

CARSON CITY BOARD OF SUPERVISORS
Minutes of the October 3, 1996, Meeting
Page 1

A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, October 3, 1996, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 10 a.m.

PRESENT: Marv Teixeira Mayor (p.m. session only)
Greg Smith Supervisor, Ward 1 (Mayor Pro-Tem
for a.m. session)
Janice Ayres Supervisor, Ward 2
Tom Tatro Supervisor, Ward 3
Kay Bennett Supervisor, Ward 4

STAFF PRESENT: John Berkich City Manager
Alan Glover Clerk-Recorder
Rod Banister Sheriff
Al Kramer Treasurer
Barney Dehl Undersheriff
Steve Kastens Parks and Recreation Director
John Iratcabal Deputy Purchasing & Contrs. Dir.
Mark Forsberg Deputy District Attorney
Tom Casey Intelligence Officer
Katherine McLaughlin Recording Secretary
(B.O.S. 10/3/96 Tape 1-0001.5)

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, INVOCATION, PLEDGE OF ALLEGIANCE AND ROLL CALL - Mayor Pro-Tem Smith convened the meeting at 10:05 a.m. Rev. Louie Locke of the Fountain Head Foursquare Church gave the Invocation. Supervisor Ayres led the Pledge of Allegiance. Roll call was taken and a quorum was present although Mayor Teixeira was absent.

APPROVAL OF MINUTES - September 19, 1996, Regular Session and August 21, 1996, Special Session (1-0018.5) - Supervisor Ayres moved to approve. Supervisor Tatro seconded the motion. Motion carried 4-0.

SPECIAL PRESENTATIONS - ACTION ON A PROCLAMATION DECLARING OCTOBER QUALITY MONTH (1-0023.5) - Mayor Pro-Tem Smith explained the purpose of the Proclamation and read the entire Proclamation into the record. No formal action was required or taken.

CITIZEN COMMENTS (1-0044.5) - Chamber of Commerce Executive Vice President Larry Osborne explained that there had been 18 individuals graduate from the Chambers "Empowering Volunteers" Program on Monday evening. This had been a successful program which will be repeated in the future. He thanked the City and the Board for their support. City Manager Berkich commended the Chamber on the Program, which he felt had been a quality program.

(1-0071.5) David Horton referenced his letter and its attachments which he had distributed to the Clerk and Board prior to the meeting. He urged the Board to take its comments seriously and to inventory the fallout shelters which had been constructed in the community years ago. He felt certain that these shelters would be needed in the future as more terrorist acts occur throughout the world. He urged the Board to adopt the resolution which had been attached although several sections of it had already been implemented. He urged the Planning Commission and Board to consider including areas which could be considered fallout shelters in the City's development plans,

expansion plans, and building plans and, specifically, the new Capital Safety Complex. Energy savings of such facilities were emphasized to support his suggestion. Reasons for his recommendations were provided. (During his comments Supervisor Tatro stepped from the room--10:10 a.m.--and returned--10:12 a.m. A quorum was present the entire time.) He urged Sheriff Banister to include training on how to handle such problems as part of the routine training program as law enforcement and fire personnel are the first responders to such incidents. Mayor Pro-Tem Smith explained the reasons his item had not been agendaized and apologized. He suggested that Mr. Horton meet with Mr. Berkich and that the issue be agendaized for a short presentation at a future meeting. He requested the items which the City should do be included in the presentation including those involving emergency preparedness. This would allow the Board to be involved in the dialogue a little further than allowed under Citizen Comments.

Additional Citizens Comments were solicited but none given.

LIQUOR AND ENTERTAINMENT BOARD (1-0195.5) - Mayor Pro-Tem Smith then recessed the Board of Supervisors session and immediately reconvened the session as the Liquor and Entertainment Board. A quorum of the Board was present including Sheriff Banister although Chairperson Teixeira was absent.

3. CONSENT AGENDA (1-0199.5) - TREASURER - Al Kramer - ACTION ON A SHORT-TERM BUSINESS LICENSE PERMIT FOR PACIFIC STATES ARTISTS CRAFT FAIR - Vice Chairperson Smith questioned whether it is necessary to close Third Street each time an activity of this nature occurs. He had been contacted by one of the businesses abutting Third Street expressing concern about the constant closures and the impact this had on the business. Mr. Kramer explained that his Department does not contact the businesses. The applicant is required to do this, however, he did not require verification that contact had occurred. He felt that the contacts with the business proprietors had indicated the activities attract customers. He was willing to conduct a survey of the proprietors/residents if desired. The only complaints he had received had been about the late hours from residents in the neighborhood. The proposed activity is to close at 9 p.m. Deputy Public Works Director Tim Homann explained the condition placed on the application requiring the applicant to contact the property owners about the closure and to post a notice in the Nevada Appeal. His Department does not verify that the contacts have been made. He urged anyone in the neighborhood to contact his office if there is a problem. Vice Chairperson Smith suggested that, if more closures are requested, discussion occur with the proprietors to determine the impacts/concerns. As the request is on Nevada Day, he did not feel that it would be necessary to change the procedure for this one event. Member Ayres applauded the applicant's intent to share 50 percent of the profits with the Senior Center. Member Ayres moved to approve the request from Pacific States Artists to obtain a short-term business license for a craft fair to be held on October 31, 1996; and that the Treasurer's office had recommended approval; it will require closure of Third and Carson Street where the Applicant intends to place 20 booths; fiscal impact is \$50 promoter fee and \$2 a booth. Member Bennett seconded the motion. Motion carried 5-0.

4. TREASURER - Al Kramer - ACTION ON A SIX MONTH REVIEW OF BREGENE'S TRATTORIA AND PASTRY SHOP, INC., LIQUOR LICENSE (1-0275.5) - Brenda Burns requested the special six month review condition be removed as there had not been any violations at her establishment. Member Banister noted the original concerns which were discussed when she was licensed. He also indicated that there had not been any problems at the establishment during the six month probationary period. Member Bennett moved that the Liquor and Entertainment Board approve the Liquor License for Bregene's Trattoria and Pastry Shop, Inc. Member Ayres seconded the motion. Following a request for an amendment, Member Bennett amended her motion to include removal of the requirement that Ms. Burns be present at all times when liquor is served. Member Ayres continued her second. Motion was voted and carried 5-0. Ms. Burns then explained the business name and location.

BOARD OF SUPERVISORS (1-0325.5) - There being no other matters for consideration as the Liquor and Entertainment Board, Vice Chairperson Smith adjourned the Liquor and Entertainment Board and immediately reconvened the session as the Board of Supervisors. A quorum of the Board was present although Mayor Teixeira was absent.

5. CONSENT AGENDA (1-0327.5)

A. ASSESSOR - ACTION TO CORRECT OVERASSESSMENT OF REAL PROPERTY DUE TO FACTUAL ERROR

B. PUBLIC WORKS DIRECTOR - ACTION ON APPROVAL OF AN AMENDMENT TO GRANTEE AGREEMENT #P017-95-802 BETWEEN CARSON CITY AND THE NEVADA DEPARTMENT OF TRANSPORTATION TO CHANGE THE EFFECTIVE DATE OF THE PERFORMANCE PERIOD TO JUNE 30, 1997

C. PURCHASING DIRECTOR

i. ACTION ON CONTRACT NO. 9697-076 - TRAFFIC SIGNALS - EDMONDS DRIVE AND PHEASANT DRIVE (AWARD)

ii. ACTION ON CONTRACT NO. 9697-65 - CARSON DETOX CENTER (AWARD)

iii. ACTION ON CONTRACT NO. 9697-68 - DIGESTER CLEANING (AWARD)

iv. ACTION ON CONTRACT NO. 9697-80 - JUNIOR SKI PROGRAM - TRANSPORTATION (AWARD)

v. ACTION ON CONTRACT NO. 9697-095 - COMMUNITY CENTER DESIGN FOR HVAC REPLACEMENT (AGREEMENT)

vi. ACTION ON CONTRACT NO. 9697-044 - SEWER LINE CLEANING (AWARD)

vii. ACTION ON AMENDMENT IV TO CONTRACT 9495-018 - JAIL FACILITY CONSULTANT SERVICE AGREEMENT - Mayor Pro-Tem Smith pulled Contract 9697-076 for discussion. Supervisor Ayres moved that the Board of Supervisors approve the Consent Agenda with the exception of Action on Contract No. 9697-076, Traffic Signals at Edmonds and Pleasant Drive - Award. Supervisor Bennett seconded the motion. Motion carried 4-0.

C. i. (1-0342.5) Mayor Pro-Tem Smith and Deputy Public Works Director Tim Homann discussed the delay in getting the signals installed at this intersection. Mr. Homann committed to trying to get the signals installed as soon as possible. Supervisor Ayres moved that the Board of Supervisors accept the Purchasing Department's recommendation and award Contract 9697-076 to Bidder No. 1, Harker and Harker, Inc., 1465 West Fourth Street, Reno, Nevada 89503, as the lowest responsive and responsible bidder pursuant to the requirements of NRS Chapters 332, 338, 339, and 624 for a contract amount of \$124,500 and a contingency amount of \$15,500; with a total of \$140,000 budget allocation; funding source is the Traffic Signal Installation as provided for in Fiscal Year 9697. Supervisor Bennett seconded the motion. Motion carried 4-0.

6. PERSONNEL MANAGER - City Manager John Berkich - ORDINANCE - SECOND READING - ACTION ON BILL NO. 151 - AN ORDINANCE AMENDING SECTION 2.04.400 (PUBLIC OFFICERS) OF THE CARSON CITY MUNICIPAL CODE BY ADDING TWO POSITIONS: STREET SUPERINTENDENT AND UTILITIES WASTEWATER SUPERINTENDENT (1-0412.5) - Supervisor Bennett moved that the Board of Supervisors adopt Ordinance No. 1996-50 on second reading, AN ORDINANCE AMENDING SECTION 2.04.400 (PUBLIC OFFICERS) BY ADDING STREET SUPERINTENDENT AND UTILITIES WASTEWATER SUPERINTENDENT. Supervisor Tatro seconded the motion. Motion was voted and carried 4-0.

7. UTILITIES DIRECTOR - Dorothy Timian-Palmer - ORDINANCE - SECOND READING - ACTION ON BILL NO. 153 - AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY, SILVER OAK DEVELOPMENT CO., A LIMITED PARTNERSHIP, AND THE STATE OF NEVADA PUBLIC WORKS BOARD REGARDING THE SILVER OAK PLANNED UNIT DEVELOPMENT, ASSESSOR'S PARCEL NO. 8-061-64, AND THE WESTERN NEVADA COMMUNITY COLLEGE, ASSESSOR'S PARCEL NO. 7-091-82, LOCATED IN CARSON CITY, NEVADA, FOR WATER MAIN EXTENSION (1-0432.5) - Supervisor Tatro moved that the Board adopt Ordinance No. 1996-51, Bill No. 153, on second reading,

AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY, SILVER OAK DEVELOPMENT CO., A LIMITED PARTNERSHIP, AND THE STATE OF NEVADA PUBLIC WORKS BOARD REGARDING THE SILVER OAK PLANNED UNIT DEVELOPMENT, ASSESSOR'S PARCEL NO. 8-061-64, AND THE WESTERN NEVADA COMMUNITY COLLEGE, ASSESSOR'S PARCEL NO. 7-091-82, LOCATED IN CARSON CITY, NEVADA, FOR WATER MAIN EXTENSION, fiscal impact is \$7,292.50, funding source is Fund 520 Participation/Transmission Line. Supervisors Ayres and Bennett seconded the motion. Motion carried 4-0.

8. SHERIFF'S OFFICE - Sheriff Rod Banister - ORDINANCE - FIRST READING - ACTION ON AN ORDINANCE AMENDING CHAPTER 8.36 OF THE CARSON CITY MUNICIPAL CODE (GRAFFITI AS A PUBLIC NUISANCE), REPEALING ALL PORTIONS OF THE CITY ORDINANCE AND PROVISIONS FOR OTHER MATTERS PROPERLY RELATED THERETO (1-0452.5) - Sheriff Banister explained the changes which had been made since the Board first discussed this ordinance. The restrictions on the quarter inch markers have been removed from the ordinance. He requested the effective date be made January 1, 1997, which would allow the retailers time to construct/provide a locked area. He felt that the retailers could "live" with the proposed ordinances. Some retailers have already taken it upon themselves to prohibit the sale of these items to juveniles or to secure the items. Discussion noted the use of the Alternative Sentencing Program to cleanup graffiti. It used leftover/donated paint for this purpose. Mr. Berkich explained his son's attempt to purchase spray paint at Walmart and questioned whether the ordinance mirrored Walmart's corporate policy. Sheriff Banister indicated he had used Henderson's ordinance and not Walmart's policy. He also noted the ordinance made the City responsible for cleaning up the graffiti. He then explained his attendance at a Sheriff's meeting where he had been told that other areas are sandblasting the graffiti to remove it rather than paint over the area with a different color of paint. He suggested the City consider this program. He then explained the proposed reward program which is part of the ordinance and questioned its funding source. Discussion noted the success of Landmark Homes' reward program.

(1-0557.5) Chamber of Commerce Executive Vice President Larry Osborne thanked Sheriff Banister for working with retailers. Reasons for the original concern about the proposal were noted. He felt that the proposal was a good compromise with which everyone could live. He then explained the request to have Section 6 be effective January 1st to allow the retailers time to restrict the items. He volunteered to help inform the Chamber members of the requirements. Mayor Pro-Tem Smith commended Sheriff Banister, the business community, and the Chamber on their efforts to provide a workable solution. He acknowledged that it would not solve the total problem but hoped that it would help. Mr. Osborne noted the working relationship between Sheriff Banister and the Chamber's members.

Mr. Berkich explained that the graffiti removal program operates from the Sheriff's Office and urged the public to contact the Department if they discover graffiti.

Supervisor Ayres moved that the Board of Supervisors introduce on first reading Bill No. 154, AN ORDINANCE AMENDING CHAPTER 8.36 OF THE CARSON CITY MUNICIPAL CODE (GRAFFITI AS A PUBLIC NUISANCE), REPEALING ALL PORTIONS OF THE CITY ORDINANCE AND PROVISIONS FOR OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Bennett seconded the motion. Following a request for an amendment, Supervisor Ayres amended her motion to include that Section 6 regarding spray paint and paint stick displays be effective January 1, 1997. Supervisor Bennett continued her second. Discussion indicated that only this section is to be effective January 1. Supervisor Tatro then expressed his concern that the ordinance would require contractors making any improvements/modifications to the utilities or streets to obtain written authorization from the Sheriff's Department prior to spraying any construction areas. He suggested the authorized designee include other City Departments for utility and infrastructure improvements. Sheriff Banister did not feel that this would be a problem area. Public Works Director Jay Aldean felt that the approval could be considered a part of the permit process. Supervisor Tatro suggested Sheriff Banister send a letter to the various Department Heads designating the authority to approve such construction markings. Mr. Forsberg supported his recommendation although he indicated permission may be deemed as having been granted when such projects are

constructed. Mayor Pro-Tem Smith indicated that this would make it official. Additional comments were solicited but none given. The motion to introduce on first reading Bill 154 as amended was voted and carried 4-0.

Mayor Pro-Tem Smith passed the gavel to Acting Mayor Pro-Tem Bennett at 10:45 a.m. and left the meeting. A quorum was still present.

9. PUBLIC WORKS DIRECTOR - Jay Aldean

A. ORDINANCE - SECOND READING - ACTION ON BILL NO. 152 - AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY AND WESTERN NEVADA COMMUNITY COLLEGE, REGARDING ASSESSOR'S PARCEL NO. 07-091-83 LOCATED AT 2201 WEST COLLEGE PARKWAY, CARSON CITY, NEVADA (1-0685.5) - Supervisor Tatro moved that the Board adopt Ordinance No. 1996-52 on second reading, Bill No. 152, AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY AND WESTERN NEVADA COMMUNITY COLLEGE, REGARDING ASSESSOR'S PARCEL NO. 07-091-83 LOCATED AT 2201 WEST COLLEGE PARKWAY, CARSON CITY, NEVADA. Supervisor Ayres seconded the motion. Motion carried 3-0.

B. ACTION ON APPROVAL OF FUNDING FOR A PORTION OF THE STATE ROUTE 28 CORRIDOR MANAGEMENT PLAN (1-0708.5) - Mr. Aldean and Mr. Berkich explained the request and funding. (During their comments, Mayor Pro-Tem Smith returned and took back the gavel--10:48 a.m.) A quorum was present as previously indicated.) Supervisor Bennett explained her efforts to obtain national recognition of State Route 28 including grants for a coordinated management plan, issues which will be included in the plan, and RTC's ability to fund the project. She urged the Board to approve the request. Discussion noted Mr. Aldean's supplement to the Board packet which contained the scope of work. (A copy was given to the Clerk.) Discussion further explained the intent to develop a workable program for erosion control. Once the program is developed additional grants will be requested to fund the improvements. Supervisor Tatro supported the request as it will help mitigate some of the erosion problems occurring at the Lake including the continued deterioration of the Lake's clarity. He also felt that the time was right to begin educating the public about the problem and need to support Ballot Question 12. Supervisor Bennett thanked him for his support and explained that the estimated cost to mitigate the Lake's erosion problem on/from public lands would cost \$800,000,000. The program is a beginning. Supervisor Ayres moved that the Board of Supervisors approve funding for the transportation planning portion of the State Route 28 Corridor Management Plan from the Regional Transportation Commission budget in an amount not to exceed \$13,840 subject to the approval of the Regional Transportation Commission; funding source is the RTC Contingency Account. Supervisor Tatro seconded the motion. Mayor Pro-Tem Smith noted Supervisor Bennett's involvement with the Regional Transportation Commission and his feeling that the Commission would approve the proposal. The motion to approve the funding request as indicated was voted and carried 4-0.

10. CITY MANAGER - John Berkich - ACTION TO CONSIDER A PROPOSAL FOR AN ALTERNATIVE CITY HALL FACILITY AND DIRECT STAFF ON HOW TO PROCEED (1-0887.5) - Mr. Berkich's introduction reviewed the staff report, history of the decision to purchase the Bank of America building, the State's interest in purchasing the building, and the alternate City Hall proposal which was prepared by John Hancock at the State's direction. Staff's concerns regarding this proposal were also noted. Discussion indicated there had not been a written proposal from the State although the figure under discussion was \$2.6 million. This figure is part of its tentative budget and has not yet been approved. Only the fair market value would be paid for the building although it is possible to reimburse the City for any expenses incurred in developing the site for City use. The concept was to have the City undertake construction of the project which is estimated to cost \$12.5 million. As the City is currently committed to construction of the Public Safety Complex, staff recommended the State undertake the project and funding. The City could participate to a degree, however, could not fund the entire project. Clarification also indicated that the State does not presently own any of the property between Third and Fifth Streets. City staff had not been aware of the State's interest in the former bank building until recently.

John Hancock explained his involvement with updating the State Capital Complex Master Plan. This plan was developed seven years ago and had included acquisition of the bank building for offices for the Governor's staff. During one of Mr. Hancock's meeting on updating the plan, it was mentioned that \$2.6 million had been included in the State Public Works' budget for acquisition of the building. Mr. Hancock was instructed to contact Mr. Berkich about the concept. Mr. Hancock noted the working relationship currently experienced between the City and State and expressed the hope that the delay in discussing the proposal would not create a rift. He felt that the State would drop the project if the City is adamant about proceeding with its plans. He emphasized that Third to Fifth Street project was only a proposal/concept which had been developed as an alternative to the bank building. The project would keep the City Hall in the "heart of the downtown area". The State has not acquired this property. The property owners wish to retain the current tenants. He indicated that as the City does not need all of the space proposed in the plan, its size had been reduced to a \$7.6 million project. He had been advised that the State would lease some of the area, however, Mike Mizell from the State Public Works Board could not attend this meeting and Mr. Hancock could not make a firm commitment about the lease. Therefore, he suggested a joint meeting between State and City staffs on the proposal. In view of the State's budget timeframe, he felt that it was important to have this meeting posthaste. He then pointed out the parking advantages to the Third to Fifth Street project. He apologized for the State's failure to contact the City on the proposal prior to this date. He felt that part of this had been due to the lack of knowledge about the State's Capital Projects Master Plan and part due to the turnover in State Public Works personnel.

Mr. Berkich emphasized that the City staff is not emotionally tied to any one building and is open to any proposal which would provide the best opportunity for both the City and State. He suggested the rebid plans for the bank building be held for 60 days to explore the concept. This may put the rebid on the street in a more favorable economic period for the City. He reiterated his recommendation that the Third to Fifth Street project be a State project. Supervisor Ayres expressed her feeling that the City should explore the concept, however, opposed delaying the relocation three to five years which she felt could be required. Discussion indicated that the State budget would not be finalized and funding provided until July 1, 1997. The City would have to make a bond payment within that timeframe. Supervisor Ayres supported delaying the bank building rebid by 60 days but no longer. Mayor Pro-Tem Smith also pointed out the political implications which may be created by delaying the bank project even though the State's interest in the building placed the City in a good "business position" as it created a choice for the City. The difficulty in sorting out the choice and making sure the right choice is selected was pointed out. He expounded on his reasons for feeling that the City needed to leave the Northgate facility. He invited the public to tour the facility to see the problems. It is an adequate facility for other business purposes but not as a City Hall. A "Taj Mahal" is not being proposed. The plan to construct a \$19 million Public Safety Complex at not cost to the taxpayers was noted. The effort was being made to construct/obtain a City Hall at the same no cost to the taxpayers. The State concept would force the City to seek additional funding from the taxpayers. He emphasized that, even if the State purchases the bank building for \$1 million over what the City has spent, adequate funding source for another building elsewhere will not be provided. He did not feel that there would be a problem with putting the RFP rebid on the street and continuing to analyze the concept at the same time. He questioned whether the City needed to become involved with property management as would be required for the State concept. The State concept, however, could be tailored to the City's need.

(1-1342.5) Mr. Hancock felt that it should not be necessary to take 60 days to complete the discussions/exploration of the concept. If approved, the design would take six months and construction should commence within a year.

Finance Director Walker explained the \$2.6 million budget established by Mr. Mizell. It includes his moving and renovation costs. He plans to purchase the building for the amount the City has "in it" which is the fair market value. Supervisor Bennett requested these figures be included in staff's report. She also expressed her concern about the removal of additional commercial property from the tax rolls and the requirement that the City commit a significant amount of funds for a project which more than meets its needs. She was opposed to the City's entering into a business which is not the normal part of governmental functions, i.e., property management. Ms. Walker emphasized Mayor Pro-Tem Smith's statements concerning the fact that the "\$2 million" would not acquire/construct another facility. The bank building had been very attractive as it was affordable. She was also concerned about the removal of additional downtown property from the tax rolls and the impact it would have on

the tenants in that area. She suggested analyzing other areas, such as Highway 50. The State may have other alternatives which should be considered. Supervisor Tatro emphasized that there is no written proposal. It is only a concept. He, too, felt that government should not be in business and competing against other businesses. The City should not be involved in land development. He reiterated the bank building's attributes which made it an attractive and viable City hall. He, also, felt that the City could not acquire a similar building for \$2 million. He supported continuing to discuss alternatives with the State and for staff to continue working on the rebid document. It may take the State at least 60 days to complete its offer. The City should not be the prime force behind the Third to Fifth Street project. The City needs to commit to another task force project similar to the Public Safety Complex if the Board decides to construct/acquire another building for the City Hall. This would take at least two years. He felt that the Bank of America building was the correct solution to the City's administrative complex. He urged staff to continue the rebid process and if the State brings forward another alternative, staff should consider it. Supervisor Ayres felt that all of the options should remain open. Her proposal to allocate 60 days to consider the State's concept would keep the options open. She did not want to delay the RFP. She pointed out that the State had had the same opportunity to acquire the Building that the City had had.

Discussion ensued on the status of the rebid. Deputy Purchasing Director John Iratcabal indicated it could be on the street in one week. He recommended it be held until the Board makes a decision on the State's proposal rather than being put on the street at this time. The contractor/bidder would be placed in the difficult position of having to decide whether to expend the time and effort for a bid or to wait and see what happens. A delay in putting it on the street may put it out at a better economic time. Ms. Walker indicated that the City would have to make a bond payment even if the bids are let. The key to the entire issue is when will the Northgate Complex be sold. Mayor Pro-Tem Smith emphasized his intent to proceed in good faith while keeping the door open for any other alternatives as is sound fiscal management. Discussion ensued on the appropriate amount of time needed to analyze the State's concept. Mr. Berkich supported Mr. Iratcabal's suggestion that the rebids not be placed on the street under a cloud in view of the number of public projects which are coming in over bid. The Public Safety Complex is being timed to hit the streets during the slow construction period in the hope that it will receive more favorable bids. Mr. Iratcabal recommended putting projects out for bid for four week period. Mr. Berkich was not aware of any other proposals which may be submitted by the State. Supervisor Tatro did not feel that the State could come up with a project which would parallel the bank building's attributes. He felt that the bank building renovation should be discussed only in terms of the construction market and getting the best deal for the City and not in conjunction with the State's proposal. Mr. Berkich expressed his desire to give the State 60 days.

(1-1721.5) Pat Picard thanked Ms. Walker for her work on Carson Street. She felt that the Bank of America building looked like a City Hall. There are always other options to consider when purchasing an item or building. The question was whether the City really wanted the building. She felt that the City wanted and needed the building and that it was not an option which was open for discussion. She did not feel that the State's concept was viable as it would have a lot of tourists looking in the windows and remove a prime commercial property from the tax rolls. Mayor Pro-Tem Smith explained the need for the Board to be fiduciary prudent in its financial expenditures. His personal funds are spent as she had indicated. He did not feel that the the comments were examples of indecisiveness but rather an attempt to be fudiciarily prudent. Ms. Picard iterated her feeling that the State would only reimburse the City what had been spent to acquire the building.

Ms. Walker pleaded with the Board to reduce the timetable to less than 60 days due to the impact which would be created on the businesses in the area. She felt that the State could respond by November 1st. Mr. Berkich felt that he could make November 21st work. Mayor Pro-Tem Smith supported Supervisor Tatro's comments that the rebid should be delayed to obtain a better bidding climate rather than the State concept.

(1-1801.5) Additional public comments were solicited. Jaydene Yurtinus explained her personal knowledge of downtown Burbank and her feeling that it is sterile atmosphere devoid of any interactivity. Carson City, through the efforts of Redevelopment, is becoming an interactive environment. People were wandering the streets and visiting the shops and stores. The City has a danger of becoming a closed governmental environment. She questioned the motivation behind the State concept. She felt that there was already one governmental "Taj Mahal" in the City and that a second one should be prohibited. She liked the idea of staying within budget and

constructing a facility at no additional cost to the taxpayers. She wanted to retain the "Bishop, California" atmosphere. Mr. Berkich requested she stop by his office to obtain a copy of the State's preliminary concept. Additional comments were solicited but none given.

(1-1875.5) Mr. Hancock emphasized that the preliminary concept is only an idea and not a formal proposal. He pointed out that the concept does not work at this time due to its size. He agreed that downtown Carson City must remain an interactive place. The concept had been prepared for a private citizen and not for the City. He felt that at this time it is a dead issue. The issue which the City should consider was whether to discuss the State's desire to acquire the bank building. Sixty days should be more than necessary to allow for this discussion to occur. He felt that the State would not have a problem backing away from the acquisition, however, had not been authorized to make that commitment.

Mayor Pro-Tem Smith felt that the success of the downtown redevelopment program had created the concept/proposal. Ten years ago this would not have been remotely possible. Supervisor Tatro moved that the Board accept the Purchasing Department's recommendation and delay the release of bids for the City Hall remodel until, for the short term, a more favorable market exists and that that timeframe should not exceed a 60 day delay. Supervisor Ayres seconded the motion. Motion carried 4-0.

11. BOARD OF SUPERVISORS

A. ACTION ON ESTABLISHING THE STARTING TIME FOR BOARD OF SUPERVISORS MEETINGS (1-01938.5) - Discussion ensued among the Board Members on the present 10 a.m. start time and different alternatives. These alternatives included a 9 a.m. start time with a lunch recess, reasons for selecting the 10 a.m. start time, the need to be efficient in scheduling the agenda and providing the public with proper noticing, the desire to return to a 1 p.m. start time, and a suggestion to have a flexible start time when 1 p.m. is not adequate. Comments repeatedly emphasized the desire to allow adequate time for public input and discussion of the issues regardless of the topic. Supervisor Ayres moved that the Board try an 8:30 a.m. start time and that there be a definite break at noon, however, the Mayor wished to arrange the agenda to allow for the lunch period, and to come back in the afternoon which will probably give the Board a better shake at getting out of here at 5 p.m. or before to go to dinner if there is a night meeting. She felt that this program should be attempted for a while and that it would accommodate the public. She preferred a 1 p.m. start time but was willing to try a different time schedule to see if it would be better for the public. Mayor Pro-Tem Smith expressed his feeling that if the meeting started at 8:30 a.m., it should not be necessary to mandate the lunch recess particularly if it would only take 15 minutes to complete the agenda. Supervisor Ayres revised her motion to be to start at 8:30 a.m. and if the meeting goes to 12 noon, there be a definite lunch break. Mayor Pro-Tem Smith reiterated his concern that this would mandate a lunch recess even if 10 to 15 minutes required for discussion to complete the agenda. Supervisor Ayres then amended her motion to require a definite lunch break before we all fall over. Mr. Forsberg expressed his feeling that it was not necessary to establish a lunch recess in the motion as the individual conducting the meeting and the Board as members could conduct it as they see fit. If at any point in the meeting the Board Members feel there should be a break, they should request one. Supervisor Ayres responded by explaining that this does not occur. Mayor Pro-Tem Smith felt that the importance of the break had been stressed and would be recognized. Supervisor Ayres continued to stress her feeling that this had been the intent, however, it had not happened. Mayor Pro-Tem Smith ruled her motion died due to the lack of a second.

(1-2248.5) Supervisor Tatro moved that the Board of Supervisors change its meeting start time to 8:30 a.m. on the first and third Thursdays of each month and that the item be put back on the agenda for the second meeting in November to review its impact on the citizens and the staff. This motion died for lack of a second.

Supervisor Bennett moved that the Board of Supervisors convene its meetings at 1 o'clock the first and third Thursdays of the month with the option to extend those meetings to an earlier time where the Mayor feels there is a greater need for discussion. This motion died for lack of a second.

Discussion indicated the 8:30 start time should be attempted.

(1-2281.5) Virginia Orcutt explained her efforts to get the public to attend the meetings. When the meetings start at 1 p.m. the working public attempts to get its work done in the morning and take the afternoons off. She felt that if the meetings are scheduled in the afternoons the Board would have a better attendance record. Discussion supported her contention that the meetings seemed to continue on and on particularly on items which are of little importance to one individual while another's item appears rushed. Discussion pointed out that attendance has always been a "function of the issue". Ms. Orcutt reiterated her recommendation and indicated that the public appears to attend more evening sessions although it, too, appeared to be function driven. Mayor Pro-Tem Smith pointed out that the television airing allowed the public to see what is occurring, however, it does not provide for interaction. Ms. Orcutt felt that the public would not recognize the flexible start time which Supervisor Bennett had suggested. If the schedule is changed, she felt that the public's response would be that "they did it for a reason".

Discussion ensued on the attempted motions and different start time/reasons for the motions' failures. (Supervisor Ayres stepped from the room during the discussion--12:15 p.m. A quorum was still present.) Discussion emphasized the need to provide an appropriate amount of time for public input and discussion. The 1 p.m. start time was felt to be restrictive. Comments echoed Ms. Orcutt's statement that the public would suspect that the flexible schedule was used to fulfill a hidden purpose which was not the intent. Mr. Forsberg explained that Open Meeting Law implications were also involved. He pointed out that a special meeting should be utilized whenever there is an issue which will take a lot of time. Mayor Pro-Tem Smith also pointed out that the last 2-3-4 agendas had been very short. There are several issues which will be discussed in November which will lengthen it. He also pointed out Supervisor Tatro's comments that the Board had taken more time when it started at 9 a.m. (Supervisor Ayres returned--12:18 p.m. A quorum was present.) This did not run the meeting in an as efficient method as possible. The Consent Agenda had helped reduce the meeting period and the meetings appear to be more efficient. He questioned whether the last few meetings had been representative of the entire workload. Supervisor Tatro pointed out that the last meeting had taken until 2 p.m. There is a need for flexibility but it should be on the closing portion and not the opening portion. He felt that 1 p.m. had worked the majority of the time and provide the necessary break before the evening session. It had, however, become apparent that additional time was needed on occasion. Supervisor Ayres explained her knowledge of a County where the Citizen Comments take three hours to complete and every decision is made after a lengthy argument. She was glad that Carson City does not have this problem. Supervisor Tatro felt that the Board may find that an earlier start will allow the meeting to be concluded by noon a majority of the time. For those few exceptions, a lunch recess could be scheduled. Supervisor Ayres then moved that the Board of Supervisors start its meetings at 8:30 a.m. and leave (to the Mayor) the discretion of arranging the agenda to have a meal break at a reasonable time. Supervisor Tatro seconded the motion. Mayor Pro-Tem Smith expressed his feeling that Mayor Teixeira was enjoying watching the discussion. The motion was voted and carried 4-0.

B. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-2518.5) - Supervisor Ayres reported on the Tri-County Railway's grant application for the V&T Railroad; her attendance at the Nevada Home Health Services Board of Directors meeting in Elko, its improved financial status, and her appointment to its marketing committee; and the Senior Center Advisory Council meeting, its plans to construct a second story, its Meals-On-Wheels Program, and its volunteer recognition program. Supervisor Bennett noted the federal funding obtained for the Lake Tahoe basin including its funding for the Lake Tahoe Transportation District and its innovative coordinate transportation system. Another portion of this funding is for land acquisition under the Burton-Santini Bill. The Hospital Board of Trustees and the Regional Transportation Commission meetings were also noted. Supervisor Tatro indicated that he would put some advertising brochures developed by the Convention and Visitors Bureau in the Supervisors' boxes at the office for their perusal. Supervisor Smith explained his observation of the last emergency preparedness training session and commended staff on it, the professionalism displayed, the seriousness of the program, and their dedication. Mr. Berkich thanked him for his comments and commended the staff on the successful session.

BREAK: There being no other matters for consideration until 6 p.m., Mayor Pro-Tem Smith recessed the meeting at 12:30 p.m. The entire Board was present, including Mayor Teixeira, when Mayor Teixeira reconvened the session at 6 p.m. Staff members present included: City Manager Berkich, Deputy Purchasing Director Iratcabal, Golf Superintendent Hair, Deputy District Attorney Forsberg, Recording Secretary McLaughlin, and Golf Course Employees Kunkle and Fortino.

12. CITY MANAGER - John Berkich - ACTION TO APPROVE THE FORMATION OF A NOT-FOR-PROFIT CORPORATION FOR THE MANAGEMENT OF THE EAGLE VALLEY GOLF COURSE (1-2695.5) - Mr. Berkich referenced his and Ms. Walker's memorandums including the research performed concerning the not-for-profit corporation concept and BLM's approval of the concept. His comments indicated that none of the current City employees would lose their employment. Only one of the golf course bonds contains a clause mandating refinancing. The RFP proposal for management of the courses for a fee is still pending direction from the Board. He felt that there are no fatal flaws in the not-for-profit concept. If the not-for-profit concept is approved, he recommended considering a transition plan to handle the course between January 1, 1997, and October 1997.

Golf Course Superintendent Mike Hair and Golf Course Advisory Committee Member Mark Sattler reviewed their memo on their trip to Baltimore and investigation of the Baltimore Municipal Golf Corporation, its courses, and its comparison to Carson City's program. The management structure was provided, including the salary range, for comparison purposes only. It did not include a cost-of-living comparison. Baltimore has 23 private courses and 14 public courses. The Corporation's salary ranges are compared with all courses within a 20 mile radius every two years. A comparison of the green fees indicates our average fee is \$12.28 for the East Course and 18.23 for the West Course. This is a favorable comparison to Baltimore's. Their golf carts are leased and not purchased. Their lease agreement requires the lessor to provide maintenance. Carts are not mandatory. Mr. Hair's golf survey through the Internet was explained. Only 20 responses have been received to date. These responses are supportive of the Baltimore courses although it is difficult to obtain a T-time. Additional responses will be forwarded to the Board as received. Baltimore has been in operation for 11 years and has a successful track record. Its President urged the seating of the Board of Directors as soon as possible. These individuals should be made aware of the time commitment required to get the operation started, which he felt was in the neighborhood of 20 hours or more per week. The Board's membership should be diverse and include business, financial, and legal representation. It should be flexible and free from Board of Supervisor/City politics, policies, and procedures. A contingency fund should be established and maintained to handle fluctuations in weather, operational issues, capital improvements, etc. Opposition to any hybrid concepts were voiced including the use of City employees. The Baltimore program had taken over courses which were in poor condition and losing money. It had not had to handle existing debt. Discussion between Mr. Hair, Member Sattler, and the Board emphasized the poor condition of Baltimore's courses when the corporation had taken over and the good condition of the Carson City courses. The biggest concern indicated at the time of the change had been about the rates and the corporation's ability to increase them. Small increases were made the first two years. A rate increase was not made between 1987 and 1995. In 1995 the rates were increased by one dollar. The time spent on the courses was explained and felt to be rather "fast and furious". They had met with both the Board President and the Executive Director. Although Baltimore has a larger population base, the rounds of golf were similar. Discussion indicated that the food and beverage operation is an amenity offered to keep the players happy. A small percentage is received from the operators for this privilege. The menus and rates are controlled by the Corporation in order to keep the services equal and the prices the same. A comparison of the management structure noted several difference. Until the job descriptions are compared, however, the validity of the comparison should be questioned. Member Sattler stressed that the intent was not to copy Baltimore's personnel structure but rather to analyze the management style of the 501.C.3. Mr. Hair reiterated his intent to provide the Board with the results of his survey when additional comments are received. Supervisor Ayres voiced her concerns about having the not-for-profit corporation take over the \$4 million debt service. She pointed out that the Carson City courses were in good shape as compared to Baltimore's. She thanked Member Sattler and Mr. Hair for going and the report. She also questioned the amount of politics still involved with the Baltimore operation.

Supervisor Smith pointed out the support provided by the out-of-town players and tournaments. Member Sattler indicated the Baltimore courses are "maxed" out. They are not a tourist destination. They have active men's, women's, and seniors' clubs with designated T-times. Tournaments are not necessary to maintain the courses. He hoped that the City's corporation would understand the philosophy and need to maintain the high tournament rate. Mr. Hair felt that the tournament play could provide even more revenue by eliminating the discount currently offered. Food and beverage rates could be added to the tournament revenue.

Discussion between Member Sattler, Mr. Hair, and Supervisor Bennett indicated the Board of Directors is not compensated. The Board Members do receive free golf. The Board meets monthly and provides the public with quarterly and annual financial reports. Member Sattler suggested using the Baltimore contract for an illustration and to help avoid any pitfalls.

Mayor Teixeira pointed out the economy of scale which he felt Carson City's consolidated facility would provide over the Baltimore structure. Although he understood Baltimore's approach to the food and beverage concession, he did not support the concept for Carson City based on its tournament and tourist needs. Carson City's facility also has a large banquet area. He suggested this portion of the facility be bid out for a longer period of time. The transition program could include the food and beverage portion although it would only be for a short period of time. This revenue should be included in the golf course funding. He emphasized the need to have one person in charge of the total operation when tournament play occurs. The need for the courses to be competitive while providing low cost golfing to the residents was stressed. He questioned the impact the new private courses would have on the courses' financial stability particularly without any additional hotel rooms. He felt that a flexible operation needed to be established which could serve the golfing public and that the only answer was the not-for-profit corporation. Member Sattler supported his comments and indicated that the food and beverage operation did not have to follow Baltimore's program. Beverage carts are not provided on the Baltimore courses due to licensing restrictions. Mr. Hair then explained how golf food and beverage operations are different from other food and beverage operations. He agreed that more profit could be generated by having an in-house operation, however, questioned whether this expertise could be provided by a golf manager. Mayor Teixeira felt that an adequate track record was available to indicate the profitability of the operation. Mr. Hair continued to stress his concerns about having the City operate the service during the interim period. Mayor Teixeira continued to emphasize his desire for the corporation to be able to be flexible and respond to the economic climate. Mayor Teixeira thanked Member Sattler and Mr. Hair for their report and investigation.

Golf Course Advisory Chairperson Chuck Byrne requested he be allowed to speak at the end of the public comment period.

(2-0088.5) Jay Meierdierck gave the Board and Clerk a copy of his comments. He urged the Board to include in the agreement provisions for working with the Parks and Recreation Commission and Department to maintain the present verbal cooperation on the boundary, day-to-day maintenance of Centennial Park and the Courses, and development of future Course, Trap Range Park and Centennial Park enhancements. Discussion between Mayor Teixeira and Mr. Meierdierck indicated the agreements would have to be developed after the Board is established. Mayor Teixeira felt that a successful not-for-profit corporation could support the Parks and Recreation operation/projects as is done in Baltimore. The funds would not be given to the General Fund. He supported including this concept in the original enabling document.

(2-0155.5) Don Story supported the concept. He urged the Board to restrict the Board of Directors to five individuals who must be truly dedicated to the corporation and its operation of the courses. He agreed that it would take a lot of time and effort to begin the operation. The current course lacks moral as indicated by the poor food service. He urged the Board to either expedite the process or maintain the current management style with Golf Pro Gary Bushman and a City maintenance crew as conditions will worsen during the transition. Competition is increasing. Mayor Teixeira expressed his feeling that nine experts could provide additional knowledge and benefits not found with small boards. Mr. Story continued to iterate his comments concerning the need to move quickly and suggested Mayor Teixeira be the first Chairperson.

(2-0222.5) Franklin J. "Dinty" Moore read his prepared statement into the record. (A copy was given to the Board and Clerk.) He felt that the Board would be abdicating its authority and responsibility as well as the public's trust to a group of non-elected individuals. He urged the Board to reject the Baltimore program. He requested Supervisor Smith provide substantiation for the proposed management change.

(2-0265.5) Supervisor Smith responded by questioning what would occur if the corporation operates the courses for 2-1/2 years at a loss and gives it back to the City. Mr. Berkich responded by explaining the commitment made to BLM in Mr. Lipparelli's letter that the City will retain the right to terminate the agreement at any time with a 90 day notice. The Corporation Board would include an ex-officio member who is either a member of the Board of Supervisors or the City Manager. This individual would monitor the operation and provide periodic status reports to the Supervisors. As many safeguards as can be conceived will be included in the agreement.

(2-0315.5) Supervisor Smith then responded to Mr. Moore's question by explaining that his vote was only one of the five individuals who serve on the Board of Supervisors. He then explained the continuing decline in revenue at the courses and concern that this will continue as more and more private courses come on line. For this reason he supported restructuring the management system at the courses. Concerns about the other management systems considered previously had caused him to reject those programs. The Baltimore program was the first viable alternative he had seen. It provides for professional management with local individuals. Revenues will be retained within the City while providing the residents with low cost golf.

Mayor Teixeira did not feel that the Board was usurping its authority as the courses had been constructed and operated at no cost to the taxpayers. The players fund the entire operation. The proposal will eliminate the politics and allow the operation to be run by a group of individuals who are dedicated to its operation. They will provide reasonable rates, protect the bottomline, and run the facility for the community.

Mr. Moore indicated he had opposed the RFP for "big business". He continued to expound on his feeling that the electorate would lose control over the facility even though the taxpayers had never funded the operation. The Board of Directors could not be eliminated until after they "screw up". He then expounded on his belief that competition was not a logical justification for changing the management structure. He felt that a well maintained municipal course is not competition for a private course. The entire concept was a scare tactic perpetrated by the City Finance Director and other City officials. There is no justification or substantiation for the claim that competition would negatively impact the courses. The increased green fees implemented two years ago had started the revenue decline. There had not been any justification for this increase. The ending fund balance was over \$400,000. The negative media and the fee increase had caused the decrease in play and loss in revenue. This entire process had been started by "three gentlemen and Supervisor Smith" due to their feeling that the maintenance program was bad and the golf pro was making too much money. Ms. Walker's financial prediction for the courses is wrong as the courses currently have an ending fund balance of \$422,000. This year the balance may be in the neighborhood of \$3 or 400,000 as a lot of "extra" expenses have been taken out of the enterprise fund during the last six months.

(2-0479.5) Lou Doescher, an attorney representing Golf Resources Incorporated, indicated the firm is on the RFP bidder list. He introduced its President Steve Adams. Mr. Doescher then explained Golf Resources' experience in golf management. He felt that the firm could address the employee problem which he understood exists at the courses, could be competitive with the private courses, and would mitigate the fee concerns. He urged the Board to utilize a formal bidding process to determine the management program to be implemented at the courses. This process would provide the Board with the necessary information to make a determination on whether to utilize the not-for-profit concept or a management for a fee program. (Supervisor Ayres stepped from the room during his comments--7:08 p.m. A quorum was still present.) Mayor Teixeira then explained his vote against the RFP process and support for an in-house modified program. He felt that the Baltimore program would be similar to this modified program while keeping the community in charge of the operation. Either program only removed the "middle man". Mr. Doescher felt that either the management for a fee or the not-for-profit management program required the Board to control the operation under a lease arrangement. Mayor Teixeira felt that this had occurred and that the Board was tired of the politics involved with the operation. (Supervisor Ayres returned during this

discussion--7:12 p.m. A quorum was present as previously indicated.)

Discussion ensued between Supervisor Bennett and Deputy Attorney Forsberg which indicated that the Board could legally lease the facility to a not-for-profit organization without having to go to bid.

(2-0582.5) Mr. Doescher voiced his disagreement with Mr. Forsberg's opinion and introduced Mr. Adams. Mr. Adams also indicated he is on the bidding list. He commended the Board on its foresight and willingness to look for a solution. He felt that his organization provided a solution to all of the issues which the Board wished to implement. He would operate the courses for a fee. All of the line items and profit would belong to the City. Discussion between Mr. Adams and Mayor Teixeira indicated his firm would run the operation and the City would pay all the bills including his fee. Mr. Adams agreed that both programs would eliminate the middle man. He questioned the professionalism of a volunteer committee and suggested that his firm could provide this professionalism for a fee. The bonds would not have to be refinanced under his operation.

(2-0619.5) Gary Sheerin supported the Baltimore plan. He felt certain that a good volunteer Board could be established. He urged the Board to immediately retain an attorney and CPA to work full-time for the Board to establish the not-for-profit corporation. Mayor Teixeira felt that the corporation could address this program once it is created. The District Attorney's office could provide the legal service through the normal enterprise assessment process. The corporation could hire a full-time accountant and secretary to monitor the operation. He agreed that the legal services could be contracted if necessary. Until the corporation is operating, he opposed hiring an attorney and CPA as City staff could provide the service. Mr. Sheerin continued to stress his point that the motion include empowering the corporation to retain a CPA and an attorney to get the corporation started immediately. He explained in response to Supervisor Bennett's question the duties which these individuals would perform. Mayor Teixeira continued to express his feeling that the corporation could address these duties. Mr. Sheerin felt that the Board was not abdicating any of its authority. If control is necessary, he urged the Board to appoint a Board member to serve on the Board. Mayor Teixeira indicated that the recommendation was to have a City Department Head or a member of the Board of Supervisors appointed serve as an ex-officio member. Mr. Sheerin continued to stress his point that the CPA and attorney were needed to get the program going and for the Board to authorize their retention posthaste. Mr. Berkich explained that the staff had copies of all of Baltimore's documents--articles of incorporation, operating agreement, lease agreement, etc. These documents would provide the starting point. Supervisor Ayres thanked Mr. Sheerin for his comments and reiterated her concerns about having a non-profit organization operate the courses based on her personal experiences. She emphasized that the establishment of the corporation is not as simple as one may think. Mr. Sheerin felt that a golfer "is a strange animal. They have a love for the game which no one could understand." There will be five/seven/nine people dedicated to the board for many years. The Advisory Committee is a prime example of this dedication. The board still needed the two professionals to get it started. Both Mayor Teixeira and Supervisor Ayres agreed that the professionals needed to help get it started.

(2-0782.5) Bob Tobias commended Member Sattler and Mr. Hair on their report. He explained his knowledge of the Baltimore operation. It does not have food carts but does have snack bars which are strategically located and do "quite a bit of business". His experience on the Mount Pleasant course in the Pro Am Tournament was explained. The cost had been \$50. The Baltimore courses are open unless weather condition prohibit them.

(2-0810.5) Carson City Employees Association Attorney Mike Langton complimented the Committee and Mr. Berkich on their hard work and efforts. He noted for the Board's information that the negotiations had been completed on the Association's contract. He then voiced the Association's opposition to the concept. He felt that the Committee had failed to recognize a third option when it had considered the RFP and not-for-profit options at its September 18th meeting. This option was to continue the present operation. He was certain that the Board was "tired" of the entire golf course situation, however, the Board had been elected to manage and part of its responsibility is the golf course operation. He urged the Board to manage the problem and not get rid of it. Selection of the not-for-profit operation is an abdication of the Board's duties. He felt that the problems with the current operation have been identified and that, if the actual problem is the amount of money being made by Mr. Bushman, it should be addressed. If the full revenues are not being given to the City as allocated in the contracts,

etc., these issues should be addressed. Mayor Teixeira felt that these were not concerns which the Board had been attempting to address. Mr. Langton responded by explaining that these were the concerns which were expressed to him. He continued to stress his point that the Board should address the problem and not abdicate its authority/responsibility. It was also his understanding that the courses generated a \$3 to \$400,000 annual surplus which is not returned to the General Fund. Mayor Teixeira indicated that the Board did not have any information concerning these figures. Mr. Langton indicated that it appeared as if either his or the Board's information was not correct. Mayor Teixeira indicated that the enterprise account had always had money in it, however, its ending fund balance is diminishing. Prudent fiscal management dictates addressing this situation prior to it becoming an emergency. Mr. Langton read from Ms. Walker's May 22, 1996, memo which expressed concern about the courses' fiscal stability and urged the Committee to take steps to stop the potential fiscal problems. He felt this was a request to manage the situation and for the Board to abdicate its responsibility. He then read from Mr. Berkich's recommendation to the Board supporting the not-for-profit management program as the revenue generated would remain with the courses. The present system utilizes the same enterprise accounting system. He then questioned what would happen with the present enterprise funds and whether they would be given/loaned to the not-for-profit corporation. He also questioned the not-for-profit corporation's ability to obtain loans and the security for such loans. He had been informed by Chairperson Byrne that the revenue stream would be used for this purpose. If this is true, then he questioned the reasons for changing the management style as this same funding source is used for the current bonds. Supervisor Bennett explained her understanding that the reasons for looking for a different management style had been created by the significant decrease in the Golf Course Ending Fund Balance which was caused the increase in labor costs. She asked if the Association was willing to take a significant decrease in salaries. Mr. Langton responded by indicating, "No as the courses were not losing the money at the current salary ranges. This rate is a negotiated benefit through collective bargaining as statutorily mandated. The rate was established several years ago under the Ralph Anderson study and implemented by the Board. Therefore, he did not feel that there was a valid reason for the employees to take a significant salary decrease." Supervisor Bennett elaborated on her comment about the impact raising labor costs were having on the diminishing ending fund balance. Mr. Langton responded by questioning how 6-3/4 employees could be responsible for the diminishing ending fund balance. Their wages have been in line with the CPI and averaged 2-1/2 percent in annual increases.

Mayor Teixeira then explained that under the present management structure a contracted employee could not supervise the City employees. This had never occurred in Carson City. None of the present employees at the golf course would lose his/her job. He/she may have to transfer and work for another City entity without a cut in pay but would be performing similar work. The employees would also have an opportunity to work for the corporation. The effort was to implement a management structure which will be self-sustaining, competitive in the growing market, maintain low rates for the golfing public, and still satisfy the long-term City employees presently working at the facility.

Supervisor Smith acknowledged Mr. Langton's representation although he found it interesting that Mr. Langton was telling the Board to manage the problem while the employee costs at the courses is completely outside of the Board's control. The course's revenue stream is declining while the labor rates are increasing. The private competition can reduce this cost to a level which could not be considered by the City. He questioned how he could manage it. He could not talk about it or discuss it. If he does, he is threatened with a legal suit. He was disappointed that the Association had not submitted a proposal which had been indicated several months ago. He felt that it was difficult for him to serve on the Board and be perceived as "playing God with people's families and lives, the amount of money they earn, their house payments, car payments, children, etc.". The "employees were good folks who were hard working. He had a lot of respect for them although they may not have a lot of respect for him right now. He was not playing with their jobs lightly." His responsibilities dictate he must manage the situation. Competition is coming to town. He could not allow the operation to go into the red. The largest section of the pie which he could control was untouchable. He hoped that the statements that the employees would not lose their jobs was true--that there would be reshuffling of jobs and a absorption of the individuals. He was not happy that the City was "going to get rid of some overpaid maintenance workers as that is not the feeling". He indicated that he thought this was the general feeling. He expressed his defiance to Mr. Moore's statement that he, Supervisor Smith, had ever stated that Mr. Bushman was overpaid. The question may be that the golf course

workers at other courses are underpaid. He felt that he understood the costs these courses would incur and knew what the City's are and would continue to be.

Supervisor Ayres expressed her concern about the statements that the entire problem was the maintenance costs. The employees did not generate it nor cause the problem. She had not been in office when the Anderson study was conducted. It said that the employees were incorrectly being paid and adjustments were made in accordance with the study. The adjustment was not the employees' fault. She felt that the Board should not say it is the maintenance costs and get rid of it. The employees were people with families, mortgage payments, children going to school, etc. Mayor Teixeira had indicated that they would not lose their jobs, however, if they bump someone, someone somewhere will eventually lose his/her job. She doubted that the new corporation would hire the employees at the same salary. If the problem is the wages, the new corporation will not want the problem either. She felt that there were other ways under which the situation should have been handled. All of the examples which had been studied had been at locations where the cities were broke and having problems with their courses. Her contact with Sacramento was explained to illustrate her point. An analysis of the operation could not be performed as it had not been in operation long enough. Baltimore had been in debt and the only solution was to form a non-profit organization. Carson City is not in that position. She expressed her desire to have worked out a program using what is existing at the courses. Her experience indicates that "non-profits are not all that they are cracked up to be." She did not feel that the Board had dealt with its responsibility.

Discussion between Mr. Berkich and Mr. Langton indicated the concern from the Association's viewpoint was, although the 6-3/4 employees will be absorbed somewhere in the City system, the ultimate result would be that somewhere within the City there will be 6-3/4 employees who will lose their jobs. The Association was also concerned that this was just the beginning of a program to totally privatize any operation which may pose a problem. Mayor Teixeira felt that the absorption would not eliminate anyone at the low end. Mr. Langton felt that the employees' salaries would be reduced. Mayor Teixeira also noted that the employees would have the option to go with the not-for-profit corporation. He questioned the reasons the Association felt that it is wrong to privatize an area which is not functioning properly or to force the bureaucracy to expand when privatization could be used. Mr. Langton responded by explaining that he was not attempting to tell him how to do his job. The Association had tried to work with numerous individuals including Mr. Berkich. Several offers were made. The details of which he did not wish to bore the Board. No one wished to consider an all City operation. Offers were made to attempt to coordinate between the golf course and Parks which included moving and transferring Enterprise and General Funds. This was not acceptable. There was an honest effort to try. Regarding the issue of constant increase in wages, he felt that a qualified employee should expect to receive an equitable wage. If the situation is changed to another situation, the union is always a possibility. Underpaid employees attempt to determine the reason regardless of whether it is a not-for-profit corporation or another management style. The dip in salaries may only be temporary. If the employees are long-term individuals, as had the one individual who has been there 19 years, their costs will eventually be at the same level as the current employees would have been. He did not feel that it was a societal benefit to lower the employees' wages in order to cut costs. It is definitely not a personal benefit for the affected employee. He thanked the Board for allowing him to present an adversarial position.

(2-1268.5) Bill Synder explained his employment in Reno at the Rosewood Golf Course. He felt that the Reno operation was working and should be considered. His salary is similar to that paid in Carson City. There are seven full-time employees handling 18 holes. Mayor Teixeira explained that there are several seasonal employees who assist the "7" full-time employees in handling the City's 36 holes. Mr. Synder continued to stress his point that the Reno program should be implemented in Carson City. It is successful. There is a lot of competition although his course help drive down the competitors' prices. He did not feel that the present operation was losing money or going broke. He felt that the key to the Baltimore plan was to remove politics from the operation. He also felt that the Reno plan to have an all city operation is more beneficial. He was amazed that the Board wanted to get rid of an operation which is making money. It will set the standards for the competition. Discussion between Mr. Synder and Mayor Teixeira indicated Rosewood had been constructed as a joint private/public project. It has incurred debt which is repaid from the revenue generated at the course. Mr. Synder was not aware of Washoe County's structure. He continued to stress his point that the City should consider Reno's operation. He felt that the entire matter was an example of "golf politics" taking over the operation. Mayor Teixeira explained

the intent to remove the operation from this arena and to make it perform better. This will streamline the operation and allow it to respond to market conditions, etc. It will be responsible for the total financial program and remove the risk of having the taxpayers be responsible for the debt incurred at the courses. At the same time it will provide affordable rates for the locals. He emphasized that personalities were not involved in the change. The course originally was subsidized by room tax dollars when Eagle Valley West was first constructed. After three or four years this subsidy was eliminated. Mr. Synder reiterated his question concerning what is wrong with the present operation. He felt there were too many entities involved with its operation and that the politics should be removed.

Golf Course Advisory Committee Chairperson Chuck Byrne pointed out that there had been a lot of discussion over the structure during the last 18 to 20 months. He thanked the Committee Members for its time, dedication, and efforts. He felt that Mr. Berkich had not attempted to formulate policy. He had, however, attempted to be an efficient manager, was heavily involved, and had influenced what, how, and when things happened. The Baltimore plan would remove the City influence from the operation. The Committee made its recommendations after a lot of thought and, based on the present information, the Baltimore plan is the best alternative. The operation needed to be more efficient and more responsive. The contract between the City and corporation would need to indicate that there would be an attorney and an accountant. He was certain these individuals would be needed once a majority of the board is selected. The Committee recommended the Board reserve the right to "kill the corporation" if it becomes insolvent. The recommendation also supported giving the corporation a quarter of a million dollar loan for seed money to get started. This would leave an adequate cushion to protect the taxpayers for a period of time and to cover the debt service. The increase in play between 1991 and 1993 and the decrease since were acknowledged. This fluctuation is due to the weather, the drought, lack of irrigation on other courses, Carson City's use of effluent for irrigation, and competition. He felt that there are enough golfers out there to go around. Carson City's biggest problem is the lack of an adequate number of hotel/motel rooms for the tourists. He felt the issue with the employees is a matter of philosophy. The Committee felt it was being pro-active as indicated by its recommendation. The present operation provides two "bosses" for one facility as the employees can't be managed by a contracted employee. The not-for-profit corporation would have only one "boss". He felt that there are ways to save a lot of money and put the savings back into the community. Baltimore's youth program was cited as an example.

Supervisor Smith thanked him and the Committee for their dedication and time. He questioned whether the Committee was willing to help establish the corporation. Chairperson Byrne felt that the Committee Members were willing to participate and that some of the Members may even be willing to serve on its Board of Directors. Once the Board is created, the Committee will be dissolved. He felt certain that the City had the appropriate talent to develop the Board and to run the operation correctly for the benefit of the citizens.

Supervisor Bennett pointed out the challenges which Mr. Langton had presented and urged the Committee to consider the resources and talents of the current employees in establishing the future operation. She urged him to support allowing those employees to have an opportunity to continue to contribute to the operation. Chairperson Byrne responded by explaining the Baltimore employee bonus program. He agreed that there is talent in the current employees. The concern is related to the structure, responsiveness, and ability to respond in a timely and appropriate manner without involving the Board of Supervisors. The corporation may want the employees' talents, however, under a different structure. He questioned the reasons why "when it is snowing and the courses are closed, the 6.75 people are still sitting out there in the barn drinking coffee and there aren't any lawns to mow". This is something the non-profit corporation can look at and change. He felt certain that there were some things which could be done to reward the employees. Mayor Teixeira indicated that the issue is not in this arena. It is in the need to have a coordinated effort which could include the same employees. It will provide more efficiency, be more re-active, and serve the golfing public better.

Mr. Berkich began to explain the request for direction from the Board. Mayor Teixeira questioned the Board's intent to act on the not-for-profit program. Direction could then be given on the transition plan.

(2-1648.5) Steven Crawford, Eagle Valley Greenskeeper, expressed his opposition to the previous statements. He

indicated that he had more than 340 hours of annual leave and 60 hours of Comp Time. He will be taking the time in the coming months. He felt that there had been a lot of time and energy wasted on the process. There had been many Department Heads since the course opened. There had never been one boss or leader. He implored the Board to hire one individual to perform this role before attempting another management program. If this individual does not work, he should be fired. Mayor Teixeira explained that this was not the issue. Mr. Crawford responded that this is the issue as he saw it. The Board did not want to deal with the golf course any more. The Board said it was losing money. He felt that one person should be hired who could do the job. Everyone else has one director and that individual performs.

Supervisor Tatro indicated that he had listened to the different views and opinions. He felt that he considered it different from anyone else. Mr. Adams had indicated that it was refreshing to see government be pro-active in dealing with a situation before it becomes a crisis. He could understand the reasons this does not occur very often after having spent the last 20 months on this issue. It is easier for a governmental body to sit and allow things to slip until a crisis occurs. This process may allow the problem to roll into someone else's term and not force the first individual to deal with the situation. The first time a recommendation was made to privatize the course was in 1988. This recommendation was a result of the grand jury investigation. It is not a new thought. It is ludicrous to indicate that the Board was abdicating its authority when it considers other management styles/options for the operation. It is the Board's responsibility to insure the continued success of the courses regardless of the management style. The Board could continue to contract with a Golf Pro and a food and beverage service, retain the current employees--which is the present status quo--or contract with a not-for-profit corporation or a single firm for the total operation. It will still require a contract for the operation. He did not feel that any one contract would abdicate the Board's responsibility. The Board would continue to be responsible for the operation. The reasons for needing to make a decision is predicated upon the fact that the Board could not renew the current Golf Pro's contract. Therefore, the status quo could not be maintained. The present cash balance is declining. There has been a nine percent drop in revenue this year. Competition is coming to Carson City next year. This private course's rates are between the City's rates for its two courses. It is the Board's responsibility to find the best management structure for the facility. He did not believe that governmental entities should compete with private enterprise. When the courses were originally constructed, it was the only facility in the City. The options included maintaining the status quo with various contractors. If the courses were constructed today, he was certain this would not be the management style implemented. Another option is to contract with a "for profit corporation". This firm could cut costs, increase fees, or drive additional revenue. The third option is to contract with a "not-for-profit corporation". This would keep any profit in the community. His experience indicated that the community has many talented and dedicated individuals willing to serve on a committee to oversee the operation, i.e., Capital Projects Advisory Committee. These individuals will take over the management of the day-to-day operations. He felt that this is most appropriate choice open to the Board. He had a lot of concerns about the current employees. Seven years ago he had voted against privatizing the Animal Control operation. This was the last privatization effort presented to the Board of Supervisors. He felt that there is a huge distinction between a golf facility and any other governmental operation which would compete directly with the private sector.

(2-1841.5) Supervisor Smith then moved that the Board of Supervisors approve the formation of a not-for-profit corporation for the management of the Eagle Valley Golf Course and advise each of the individuals or corporations that are on the RFP list of the Board's decision. Supervisor Bennett seconded the motion. Supervisor Ayres pointed out that the Board three options--the RFP's, the not-for-profit, or to do nothing. She felt that situation had been blown out of proportion. Competition could be addressed with proper marketing. A not-for-profit organization may work in Baltimore, however, she was unsure whether it would work here. The course could be retaken if it does not work. She questioned the shape it would be in if it is taken back. She also pointed out Ms. Walker's memo indicating that the taxpayers would still be at risk if debt is not taken over by the corporation. This is the reason the City must maintain a reserve of \$702,000 for debt service. She felt the Board was giving away its control over the golf operation. The Board would not have any say after it goes to the not-for-profit organization. The politics would merely be shifted from one organization to another. She felt certain that there would be people put out of work from the change and that the Board had a "cavalier attitude towards that". The other communities had been broke when they made the change. Carson City's facility is not broke. She

agreed that there are several things at the course which should have been mitigated but were not. She agreed that there should have been only one manager who was in full and complete charge. This had never been addressed. She wanted it on the record that if the Board chooses to implement a not-for-profit structure, she had a lot of expertise in this area and was willing to work with whomever is selected in as constructive a fashion as possible who comes to that corporation. She could not support this concept. **The motion to approve the formation of a not-for-profit corporation for the management of Eagle Valley Golf Course and to advise anyone/firm on the RFP list of the Board's action was voted by roll call with the following result: Tatro - Yes; Bennett - Yes; Ayres - No; Smith - Yes; and Mayor Teixeira - Yes. Motion carried 4-1.**

Discussion ensued on the need for the Board to provide direction on the transition plan. Mayor Teixeira directed him to agendize this issue for November 7th. He agreed that Mr. Berkich had a "close" plan which was almost complete. Mr. Berkich indicated a desire to have the Board discuss it at the next meeting. Mayor Teixeira agreed to agendize it if it is ready.

Supervisor Smith supported Mr. Sheerin's recommendation that the interim plan include language granting the corporation the ability to begin the process of selecting a CPA and an attorney. Member Sattler also supported moving as quickly as possible to form the corporation. The Committee recommended having a board of nine individuals. Mayor Teixeira felt that these issues should be considered at the next meeting.

There being no other matters for consideration, Supervisor Ayres moved to adjourn. Mayor Teixeira seconded the motion. The motion carried unanimously and Mayor Teixeira adjourned the meeting at 8:30 p.m.

The Minutes of the October 3, 1996, Carson City Board of Supervisors meeting

1996. ARE SO APPROVED ON ___November_7___,

_____/s/_____

Marv Teixeira, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder