko reported on his participation in the following activities/meetings: the Rendezvous; the Fallon Navy League's ceremony; the Western Nevada Development District office warming; the High 5 Awards ceremony; the Moffet Open Space ceremony; a legislative meeting on juvenile youth facilities and how they should be funded; Flag Day activities and the possibility of combining the "C" Hill Flag activities and the Veterans Wall ceremony; the Taste of Downtown; Nevada Commission on the Reconstruction of the V&T Railway meeting; the Convention and Visitors Bureau meeting; the Warren Engine Company's 139th anniversary celebration; and the Carson City Republican Women's Club's 50 anniversary celebration.

C. STAFF COMMENTS AND STATUS REPORT (1-1141) - None.

5. FIRE DEPARTMENT - EMS Battalion Chief Vince Pirozzi - ACTION TO ADOPT BILL NO. 126 - ON SECOND READING, AN ORDINANCE AMENDING CHAPTER 5.18 (AMBULANCE SERVICES), SECTION 5.18.040 (FEES AND RATES); BY ADDING NEW SERVICES AND RATES AND INCREASING THE FEE AND RATE SCHEDULE FOR EXISTING SERVICES AND OTHER MATTERS PROPERLY RELATED THERETO (1-1145) - Mayor Masayko indicated for the record that he

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 4

had not received any comments regarding the ordinance between first and second readings. Supervisor Williamson moved to adopt Bill No. 126 on second reading, Ordinance No. 2002-24, AN ORDINANCE AMENDING CHAPTER 5.18 (AMBULANCE SERVICES), SECTION 5.18.040 (FEES AND RATES); BY ADDING NEW SERVICES AND RATES AND INCREASING THE FEE AND RATE SCHEDULE FOR EXISTING SERVICES AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Plank seconded the motion. Motion carried 5-0.

6. ENVIRONMENTAL HEALTH/HUMAN SERVICES - ACTION TO APPROVE THE SUBMITAL OF AN APPLICATION TO THE STATE'S SUPPLEMENTAL FUND FOR THE 50/50 COUNTY MATCH PROGRAM RELATIVE TO LONG TERM CARE REQUESTING SUPPLEMENTAL FUNDS FOR THE REMAINDER OF FY 2001-02 (1-0060) (1-1188) - Deferred.

7. FINANCE - ACTION TO ADOPT A RESOLUTION FOR TEMPORARY INTERFUND LOAN FROM THE GENERAL FUND TO THE CARSON CITY TRANSIT SPECIAL REVENUE FUND (1-1192) - Deputy Finance Director Tom Minton - Discussion explained that the funds are to be repaid by NDOT under the Aging Services program. The loan is at zero percent interest for a six-month period. The City is accountable for the funds and the program. Supervisor Plank moved to adopt Resolution No. 2002-R-39, A RESOLUTION FOR TEMPORARY INTERFUND LOAN FROM THE GENERAL FUND TO THE CARSON CITY TRANSIT FUND; fiscal impact is \$50,000 which will be an impact on the General Fund until it is repaid. Supervisor Williamson seconded the motion. Motion carried 5-0.

8. PURCHASING AND CONTRACTS - ACTION TO APPROVE THE AWARD OF CONTRACT NO. 0203-017, PARATRANSIT SERVICES TO MV TRANSPORTATION, INC., AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 FOR A TOTAL COST OF \$385,815 LESS 0.3 PERCENT FOR EACH MONTHLY PAYMENT PAID WITHIN 15 DAYS TO PROVIDE SERVICE FROM 6 A.M. TO 11 P.M. SEVEN DAYS PER WEEK JULY 1, 2002, THROUGH JUNE 30, 2003, WITH THE OPTION TO RENEW FOR TWO ADDITIONAL YEARS SUBJECT TO NEGOTIATION (1-1268) - City Manager John Berkich, Deputy Purchasing Director Cheryl Adams, Street Operations Manager John Flansberg, Deputy Finance Director Tom Minton, NDOT Transportation and Planning Division Chief Larry Hastings, NDOT Transit Supervisor Jim Mallery, Public Transit Advisory Committee (PTAC) Chairperson Mary Winkler and Vice Chairperson John Peshek MV Transportation Chief Executive Officer John Monson, Dotty Leacher, Chief Executive Officer and President of Paratransit Services Bill Mahan, Barbara Cooper, Herman Law, Darren Johnson, Paratransit General Manager Marc Reynolds, Sam Fleming, RTC Engineer Harvey Brotzman, RSVP Chief Executive Officer Janice Ayres, Jeff Burning, Deputy District Attorney Melanie Bruketta - Mayor Masayko disclosed his direction to Mr. Berkich when the controversy first arose regarding the desire to have staff provide due diligence before the meeting which should provide an adequate amount of factual information on the matter. A packet of information was given to the Board and Clerk by Mr. Flansberg. (A copy is in the file.) Mr. Flansberg noted Paratransit's memo regarding the contract terms. The proposed request for bids is the same as the contract. The two minor modifications were to the definition of a vehicle revenue hour and the requirement that a report be provided with the monthly billing. Two late responses to the reference checks were received this morning. Copies were given to the Board and Clerk. (A copy is in the file.) His investigation of the low bidder's experience in other communities was limited. All of the responses were good or excellent. In the

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 5

transition from one firm to another, the low bidder has retained 90 to 95 percent of the employees. Therefore, it was felt that the staff will not change. The new contractor intends to follow this policy in Carson City. Staff did not believe that MV's figures were low for the service that is to be provided. This belief is based on what the City has paid in the past for the service. Mayor Masayko directed that the record indicate that the vehicles belong to Carson City and had been obtained via grants. The contract is for a service to operate the vehicles as the Board had committed to the community. Mr. Flansberg described the service provided by Paratransit. Discussion indicated that the service will not change. The service hours and contract conditions are the same. Mr. Minton explained his analysis of the bids as indicated in his memo. (A copy is in the file.) Mayor Masayko explained the City's General Fund subsidy which currently is approximately \$260,000. Charges for services and grants do not pay 100 percent of the cost of the operation. The operation had cost \$424,000 to operate this year. The low bid will provide flexibility and allow additional services to be provided. Mr. Berkich explained the staff's attempt to extend the current contract, however, the State and NDOT would not allow it unless the City terminates the grants and other State and Federal subsidies.

(1-1456) Mr. Hastings introduced Jim Mallory and explained the reasons NDOT had required the contract be put out to bid. The original contract was expiring. The City had not gone out to bid on it. Mr. Berkich explained that it had been a negotiated contract. The contract had been extended. The request for bids is faster than a request for proposals. Time was of the essence. The funding is to terminate on January 1 or when the MPO occurs. The FTA will then deal with the City directly on all of its funding. The State does not have any oversight of the MPOs. The date when the City will become an MPO is still unknown. Mr. Hastings indicated that there had been several reasons for requiring the City to bid the service which included meeting FTA requirements.

Clarification by Mr. Mallery indicated that the FTA had done a State Management Review of the Department. One of its findings was the requirement that the service be bid. Services for new projects such as Washoe RTC and Northwest and the Northeast Transit Coalitions are now being done one year at a time. FTA was not going to allow it to be extended for one more year without competitive bidding. This is a statewide requirement and not being mandated just for Carson City. The FTA may have considered the MPO status. Mr. Mallery was unsure whether the decision could be appealed. It may be a lengthy process to accomplish. If the City wanted to spend its funds for transit, it would not have to comply with the requirement. The San Francisco Region 9 office would have to be contacted to determine if there is an appeal process. An individual could be asked to attend the next meeting. NDOT could not require their attendance. Supervisor Livermore pointed out the uniqueness of Carson City's status, i.e., the pending MPO determination and elimination of having NDOT manage the funds. Mr. Mallery felt that the City would still be under the competitive bidding requirement for the MPO funds. Mayor Masayko pointed out that this would mean that the bidding could have been delayed for six months. Mr. Mallery indicated that he would furnish the Board with copies of the requirement.

Mr. Berkich distributed copies of the PTAC minutes from its last meeting. Mayor Masayko indicated that several of the PTAC members were present. The Board had been given an abstract of the terms and conditions of the bid yesterday. (A copy was not given to the Clerk.) A packet of letters from Paratransit was distributed to the Board and Clerk. (A copy is in the file.)

PTAC Chairperson Winkler explained that she had not participated in the two discussions which had been held on

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 6

the contract due to the feeling that there could be a conflict of interest. The lack of knowledge regarding the MV operations had influenced the Committee's decision to not take formal action on the contract. Vice Chairperson Peshek explained the feeling that the bid was too low. Concerns were also voiced regarding having new drivers take over the service and whether they would provide the same service level. They had not had any indication that the company would keep a majority of the drivers. He was hoping that it would be a good deal.

Mr. Berkich referenced a June 12th memo from Finance Director Heath indicating that the company is in sound financial shape.

Mr. Monson explained his background, the size of his company, and its age. Examples of other entities in which his company is providing services were limned. Its safety and customer service records were described. He alleged they had lost only one contract which was the result of not being the low bidder. He pointed out that change can be difficult and is frightening to people. He expressed a desire to hire all of the current employees and a willingness to maintain their seniority. The employee compensation will be equal to or greater than the current pay scale. The City owns the vehicles. They will not change. The office location will remain the same. The fund savings should enhance the service over time. The company's takeover of a Modesto operation was explained to illustrate his commitment to hire all of the current employees. The City is hiring his management team. He did not envision a lot of people moving to the area to operate the business.

Supervisor Plank disclosed his discussion with Vice President Keith Whalen. Mr. Whalen had responded in the same fashion to his questions as Mr. Monson's statements had been.

Discussion between the Board and Mr. Monson indicated that when the City becomes an MPO it will be able to access different grants for transit. His firm has been heavily involved in the grant writing process in other communities. The overhead fee in the bid includes providing this assistance. An example of the service was limned. If the City needs assistance in obtaining the grants, his firm will provide it. The Board will continue to make the policy decisions. His firm will provide the technical support. Their experience with grants in other areas had made them cognizant of the requirements. They have standardized reports which they will submit. The firm is committed to the community in which it provides services and donates services to it. Examples of services provided in the Roseville area for the youth summer activity program were provided to illustrate this commitment. Public fears with a new unknown provider and the concern that the lower price would not provide as good a service were noted. Mr. Monson committed to providing as good if not better service than the community has had. His appearance before the Board today is to reassure the Board and community of the firm's commitment to a quality service. His experience record should indicate his service reputation in the communities where they have provided service.

(1-2085) Public comments were solicited. Mr. Monson explained for Dotty Leacher that MV Transportation had started in 1975 as a company providing medical transportation. Its service was described. Once the firm began doing government contracting, the name was changed from Medy Van to MV as they were not doing as much medical transportation. He also explained that 60 percent of the service is similar to Paratransit's. Names of several of the large communities in which the service is provided were listed. A fixed route service is provided in the remainder of the communities. Examples of several of these sites were provided.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 7

Mr. Berkich pointed out that the firm had provided an unconditional satisfaction guaranteed warrantee in the packet. Mayor Masayko also explained that the contract included 30 and 60 day escape clauses. The contract may be for five years but it is subject to renewal at the end of each year. Additional clauses/terms can be added at that time. The services and cost will be negotiated at the end of each year just as had occurred with Paratransit. Supervisor Livermore questioned the reasons Paratransit had needed a 29.7 percent increase and what the funds were to be used for. Mr. Minton indicated that the biggest portion of the bid had been the fixed portion of the contract. He was unsure what these costs were.

Mr. Mahan indicated that the firm was pleased with the job it had done and congratulated the Board on its leadership in starting the service. The Board had faced several tough decisions since then such as the decision to consolidate the original services. He believed it is one of the finest systems in the United States. Other areas are trying to accomplish this same type of service. Mayor Masayko pointed out that it had been a difficult situation to coordinate the services but it also took the right operator who could do it cost effectively. He complimented him on their service, cooperation and donations to the community. The bidding had provided the community with an opportunity to evaluate the cost of the service. The firm had been a great partner in the operation. Mr. Mahan complimented General Manager Marc Reynolds on the service. His ability to obtain support from the Board and the community had helped build the service. The firm hires local people and they make it work which guarantees its success. They compete with MV Transportation for services throughout the west coast. The cost breakdown had included operational costs which are similar to MV's. The fixed cost for running the office is where the difference is. He was mystified as to how MV could provide the service at the price indicated in view of his knowledge of the operational costs his firm had while operating the service. They do not answer to stockholders and could not afford to lose money. Mayor Masayko thanked him for his comments and the five years of service.

RECESS: A recess was declared at 10:45 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:55 a.m., constituting a quorum.

(1-2394) Public comments were solicited. Ms. Cooper explained her use of the service. She was very dependent upon it and had not missed any appointments. The drivers are punctual, very attentive and helpful. When you have a good thing, why change it? Mayor Masayko explained that the service would still be here in a year as it is the Board's commitment to the community. If the service works as intended, the change will be invisible to the users. The same drivers will still be there. There is not and will not be any dispatch services on the weekends. This service may be provided in the future if there is adequate funding to provide it. If the service is not transparent, Ms. Cooper was asked to return and discuss the problems with the Board. Ms. Cooper explained that the riders she was aware of were not just the seniors who were present but were also the disabled and a young single mother. Her knowledge of the service provided for wheelchair riders was described. She urged the Board to retain the current service.

Mr. Law explained his previous use of the service. He had not ridden it during the last month as the vehicles were either full or broken. He could not cope with the current service. Mayor Masayko apologized for the service problems. The buses belong to Carson City. They have a lot of miles on them and are old. The service is limited. He hoped that additional services or upgrades will be provided within the current budget.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 8

Mr. Johnson explained his experience as a driver when the service was originally started. His concern regarding the drivers and office personnel if MV takes over the operation was expressed. He was glad to learn that the drivers would be offered employment. He felt that the office personnel including Mr. Reynolds should be given the same offer. He also expressed his concern regarding the safety of the passengers. Paratransit's policy was described. It provides safety for each of the riders. He did not believe that MV would provide the same level of safety. His concerns with the lack of assistance provided by some transit firms for the wheelchair riders was described to illustrate his point. He felt that changing the contractor would be a step backwards. He acknowledged that the City would be an MPO in January and hoped that it comes through. Even though he no longer lives in the area he still is in contact with friends in the area who have called him concerning the operation. He urged the Board not to go backwards.

Mr. Reynolds introduced Mr. Fleming. Mr. Fleming encouraged the Board to provide additional services for the handicapped. Mayor Masayko thanked him for his remarks.

Mr. Reynolds thanked them for his years of service to the community. His customer service questionnaires were used to illustrate the satisfaction the senior community felt with the service. It also showed the quality of their work. During his tenure not one client had been injured. They had struggled with an aging fleet and worked 12 to 16 hours a day to make it happen. He expressed his appreciation for the Board's support during his tenure. He asked the Board to remember that he was a community member before he took over the operation. He expressed his pride in the community. He asked that the Board ensure the safety of the clients by making sure that extra time is provided for loading and unloading. He also indicated that his dedication to the service was nothing compared to that of the drivers and office staff. He asked the Board to remember them and again thanked them for the six years of service.

Mayor Masayko explained for Mr. Mahan that he had heard nothing but positive compliments regarding the service. He thanked them for their help and dedication. The service had originally gotten off to a rough start. After Mr. Reynolds arrived, the service was improved. Discussion pointed out that the next contractor may have new equipment if the City becomes an MPO. Supervisor Plank also complimented Mr. Reynolds on his service and dedication to the community. He did not want to go through the same problems they had in the beginning. His fiscal loyalty to the community requires that he look at the costs. He was convinced after his meeting with MV representatives that they will provide equal service. If not, the contract provides a solution. Staff had conducted due diligence. Some of the responses were not available until today. Mayor Masayko pointed out that the second low bidder had been Budget Chauffeur Drive. His personal knowledge of this service and its operator was described. The current buses will remain in operation until the MPO status is obtained. The current service level must be continued until it is possible to upgrade it.

Mr. Brotzman indicated that there were 30 references in the packet. He reported on his contact with Ohio; Colorado; Pinole, California; and Kansas. Normally the company keeps all of the inline employees/staff. The firm had assisted both Ohio and California in obtaining grants and was felt to be very familiar with the FTA requirements.

Ms. Ayres referenced her letter and explained her feeling that her questions had not been satisfactorily answered.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 9

It is not acceptable for anyone to be hurt by negligence of a driver. She came to discuss the service with the Board as an individual who had 30 years of experience in providing transportation in rural areas as well as Carson City. She had seen many counties fail to provide the service regardless of the commitment to do so. She would watch MV's service as the "proof is in the pudding". Her agency is still providing and paying for transportation to Reno three or four times a week for medical services. The Division of Aging Services paid for this service last year. She had discussed this need repeatedly with the City staff. Mr. Reynolds had kept his promises. She was glad to hear that funds will be used to enhance the program. She offered to continue working with the City and State to provide the service. She wanted to have as good or better service in the future. Keeping the same personnel is a wise decision as seniors do not like changes. Mayor Masayko indicated that the Board would be watching. There are measurements to check the service including the riders' surveys.

Mr. Burning indicated that he had been satisfied with the current service, however, the demand for more services is continually putting pressure on the service. There are times when he needs additional rides which are difficult to get. He asked that more employees and buses be obtained. Mayor Masayko agreed that there is a need for additional buses and pointed out the limited resources available for the service. Public comments were then closed.

Discussion between the Board and staff indicated that the contract is for one year with the ability to extend it for two additional one year terms. The final contract is still being negotiated. If reasons are found to declare MV Transportation's bid as unresponsive and irresponsible, then the next lowest bid and its issues must be considered. Paratransit was the third lowest bidder. Supervisor Staub disclosed his meetings with Paratransit and Mr. Berkich. He questioned the need to go to bid before becoming an MPO and for having a one year contract. He felt that it was unfortunate that the community was being forced to seek bids by the FTA. Paratransit has done a good job. He commended them on their efforts. It will be necessary to rebid the service in one year if the City becomes an MPO. With the understanding that the Board is being forced to do this, Supervisor Staub indicated that he did not have any burning concerns with moving forward with MV. He also pointed out that the City is tight for funding and the buses need help. The difference in the bids should be used to improve the service and equipment and do a better job.

Supervisor Livermore pointed out that the budget for Paratransit is \$437,525. The bid is a \$51,710 savings. He insisted that someone return within the next 30 to 60 days with ideas of enhancement for the service. The funds should either be put into maintaining the fleet, repair of stock, etc.

Supervisor Williamson indicated that the Board is not trying to balance the budget on the back of the transit system. The Board supports the transit system and wants it to continue to expand and meet the increasing needs of the ridership. If the Board goes with MV, there will be a savings of approximately \$52,000 a year. If the Board elects to go with Paratransit, the Board will have to find an additional \$89,000. Although she did not know why there is a difference in the numbers, she felt compelled to support the lowest bidder. The Board will make sure that the bidder is responsible and there is minimal change in the service. Hopefully, the bidder will have new vehicles, expanded hours, and more service as that is the Board and her goal.

Supervisor Staub moved to approve the award of Contract No. 0203-017 Paratransit Services to MV Transport, Inc., as the lowest responsive and responsible bidder pursuant to NRS Chapter 332 for a total cost of \$385,815 less 0.3 percent for each monthly payment paid within 15 days to provide service from

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 10

6 a.m. to 11 p.m. seven days per week July 1, 2002, through June 30, 2003, with the option to renew for two additional years subject to renegotiations; fiscal impact is \$385,815 less 0.3 percent for each monthly payment paid within 15 days; and the funding source is the \$437,525 budgeted in Fiscal Year 0203 Transit Funds - Operating Contract 225-3026-430. Supervisor Plank seconded the motion. Supervisor Livermore requested an amendment to the motion that the difference of \$51,710 would be returned to the Board within 60 days with methods of enhancing the services or modifications to the fleet, etc., that PTAC finds is appropriate. Mayor Masayko indicated that it is a tough decision to make. Paratransit has done a good job. He would vote for the motion due to the information that had been provided showing that MV Transportation is a responsible bidder. They will provide the level of service that is expected. They are focused on safety. They are a provider the same as Paratransit is. They are new to the community. He and staff had done their due diligence as staff had. He will hold them accountable. It is the right thing to do for the people who are using the system as it will provide additional service. It should be understood that when two providers have the same service, the most cost efficient service should be selected as costs do count. He was convinced that MV Transportation has the credentials, records, and the commitment to the community that will stand the test of time and meet the community's expectations. They have met the bar and he will hold them accountable. Supervisor Livermore reiterated his request that the motion be amended. **Supervisor Staub agreed to amend his motion to use the surplus money remaining in the contract for enhancement of services and allow PTAC to look into the opportunities of enhancements. Supervisor Plank concurred. Mayor Masayko explained the amendment as being to leave the funds in the transportation system and that PTAC will establish the priorities for the funding. The motion as amended was voted and carried 5-0.**

RECESS: A recess was declared at 11:40 a.m. Mayor Masayko reconvened the meeting at 11:45 a.m. The entire Board was present, constituting a quorum.

9. CITY MANAGER - John Berkich

B. ACTION TO APPROVE A THREE YEAR CONTRACT WITH THE CITY MANAGER (2-0001) - Mr. Berkich's introduction include a notation that the contract had expired on February 1, 2002. Considerable discussion ensued on the pros and cons of having a contract with Mr. Berkich and the amount of severance the City/Board should pay if it terminates the contract with Mr. Berkich. Examples of communities/counties whose managers do and do not have contracts were provided. Mr. Berkich's performance is judged frequently by the Board. Reasons for including the buyout/severance clause were explained. The contract requires Mr. Berkich to provide 30 days notice if he wishes to make a change. Mr. Berkich's first contract had included the severance element. Over time it was increased to the current level of six months. A majority of contracts require payment regardless of when termination occurs. Mr. Berkich had overlooked the expiration date due to higher priorities and did not bring the contract forward in December/January. The budget uses the figures determined by the Board with a reasonable cost-of-living added. This is similar to the process used for other City employees. The pay-for-performance element was established during the budget process at \$15,000. Supervisor Williamson indicated that the contract should be considered a priority. Discussion indicated Mr. Berkich is the only City employee with a contract. Mr. Berkich's reasons for having a contract were provided. It was also noted that a lot of private companies have contracts for key employees. Mayor Masayko suggested that the termination period be the same for both sides. Mr. Berkich agreed to extend the notice period to six months. He also pointed out that

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 11

he did not have any intention of leaving as his family is located in the area. Discussion noted the time and effort required to go through the recruitment process as indicated by that spent recruiting a new Human Resource Manager. Supervisor Staub suggested the severance period be 60 to 90 days. Mr. Berkich explained that the severance period had started at 30 days in the first contract and had increased annually until it was capped at six months. Discussion noted the contract terms under which Mr. Berkich could be terminated. It was pointed out that Nevada is a "work at will" state which overrides the contract. Supervisor Plank supported the 90-day severance. Supervisor Livermore explained his feeling that the contract is one given to loyal senior employees as a reward for continuing to remain with the firm by renewing the contract. Some contracts have a severance period based on the length of service. The contract reduces the period to six months rather than 12 years. As a senior management employee with this type of experience, he should get a higher salary. He supported the six-month period. Mr. Berkich explained that the clause recognizes the service time and is modest when compared with other contracts. Discussion noted the difference between the Governor and his State Department Heads and Mr. Berkich and his Department Heads. Supervisor Staub pointed out that his health insurance continues on at a cost of \$50,000 after he is terminated. Private business does not have this. Supervisor Staub explained his reasons for feeling that the notice period should be shortened to 90 days notice and 30-day severance. Supervisor Plank and Mayor Masayko explained their experiences when leaving their last employment. Thirty days will require a temporary appointment until a permanent replacement is found. Mr. Berkich explained that he looked at it as a benefit/insurance and a parachute. It was earned over time. It is modest compared to other contracts. It provides a transition period if terminated. Although he assumed it will not happen due to his positive outlook on life, boards and times change. He would be disappointed if it is removed but would remain with the City. He was willing to change the contract as the Board desired. Supervisor Livermore reiterated his support for the proposed contract as written. Mayor Masayko pointed out the Board's policy change which had granted long-term employees non-cash payments. Supervisor Williamson suggested that statistics be provided indicating the number of managers with and without contracts. Mayor Masayko felt that the contract changed the working relationship and provided too much of an ironclad guarantee. Supervisor Staub supported Supervisor Williamson's request for statistics regarding the industry standard for the six month clause and the salary control point. Supervisor Plank agreed. Discussion indicated that Lyon, Churchill and Douglas Counties and Fallon County/City Managers were at will employees. Supervisor Williamson suggested that the item be deferred for 30 days. Mayor Masayko suggested two weeks with the contract being considered two weeks later. Mayor Masayko explained for the record that the salary plan sets a control point that the Board pays for the job under continuing compensation with a bonus. The maximum is \$107,000. The Board can revisit it with comparable cities without obligation regarding the need to increase the compensation to match the comparable cities. The core compensation is used to develop the level of compensation. Mr. Berkich was commendable at 91 to 94 percent of the salary range. This does not guarantee any salary beyond the \$99,000 that is there now which is the internal and external salaries. The bonus is 20 percent which is the pay for performance.

Discussion ensued concerning when the item would be returned as Supervisor Plank would not be available on July 21. Supervisor Plank also indicated that he did not have a problem with the liquidated damages settlement. Mayor Masayko indicated that the contract is to be brought back with blank spaces for the term of the contract and the termination notice before July 21. Supervisor Staub suggested the termination clause be revised. Supervisor Livermore explained that to recruit an individual it is necessary to have a comprehensive compensation package. Management is not hired based on salary. Retention is the same as recruitment. Supervisor Plank agreed. Mayor Masayko felt there is a difference in philosophy. Supervisor Williamson moved to defer the issue of the contract

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 12

with the City Manager until July 3 with direction to the City Manager to come back with information concerning comparable contracts and to explore liquidated damages with legal council. Supervisors Plank and Staub seconded the motion. Ms. Bruketta explained that the District Attorney's office is legal counsel to the Board. They could not assist Mr. Berkich with his contract. The contract should be sent to Mr. Berkich's attorney before being brought back for Board consideration. Clarification indicated that the Deputy District Attorney's signature on the Board Action Form indicates they have reviewed the title to ensure that it meets the Open Meeting Law. Discussion indicated that Mr. Berkich's attorney and the District Attorney's office should review the contract before it is brought back. Discussion felt that Mr. Forsberg may have reviewed the contract. Supervisor Williamson amended the motion to include personal legal representation. She had not thought that someone from the District Attorney's office would be involved. Discussion indicated that the District Attorney's office had always reviewed the contract as a procedural matter. Supervisor Staub seconded the motion. Motion carried 5-0.

A. ACTION TO APPROVE A SET OF DESIRED OUTCOMES FOR THE CITY MANAGER FOR THE FISCAL YEAR ENDING JUNE 30, 2002 (2-0768) - Mayor Masayko questioned the benefit of having outcomes with \$500 assessments. Supervisor Livermore explained his belief that public relations are important. The Fairgrounds issue had been a disaster. He suggested that the total value be increased to \$19,000. Mayor Masayko suggested \$20,000. Discussion explained the status of the utility franchise fees. Supervisor Plank suggested that #9, public relations, be increased to \$2500 and that more emphasis be placed on the storm drainage and less on the freeway due to Mr. Berkich's lack of control over it. Mayor Masayko suggested that the freeway be combined. Utility relocation is being worked on. Comments indicated that the mental health coalition should remain at \$500 as it may be expanded. Long-term health care was not to be added as the City/Board had little control over it. The City must participate in the program. The present allocation process is controlled by the State. Efforts are underway to revise it. Mayor Masayko indicated that the funds for the outcomes had been increased to \$19,500, that Items 1 and 2 had been combined and that Items 4 and 9 were increased. There were ten items in the plan. The plan can be revisited whenever necessary. Discussion indicated that the bonus should be paid in December or after the audited fiscal report is presented. Mr. Berkich supported the changes as made by the discussion. Supervisor Plank felt that there were still too many goals. Mayor Masayko agreed and recommended that they disappear when they are completed. Mr. Berkich and Mayor Masayko acknowledged that some of them create a life of their own and grow. Some are politically sensitive but must have a decision point at some time in the process. Supervisor Livermore moved to approve the set for desired outcomes for the City Manager for fiscal year ending June 20, 2002, that being the ten items as agreed upon with the value of \$19,500 potential. Supervisor Plank seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 12:40 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

10. BOARD OF SUPERVISORS

A. DISCUSSION REGARDING THE TRUCKEE RIVER OPERATING AGREEMENT (TROA) AND POSSIBLE SEPARATION OF WATER MASTER RESPONSIBILITIES ON THE CARSON AND TRUCKEE RIVERS (2-1022) - Board discussion with Subconservancy District Manager Ed James explained TROA, the proposal to have the administrator be the water master, the entities included in its district,

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 13

the conflict of interest created by the concept and its relationship to the Alpine decree, and Mr. James' contact with the users and impacted entities regarding the proposal. The Subconservancy will make a decision once Mr. James has completed his research. It was felt that the budget will need to be increased by 50 percent if there are two Water Masters. The users to be assessed the fee were limned. In order to revise the operating agreement to allow separation of water master responsibilities, Mr. James will have to submit a written request to the Judge. It was felt that the process will take at least 18 months to two years unless litigation occurs when it could be as much as 10 years. TCID will continue to make recommendations on the Newlands Water Project allocations. The phosphorous issues are controlled by the Nevada Department of Environmental Protection. The Federal Water Master will control releases of stored water. The regional plan will not be under the Water Master or the Federal program.

Todd Westergard, the City's representative to the Truckee Water Conservancy District, explained that the District has not formally considered the issue and disclosed that the Federal Water Master Gary Stone is his cousin and his father Roland Westergard is involved in the TROA negotiations as a representative of the State. He had consulted with both individuals on the issue. Gary Stone advocates having separate Water Masters. His father did not see a down side to the proposal. The value to having a Water Master for the Carson River is that his tasks would be to address the Carson River interests and concerns. If the Truckee River Water Master also serves as the Carson River Water Master there could be an awkward situation created when a difference in opinions arise. Mr. Westergard committed to agenzizing the item for discussion by his district. He also explained that the program is in its final preparation period but the environmental assessments must be completed and ratified by two Federal courts before it becomes effective. The current program will remain in effect until that occurs. He suggested that the Board take action on the proposal/resolution supporting two Water Masters and that it contain a clause that it is effective only if TROA is effective in its present form.

Discussion indicated that the agreement is difficult to read. Mr. James was uncertain whether the Water Master could employ someone to be responsible for the process. Deputy State Engineer Christine Fields purportedly felt that the fundamentals could create a conflict if there are two different people involved. A caveat allows the Carson River to be separate from the Truckee but the current belief is that it is to be the same individual for both rivers.

Board comments referenced a letter from Tom Hoffert as President of the Mexican Dam and Ditch Company users. (A copy was not in the file.) Discussion also pointed out the complexity of the issue. It overlaps into the area of the endangered species. It allows the transfer of water for federal acquisitions. The impact this creates on the area's air and water quality and the cost to fight/defend our resources were noted. Mr. James reiterated the need to determine whether it was important to have a person focused just on the Carson River issues.

Mr. Hoffert explained that the Mexican Dam and Ditch Company Committee's view of the proposal is that it is in their best interest to have two separate Water Masters rather than one individual. Therefore, a letter was sent to TROA voicing its concerns and desire. Mayor Masayko indicated for the record that Carson City Parks and Utilities Divisions have two seats on the committee with 12 other individuals. This item had not been agenzized for action. He felt that the Subconservancy understood the Board's concerns. No formal action was taken or required.

B. REPORT ON AND DISCUSSION OF ACTIVITIES OF THE CARSON TRUCKEE WATER CONSERVANCY DISTRICT - TODD WESTERGARD, BOARD MEMBER REPRESENT-

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 14

ING CARSON CITY (2-1488) - Mr. Westergard distributed a packet of information to the Board. He explained his reasons for being present including the District's background, its purpose, its membership, its jurisdiction, its appointments, his service on the Board of Directors, its direction during his tenure, reasons for the District's oversight, a memo describing its history and early functions, a list of major expenditures and revenue sources. Some of the major expenditures were limned. Its expenditures on TROA and the Carson River were justified. The revenue sources were described. Discussion indicated that the funding sources are all excise, sales or motor vehicle privilege taxes. A property tax is not used for the District at this time but could be if needed for projects like construction of the dam for the Stampede Reservoir. The TROA negotiations and the diversion of the Derby Canal/water should be watched carefully. It is a unique district as it has several entities and regional impacts. The District should be able to address the regional implications. Supervisor Williamson thanked him for attending, providing the report, and for the support provided by the District. She hoped that there will be better communications in the future for the betterment of the Carson River. Mayor Masayko hoped that he would provide an annual report unless there is an issue which should be agenzized sooner and thanked him for coming.

11. CARSON CITY CONVENTION AND VISITORS BUREAU - ACTION TO APPOINT THREE MEMBERS TO FILL TWO-YEAR TERMS FOR THE HOTEL/MOTEL INDUSTRY, BUSINESS, AND CITIZEN-AT-LARGE VACANCIES ON THE CONVENTION AND VISITORS BUREAU BOARD (2-1800) - Mayor Masayko explained the reasons for conducting the interviews and the Bureau's ability to function independently from the Board. There are three vacancies. Dwight Millard was the only applicant for the motel/hotel industry. Mayor Masayko disclosed that he is the Board's representative to the Bureau. Mr. Millard has served for ten years on the Bureau. Mr. Millard explained his purpose for attending and reasons for wanting to be reappointed. The Bureau's efforts to plan for the future when the freeway is completed were felt to be bright. Mayor Masayko and Supervisors Livermore and Plank explained Mr. Millard's commitment to the Bureau and community. Supervisor Plank moved to appoint Dwight Millard, representing the Hotel/Motel Industry, to the Carson City Convention and Visitors Bureau for a two-year term commencing on July 1, 2002. Supervisor Livermore seconded the motion. Mayor Masayko noted that this would be his sixth consecutive appointment to the Bureau. The motion was voted and carried 5-0.

The Board then interviewed (2-1975) Richard Linkul and (2-2265) Joseph DiLonardo. Each applicant was thanked for applying and attending the interview. Supervisor Livermore disclosed his relationship with and knowledge of Mr. Linkul, who is the Marketing Director for the Carson-Tahoe Hospital. He also explained his wish to Mr. DiLonardo that there were more vacancies or that more than one individual could be appointed. Interviews were then conducted with (2-2628) David Campbell, (2-3020) Frederick "Fritz" Schlottman, (2-3370) Clyde Lippincott, (3-0120), and (3-0278) Joe McCarthy. Mayor Masayko disclosed his contact with Mr. Lippincott regarding his ideas for convention activities. Mr. Lippincott also disclosed his relationship with Mr. Berkich. Mr. Lippincott thanked the Board for the signal at College Parkway and Carson Street and suggested that a left-hand turn signal be installed on Roop Street at the Post Office. Supervisor Plank disclosed his former relationship with him. Supervisor Williamson thanked Ms. Tull for her service to CASA and other Carson City special interest groups. Board concerns regarding Mr. McCarthy and potential conflicts of interest due to his numerous commitments to the community were noted.

RECESS: A recess was declared at 3:45 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:50 p.m., constituting a quorum.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the June 20, 2002, Meeting

Page 15

Board discussion ensued with Personnel Tech II Lynne Ward indicating that the applicants pick the category in which they wish to be considered/appointed and how Mr. DiLonardo and Ms. Tull's categories were selected. Discussion also indicated that if Mr. DiLonardo is not selected as the business representative, he could be considered for the citizen-at-large position. The round robin selection process was used by the Board to nominate the individuals for appointment. Board comments when making the nominations sometimes included reasons for the nominations. Supervisor Plank moved to reappoint Joseph DiLonardo as the representative from the business community to the Carson City Convention and Visitors Bureau for two years commencing on July 1, 2002. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Livermore explained his belief that Mr. Linkul should be considered in the citizen-at-large category. Comments noted the quality of the applicants and the fact that there is only one vacancy in this category. It was also felt that, if the applicants were not successful on this board, other positions should be found for them. Mr. Linkul and Mr. Campbell were specifically identified as ones who should be assigned to the Economic Development Committee to work on its marketing and strategic plan. Community service efforts provided by several of the applicants were also limned. The round robin process was used to nominate Mr. McCarthy. Supervisor Williamson moved to appoint Joe McCarthy as the citizen-at-large on the Convention and Visitors Bureau. Supervisor Plank seconded the motion. Discussion noted Genevieve Frederick's withdrawal which could have been due to her inability to make the interview. The motion to appoint Mr. McCarthy was voted and carried 5-0. Mayor Masayko congratulated Messrs. McCarthy, DiLonardo, and Millard on their appointments.

12. LIBRARY - ACTION TO APPOINT ONE MEMBER TO THE CARSON CITY LIBRARY BOARD OF TRUSTEES (3-07660) - The Board interviewed (3-765) Gerald Bartholomew, (3-0885) Keith Allred, (3-1058) Lee-Ann Keever, and (3-1175) Martin Jones. Each applicant was thanked for applying and attending the interview. Maryann Elorreaga was not present. Ms. Ward had not heard from her. Mayor Masayko explained his knowledge of Linda Lee Nary and suggested that she be included in the consideration. Board comments noted the quality of the applicants. Supervisor Plank supported consideration of Ms. Nary's application. The round robin process was again used to nominate an applicant for appointment. Supervisor Williamson moved to appoint Martin Jones to the Library Board of Trustees for a four-year term. Supervisor Livermore seconded the motion. Motion carried 5-0. Ms. Ward was asked to notify the appointees and to thank the other applicants for their interest.

There being no other matters for consideration, Supervisor Staub moved to adjourn. Supervisor Plank seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 4:45 p.m.

The Minutes of the June 20, 2002, Carson City Board of Supervisors meeting

ARE SO APPROVED ON October 3, 2002.

/s/
Ray Masayko, Mayor

