A regular session of the Carson City Board of Supervisors was held on Thursday, August 6, 1987, at the Community Center Sierra Room, 851 East Williams Street, Carson City, Nevada, beginning at 9 a.m.

PRESENT: Dan Flammer Mayor

> E. M. "Doc" Scrivner Supervisor, Ward 4 Ron Swirczek Supervisor, Ward 1 Supervisor, Ward 2 Tom Fettic Marilee Chirila Supervisor, Ward 3

L. H. Hamilton STAFF PRESENT: City Manager

Alan Glover Clerk-Recorder

Sheriff Paul McGrath

Dan O'Brien Public Works Director

Ron Wilson Purchasing Agent

Charles P. Cockerill
Katherine McLaughlin Chief Deputy Dist. Attorney

Recording Secretary

(B.O.S. 8/6/87 Tape 1-0001)

Mayor Flammer called the meeting to order by leading the Pledge of Allegiance. Roll call was taken and a quorum was present. Mayor Flammer then requested a moment of silence in recognition of the service provided by Dee Kelly who had been a City employee for 22 years. Memorial Services were scheduled for 10:30. Supervisor Scrivner was to be a pall bearer and may leave to attend the services.

#### APPROVAL OF MINUTES (1-0075) - March 26, 1987

Supervisor Swirczek moved to approve the Minutes of March 26, 1987, as presented. Supervisor Scrivner seconded the motion. The motion was voted and carried unanimously.

#### AGENDA REVISIONS (1-0085)

Item VI. A. had been scheduled for 1:30. IX. would follow VI. A. Item VI. B. District Attorney - Review and Approval of Settlement of Pagelow versus Carson City, et. al; and, VI. F. 1. d. Special Use Permit U-87-51 -Stoddard/Joerg Construct Funeral Home on RO had been pulled. Item VI. E. 1. Criteser - Request for Adjustment Concerning Winter Sewer Average had been resolved and would not be heard.

#### RESOLUTIONS (1-0136) VI.

#### C. PURCHASING AGENT

REVIEW AND APPROVAL OF BID 8788-03 - CHIP SEALING 1. CONTRACT

Following Mr. Wilson's explanation of why only one bid was received, the

Board discussed the chip sealing job performed by Eagle Valley Construction last year. Steps had been taken to prevent a reoccurrence. Fettic moved to recognize Bidder 12, Eagle Valley Construction Company, as the lowest responsive and responsible bidder for the chip sealing contract, that the contract consists of materials and performances as stipulated by and in accordance with contract documents identified as Bid No. 8788-03, "Chip Sealing Contract", estimated total contract expense \$200,000 with the source of appropriation being the Street Department. Supervisor Swirczek seconded the motion. Discussion ensued on the the need to maintain quality control and adequate safeguards to prevent a reoccurrence of the previously noted problem. Any problems encountered would be documented and maintained Files of this nature are used to eliminate bids/bidders on future projects. The motion to award the contract to Eagle Valley Construction was voted and carried 5-0.

> 2.. REVIEW AND APPROVAL OF CONTRACT 8788-06 -LIBRARY COMPUTER PROCESSOR

Mr. Wilson and Library Operations Assistant Traci Haakinson explained the need for this equipment, the Library's involvement with Central Libraries Automated Network, and the State grant, which had paid for the equipment, and the Ormsby Public Library's role as CLAN administrator. Pursuant to NRS 332, Local Government Purchasing Act, and Carson City Resolution No. 1983-R-36, Supervisor Fettic moved to approve letting of a contract to purchase one F16C Port IFE computer processor and declare that the contract is not adopted to award by competitive bidding for the following reasons: 1. A sole source; 2. Additions to, repairs, and maintenance of equipment which may be more efficiently added to, repaired, or maintained by a certain person; and, 3. Equipment which, by reason of the training of the personnel or of any inventory of replacement parts maintained by the local government is compatible with the existing equipment; in a total amount of \$30,000 from the Account Central Library Centralized Network. Supervisor Scrivner seconded the motion. Motion was voted and carried unanimously.

> PARKS AND RECREATION DIRECTOR - REVIEW AND APPROVAL OF D. CONTRACT 8788-30 - ADULT SOFTBALL COMPLEX DESIGN CONSULTANT (1-0565)

Mr. Wilson explained the use of Park Bonds to design the softball complex for Centennial Park. A committee had evaluated all of the RFPs and recommended Kennedy/Jenks/Chilton. Discussion indicated the desire to use standardized plans for such work wherever possible, however, in this instance the area's topographic layout created unique problems. Clarification noted that only the conceptual phase for the softball complex was to be covered in this contract. The Board would approve the final design before a contract is let for construction of the complex. does not have staff who could preform this work. Due to the Board's concern that the impression not be given that the Board was wasting bond

money, Mr. O'Brien was directed to assist wherever possible, which would reduce the overall outside contractor costs.

(1-1255) Dick Waiton expressed his feeling that the Board had been elected to oversee the City's finances and that expert staff was essential to the City's ability to function. He urged the Board to take steps to eliminate outside contractors wherever possible.

Pursuant to NRS 332, Local Purchasing Act, and Carson City Resolution 1983-R-36, Supervisor Fettic moved to approve the letting of a contract for design consulting services for the conceptual phase of the contract and declare that the contract was not adapted to award by competitive bidding due to the following reason: Professional services contract, and that the Board direct staff to assist wherever applicable in order to cut costs and avoid repetitive design, and to assist in this endeavor. Supervisor Scrivner seconded the motion. Motion was voted and carried 5-0.

#### 2. WATER CONSORTIUM ITEMS - REVIEW AND APPROVAL OF:

- a. TASK ORDER CONCERNING DEVELOPMENT OF GUIDELINES AND OPERATING CRITERIA FOR THE CARSON CITY WATER SYSTEM
- b. TASK ORDER CONCERNING SOUTHEAST RIVERVIEW WELL DESIGN AND CONSTRUCTION MANAGEMENT SERVICES
  - c. TASK ORDER CONCERNING DAYTON VALLEY WELL NO. 2
    DESIGN AND CONSTRUCTION MANAGEMENT SERVICES
- d. TASK ORDER CONCERNING CARSON VALLEY WELL NO. 1 DESIGN AND CONSTRUCTION MANAGEMENT SERVICES
- e. TASK ORDER CONCERNING ASSISTANCE IN DEVELOPING WATER RESOURCES ASSOCIATED WITH MARLETTE/HOBART WATER SYSTEM
- f. TASK ORDER CONCERNING TECHNICAL ASSISTANCE AS NEEDED AND AS REQUESTED BY CARSON CITY
- g. TASK ORDER CONCERNING TANSTAAFL BOOSTER PUMP STATION IMPROVEMENTS, EVALUATION, DESIGN, AND CONSTRUCTION MANAGEMENT SERVICES

(1-1192) Messrs. O'Brien, Scott, and Ball explained the need to establish guidelines for future growth. Discussion included the purpose of the Task Order and the items covered under it. Mr. Scott emphasized his feeling that the City should continue developing its resources while at the same determining the needs for the future. The need to build a safety factor into the system was explained. While acknowledging the cost factors involved in these proposals, it was repeatedly pointed out that the Board would have

to make financial commitments for the project to be a success. reason the Board was urged to take no action on Task Order No. 5 if it did not plan to continue to fund the project. Concern was expressed that if water agreements are approved and building permits granted based upon these agreements, the City would continue to play catch up instead of providing for the future. Discussion included the Stanton Park Water Agreement as proposed by Millard and Furgerson and considerations which would be an intricate part of all water agreements. Mr. Scott felt that a well should be drilled every year which should support a moderate rate of growth. Reasons for selecting the consortium for these task orders were discussed. Supervisor Swirczek questioned the difference between Task Order No. 5 and the water plan created in 1980, which had never been constructed. Mr. Scott felt that the breakdown in the 1980 water plan had been created by the lack of financing and if the Board did not fund the improvements recommended by Task Order No. 5, it would experience the same failure. He also elaborated on the various items which had not been included in the 1980 plan, the need to include all of the changes made to the system since that time and update the financial information. He did not feel that it would be a duplication of effort.

The desire to have a standard for pump houses which would reduce design and construction costs was expressed. Discussion ensued concerning differences between Task Orders 6, 7, and 8. Mr. Scott expressed a willingness to reduce the costs of these three task orders if the work is done all at once, however, if they are done separately the cost would remain as indicated. He could not commit the consortium to reducing the costs at this time due to the amount of unknown work which may be added to them. Delays in construction on the Southeast Riverview Well and in completing various phases of the task orders would also affect the costs. Supervisor Scrivner requested a report in 30 days on the status of these three task orders. Alternates to the tasks were discussed. Supervisor Swirczek requested preparation of a written description of these and other options which the Board could evaluate and chose from at a future meeting. Due to his desire to have a written evaluation, he suggested that the Board approve the concept but not approve the funding. (2-0001) Mr. Scott explained his feeling that his firm could not design the facilities and supervise construction if clear direction is not given by the Board. Likewise, it was unfair for the Board to require performance without making financial commitments. Mr. O'Brien recommended approving the task orders directing staff to negotiate the items which the firm would be handling and the costs. Mr. Scott agreed to negotiate the work and costs. Mr. O'Brien then elaborated on the reasons staff supported a generic design for the pump houses. The costs to complete Task Orders 6, 7, and 8 and the Tanstaafl project were estimated at \$1 million. Problems which could increase the amount were cited. In view of the finances, these projects would be phased over two years. Legislative changes will be submitted to the next session. feeling was expressed that developers, while being required to participate, should also be required to pay a pro rata share of the improvement costs.

Mr. Scott then elaborated on his feeling that the consortium should be allowed to begin work and negotiate the task orders with staff. Supervisor Fettic expressed his feeling that staff was responsible to the Board and that dealings with Mr. Scott would indicate that he was a reputable individual. For these reasons, he supported Mr. Scott's recommendation. He also pointed out that funding would come from the water connections. The expansion and improvement needs which the connection fees could support were discussed including whether these funds should be allocated before a preliminary evaluation of the entire system had been completed and priorities established. The time needed to complete this report was discussed.

Mr. Cockerill explained that if the Board wished, it could approve a contract with a not to exceed amount and prohibit any payments prior to receipt of information detailing the savings generated by a combined contract. If only one task order is approved, only the work detailed in it would be accomplished at the not to exceed amount.

Keeping in mind the Board's intent to have Public Works and the Consortium identify efforts made to conserve expenditures and report back, \*Supervisor Fettic moved to approve Task Order No. 5 as submitted by the Water Consortium to review guidelines and criteria for the operation of the Carson City Water System at a not to exceed cost of \$11,700, from the Water Construction Account 520. Supervisor Scrivner seconded the motion. Motion was voted by roll call with the following result: Fettic - Aye; Scrivner - Aye; Chirila - Aye; Swirczek - Aye based on the need to know where were are, the margin of safety we need and the direction which we should move which would be provided in Task Order No. 5; Mayor Flammer - Aye. Motion carried unanimously.

\*Supervisor Fettic then moved to approve Task Order No. 6 as submitted by the Water Consortium to provide professional engineering services for equipping the Southeast Riverview Well at a not to exceed cost of \$39,782, funding to be provided from the Water Construction Account 520. Supervisor Scrivner seconded the motion. Motion was voted by roll call with the following result: Ayes - Swirczek, Fettic, Chirila, Scrivner, and Mayor Flammer. Nayes - None. Motion carried unanimously and so order.

\*Supervisor Fettic then moved to approve Task Order No. 7 as submitted by the Water Consortium to provide professional engineering services for location and construction of a well and interconnecting pipe to the Carson City Water System at a not to exceed cost of \$45,500, funding to be provided from the Water Construction Account 520. Supervisor Scrivner seconded the motion and noted that this was for Dayton Valley Well No. 2. \*Clarification noted Supervisor Fettic's motions were to have include the intent to have a report on the cost savings generated from the negotiations. Motion to approve Task Order No. 7 was voted by roll call with the following result: Ayes - Scrivner, Chirila, Fettic, Swirczek, and Mayor Flammer. Nayes -

None. Motion carried unanimously.

Supervisor Fettic moved to approve Task Order No. 8 as submitted by the Water Consortium to provide professional engineering services for location and construction of a well and interconnecting pipe to the Carson City System at a not to exceed cost of \$58,739 from the Water Construction Account 520 funding source. Supervisor Scrivner seconded the motion with the addition of Carson Valley Well No. 2 to the motion. Clarification indicated that the Task Order contained a typographical error and the well was in fact No. 2 rather than the indicated No. 1. The motion was then voted by roll call with the following result: Ayes - Scrivner, Chirila, Fettic, Swirczek, and Mayor Flammer. Nayes - None. Motion carried unanimously and so ordered.

Supervisor Fettic moved to approve Task Order number 9 as submitted by the Water Consortium to provide professional engineering services for the review, evaluation, coordination, and development of improved treatment and delivery capabilities for water sources encompassed by the State owned Marlette-Hobart water system at a not to exceed cost of \$16,860 from the Water Construction Fund 520. Supervisor Scrivner seconded the motion.

Discussion ensued concerning the work involved in this Task Order and the desire to not redefine already completed studies. Discussion included Supervisor Swirczek's involvement in the Lakeview offer. Purportedly the Lakeview system could be expanded from its present 144 gallon to 288 gallon at estimates ranging from \$9 to \$22,000. Supervisor Swirczek expressed his feeling that this was a matter which should have been resolved during the five month period since his original involvement. Mr. O'Brien explained the various options which should be resolved prior to making a commitment to Mr. Richards. Mr. Nagy also explained the problems encountered in attempting to determine what intrastructure is in the Lakeview area and other questions which must be resolved prior to making a commitment. At this time of the year Mr. Nagy did not have enough staff to work on the normal day-to-day operations and this project.

Discussion ensued concerning the timeframe necessary to complete the Task Order including the State's role. Mr. Scott emphasized that the Consortium would not duplicate the City's efforts. The Board directed staff to complete this task order or report back within 45 days and that it be considered a top priority with only emergency matters delaying the report.

The motion to approve Task Order No. 9 was voted by roll call with the following result: Ayes - Swirczek, Fettic, Chirila, Scrivner, and Mayor Flammer. Nayes - None. Motion carried unanimously and so ordered.

Supervisor Fettic moved to approve Task Order No. 10 as submitted by the Water Consortium to provide technical assistance in specific matters as requested by Carson City at a not to exceed cost of \$10,000 from the Water

#### Construction Account 520. Supervisor Scrivner seconded the motion.

Mr. Scott then explained the purpose of this Task Order as being to allow Mr. O'Brien to address immediate staffing needs to evaluate proposals similar to the Lakeview matter which had just been discussed. Mr. O'Brien gave several examples of items which this Task Order could address. Under his proposal as Public Works Director he would authorize the consultants to perform a number of hours of work which would be billed as indicated in the Task Order. It would be used only for small projects. Major projects would be submitted to the Board prior to authorizing the consortium to proceed. Reports would be made to the Board upon completion. The "Lumos" study was not a part of this Task Order nor was the Task Order retroactive. Discussion also pointed out the impact a water manager would have on this Task Order. Supervisor Swirczek expressed his reluctance to approve the Task Order based on the fact that emergency Board meetings could be called to address the type of matters which the Task Order would cover. Discussion noted that other funds had line items which authorized the same type of work. If the Board wished to do, a line item in this fund could be established.

(2-1659) Dr. Richard Ben King suggested that a limit be set within the Task Order of \$2 or \$300 per consultation. All other items would be brought to the Board prior to authorization of the work.

The motion to approve the Task Order was then voted by roll call with the following result: Supervisor Fettic - Aye; Supervisor Scrivner - Aye; Mayor Flammer - Aye; Supervisor Chirila - Aye with the understanding that you will report to us regularly and if any discrepancies occur, she would never approve a similar request again; and Supervisor Swirczek - No. Motion carried 4-1.

Supervisor Fettic moved to approve Task Order No. 11 as submitted by the Water Consortium to evaluate, design, and improve the Tanstaafl Booster Pump Station at a not to exceed cost of \$25,100 from the Water Construction Fund 520. Supervisor Scrivner seconded the motion.

Discussion ensued concerning the water problems created by the Tanstaafl development which were felt to be the result of improper zoning when the development was approved.

The motion to approve Task Order No. 11 was voted by roll call with the following result: Ayes - Swirczek, Fettic, Chirila, Scrivner, and Mayor Flammer. Nayes - None. Motion carried unanimously and so ordered.

Mr. Scott requested the Board members contact him whenever they had a question on any of the items.

BREAK: At 11:25 a.m. a ten minute recess was called. When the meeting

reconvened at 11:35 a.m. a quorum was present.

g. REVIEW AND APPROVAL OF WATER AGREEMENT BETWEEN CARSONCITY AND STANTON PARK DEVELOPMENT INC. (MILLARD/FURGESON) (2-1850)

Dwight Millard explained that the agreement would bring 62.5 acres of water to the City which would provide adequate water for 104 units. Sixty units would be for the Highland Estates, which the State Engineer would have to approve prior to construction. Seventeen units would be under the City's control as part of the bank. The remaining 27 units were to be issued for use in their other projects. The water rights would be assigned to the Southeast Carson Riverview Well. He commended the Board for approving the previous Task Orders. He expressed a willingness to not require "C of O's" on any of the 27 units until the pumping capacity had been expanded to meet this need or until the rights had been transferred to the Southeast Riverview Well.

Mr. Hamilton expressed support of the proposal based on conversations he had with various State agencies which indicated the City would not be "creating a risk".

Supervisor Swirczek questioned the status of the 1,000 acre feet of water rights purchased from Lynn Terry of which the City could only use 500 acre feet. Mr. Nagy expressed his feeling that this was included in one of the previous Task Orders and that the application was still awaiting evaluation by the State Engineer. He did not feel that Well 24 would effect the adjacent Dayton Valley wells. He also explained that the 62.5 acre rights were surface rights while the 500 acre rights were groundwater rights. Supervisor Swirczek then directed staff to bring this matter back for further discussion. Mr. Scott explained that Well 24 production does not now meet other water rights assigned to it. The task order on Dayton Valley Well No. 2 would provide another source for pumping these rights as it would transfer 500 acre feet to this new well. This should occur within one year and prior to discussion of new allotments.

Mr. Cockerill then explained the changes which would have to be made to the agreement to include Mr. Millard's offer, to which Messrs. Furgerson, Millard, and Hamilton agreed.

Discussion ensued concerning the need to increase connection fees. The agreement indicated that the value of the water rights was \$2,000 per acre foot and the credit would be \$1440. If the connection fee is increased to \$2550, all permits issued to Millard/Furgerson would have to makeup the difference between the credit and fee. Mr. Cockerill explained the change in the agreement to explain how this difference would be handled.

Supervisor Fettic moved to approve the agreement between Dwight Millard and

Edd Furgerson and Carson City with the addition of directing the District Attorney's office to prepare language for Condition No. 11 as just exposited and make the appropriate changes under Condition No. 4 on the second page line 1. Supervisor Scrivner seconded the motion.

(2-2511) Dr. Richard Ben King explained his study of the City's water management programs. He then questioned whether the Board had adequate information to make a decision on the agreement at this time.

Supervisor Swirczek then elaborated on his concerns related to the proposed use of connection fees and whether the fund could support the impact as proposed. Mr. Millard expounded on his reasons for feeling that proposal would provide for future building, that the fees were presently too low, and support for portions of Mr. Lumos' evaluation of the system and some of the related fees. He pointed out that the agreement had provided a static credit amount even if the rate is increased. Discussion ensued with staff concerning when the fee increase would be ready for Board consideration. Ms. Walker expressed her concern about the policy which allows half of the water connection fee to be deferred. She suggested that the agreement be modified to have the credit be charged against the deferred portion rather than against the half paid when the building permit is requested. Both Mr. Furgerson and Mr. Millard agreed to this stipulation.

Supervisor Fettic then amended his motion to approve the contract with Mr. Cockerill's Condition 11 and amendment to Condition 4 and to include the stipulation that the credit be issued against the deferred portion of the connection fee which would require some cash up front before issuance of the Supervisor Scrivner continued his second. The motion was then voted by roll call with the following result: Fettic - Aye; Scrivner - Aye. Upon request for clarification of the motion, Supervisor Fettic stated his amendment would be a Condition 12 which would require payment of the deferred fees at the time the permits are picked up, which Mr. O'Brien stated would be the connection fees and not the deferred fees. Supervisor Chirila then voted No based on her concern that Public Works Director O'Brien's caution that some production capability was been committed by approving the agreement had not been adequately addressed as the Task Orders had not yet been accomplished and concern that the margin of safety had not yet been established and until the Task Order is completed she was uncomfortable about making major commitments; Mayor Flammer - Yes; and Supervisor Swirczek - No predicated upon Task Order 5 as we do not yet know, and it will be 120 days before this information is available, what the margin of safety is for the rest of the community. Motion carried 3-2.

- F. COMMUNITY DEVELOPMENT DIRECTOR (2-3024)
  - 1. PLANNING COMMISSION REFERRALS CONSENT MATTERS
    - a. SPECIAL USE PERMIT U-83-14 MARWIN EXPAND AN

EXISTING CHILD DAY CARE FACILITY FROM 12 TO 20 ON SF6000 - 3200 PINE LANE - PLANNING COMMISSION APPROVED 5-0

- b. SPECIAL USE PERMIT U-87-49 RENIERS ALLOW RETAIL COMMERCIAL LAND USE (STORAGE) ON SPLIT ZONED SF1A AND RC WEST OF COCHISE STREET BETWEEN APPION AND PATRICK STREETS PLANNING COMMISSION APPROVED 5-0
- c. SPECIAL USE PERMIT U-87-50 CARSON CITY INVESTORS INC. EXCEED ALLOWANCES UNDER SIGN CONTROL
  - ORDINANCE ON RC 3390 SOUTH CARSON STREET PLANNING COMMISSION DENIED 5-0
- d. SPECIAL USE PERMIT U-87-51 STODDARD/JOERG CONSTRUCT FUNERAL HOME ON RO 610 WEST WASHINGTON STREET PLANNING COMMISSION DENIED 5-0

Item d. had been appealed. Supervisor Fettic moved to approve the Planning Commission Consent Agenda as presented by the City Manager. Supervisor Swirczek seconded the motion. Mr. Sullivan was directed to advise Mary Hunter that the appealed matter would be heard on September 3. Motion was voted and carried 5-0.

- 2. PLANNING COMMISSION REFERRALS REVIEW AND APPEAL MATTERS (3-0060)
  - a. VARIANCE V-87-10 EATON VARY FROM FENCE HEIGHT REQUIREMENT ON SF6000 3919 NORTHGATE LANE PLANNING COMMISSION APPROVED 3-2

Mr. Sullivan's introduction included an explanation of the conditions placed on the permit by the Planning Commission and staff's recommendation that Condition 4 be removed. Supervisor Fettic moved to approve Variance V-87-10 with the deletion of Condition No. 4. Supervisor Chirila seconded the motion. Mr. O'Brien supported Mr. Sullivan's recommendation on Condition 4. Motion was voted and carried 5-0.

(3-0145) Robin Eaton expressed agreement with the three remaining conditions.

#### VI. RESOLUTIONS (3-0170)

A. CONSIDERATION AND APPROVAL OF RESOLUTION OF INTENT TO PROCEED TO ACQUIRE WATER RIGHTS AND AUTHORIZATION TO STAFF TO INITIATE THE FINANCING PROCESS

Following Mayor Flammer's introduction, Mr. Hamilton explained the offer to sell to the City certain water rights and subsequent discussions. Staff has been actively pursuing funding and engineering alternatives. If at all possible, the City would like to approach the project on a regional basis similar to the Bowdie Dam proposal. Before the final agreement is signed, additional research is necessary. In order to do the necessary research while at the same time providing a showing of sincere interest to the offering party and pursuing the regional proposal, the Resolution of Intent to Acquire Water Rights was being proposed. Financial Consultant Paul Howarth and Bond Counselor John Swendseid were present to respond to any questions from the Board. Mr. Hamilton also suggested that discussion include timing elements, general terminology, and options which may be considered including potential financing mechanisms.

Supervisor Swirczek explained that there had been limited Board involvement in the discussions and expressed his feeling that additional information concerning the offer should be made public. He stressed that he had been made aware of the discussions only 24 hours prior to the press release.

Mr. Hamilton acknowledged that the offer had been kept in strict confidence at Mr. Helms' request. Helms Construction had offered to sell to the City 10,000 acre feet of water rights from the Dangberg property. These are considered Carson River water rights. These rights could be used and/or shared by Carson City and any other participating entity. The price was \$2,000 per acre foot. The priority of these rights were currently under evaluation by the State Engineer and are felt to be some of the better River rights. It is possible that additional rights may be available. Mr. Helms had stressed during the discussions that he "would not dry up Douglas County" and that he would retain a significant number of the water rights in Douglas County to operate the ranch.

Mayor Flammer explained his involvement since the initial offer. that Mr. Helms was interested in divesting only 10,000 acre feet. Discussions had included Douglas County, however, at this time no evidence has been provided that Douglas County wished to participate. It is still possible for Douglas to join the City. It is hoped that the purchase could be done under a regional proposal. He stressed that the City and Mr. Helms were not attempting to "dry up Douglas County". The matter was scheduled for this meeting in order to provide a means to commence acquisition of the water rights for future growth of the City. He also pointed out that the City may not wish to purchase the entire 10,000 acre feet, however, the Resolution was for that amount due to the offer. All indications at this time are that 10,000 acre feet is the maximum which Mr. Helms wishes to divest. Future negotiations would indicate what the City would purchase. Clarification indicated that Douglas County had met with Carson City on two separate occasions. Douglas County had not indicated a desire to join in the purchase prior to the July 30th public announcement. Mayor Flammer the purchase prior to the July 30th public announcement. stressed the desire to have the project be a cooperative regional effort.

(3-0579) Treasurer Thornton briefly explained his involvement in the discussions due to a need to determine potential financing mechanisms. had been done through contacts with the Bond Counselor and the Financial AB 251, which was adopted by the 1987 Legislature, had been Consultant. analyzed in depth. Until the Governor appoints a Board to oversee this funding process, it was not a viable alternative. As there are several financing options available, there were three different Resolutions for consideration by the Board. Mr. Thornton and Mr. Swendseid then explained these three options. One Resolution was the intent to pursue bonding for the acquisition. (Copies of this Resolution were distributed to the Board A second Resolution would request the General Obligation Bond Commission to evaluate the City's bonding capacity and determine if bonding is available for this purchase. Under this process a special election would be held. The third process would allow the bonds to be sold if a petition requesting an election is not submitted within a specified time.

Mr. Thornton then explained the Financial Consultant's role in the process as being to use the City's figures to make the bonds marketable and then to sell the bonds. An audit of the City's books is not performed. Neither is determination made on the City's bonding capability. Bond Counsel provides legal advice and the proper resolutions and ordinances for adoption. He then expressed his hope that the Board would consider his remarks, which were being made as a private citizen, in the right vein. felt that the Board had a "golden opportunity" to present to the electorate an issue of major concern. Unless educational means are undertaken, however, the electorate would not approve the measure. He stressed that adequate time be allocated to provide the financial information necessary to determine the equipment, right-of-way acquisitions, treatment, etc., bring the water to Carson City in addition to the repayment plan. repayment plans included ad valorem taxes, user fees, connection fees, or a He pointed out current feeling that the Board had failed to act responsibility thirty years ago when the Marlette-Hobart system was first offered to the City. Today, the same type of opportunity had again availed itself if all the questions could be answered. The questions included feasibility, the electorate's desire, etc. He urged the Board to adopt the Resolution of Intent and to diligently pursue the proposal.

Supervisor Fettic expressed his desire to have the electorate determine the feasibility of the program. He questioned whether the Board should adopt the proposed Resolution or a Resolution of Intent to acquire water regardless of the source. Mr. Thornton expressed his feeling that the timeframe established by Mr. Helms may not be realistic due to the legal restraints under which the City must pursue bonding.

Supervisor Fettic then suggested that Lyon, Storey, and Churchill as well as Douglas and Carson City be included in the regional concept.

Mr. Thornton expressed his feeling that the magnitude of the proposal had generated such enthusiasm at its conception that a realistic evaluation of

the proposal could not be made within the timeframe allocated. A Resolution of Intent to Proceed was felt to be the correct avenue at this time as it would make a commitment to Mr. Helms while allowing staff to establish the wherewithal and procedures.

Supervisor Fettic then suggest that staff be directed to contact their counterparts in the surrounding Counties concerning a regional concept. In support of this proposal Mr. Thornton expressed his feeling that perhaps the Western Nevada Development District should be involved in the project. This may open the door for Federal funding. He also questioned whether the City could afford such a massive project on its own.

Mayor Flammer suggested that the Resolution of Intent be adopted and that staff be directed to solicit cooperation from the surrounding Counties. Such a cooperative effort could eliminate the tension which was being created due to the feeling that Carson City was "stealing Douglas' water". This would also show Mr. Helms that the City was seriously pursuing the water right acquisition while eliminating the antagonistic feelings found in neighboring Counties. Mr. Thornton supported his recommendation, however, continued to stress that WNDD was the proper entity to do this.

Supervisor Swirczek expressed his feeling that the Resolution of Intent should not be restricted to just acquisition of Helms' water rights. Clarification by Mr. Swendseid indicated that the Resolution of Intent did not relate to the Helms' water rights but rather to a water project for Carson City. The Resolution would merely convene the General Obligation Bond Commission for discussion of a bond issue.

Supervisor Fettic expressed his feeling that, although the Board wished to obtain water and its known sale price, the system had not been designed nor had its costs been determined. Staff was merely being directed to pursue acquisition of the water rights as funding was not a major concern at this time. It would be included in the discussions and information during future meetings. If the project is a joint venture, then the cost factors would be reduced proportionately.

Mr. Thornton then pointed out that "time is of the essence", however, caution should be taken during preparation. Supervisor Swirczek supported this position particularly in light of the General Obligation Revenue Backed Bonds for the golf course. This is one of the proposed financing mechanisms for acquisition of the water rights which Supervisor Swirczek was reluctant to pursue. Supervisor Fettic expressed his support of a special election on the bond issue.

Mayor Flammer stressed that the City had not determined whether it would take all or some of the water rights. The offer had been for 10,000 acre feet. Therefore, he urged the Board to adopt the Resolution which would indicate a desire to purchase Mr. Helms' water rights in an as yet undetermined amount. He felt that Mr. Helms had used the sale of these

rights to "leverage" his purchase of the Dangberg property. If Douglas, Storey, Lyon, etc., wished to purchase a portion of the 10,000 acre feet, they would have to do so through Carson City. He then urged that a second Resolution be adopted directing staff to actively pursue attempts to bring other entities into the project. This would reduce the City's financial commitment as well as eliminate "an element of terrorism" when the public is advised of the \$20 million price tag.

Supervisor Fettic suggested that the Board express an interest in the offer and direct staff to proceed in a diligent manner including contacting WNDD and surrounding Counties.

Supervisor Swirczek suggested that the City Manager be directed to schedule a joint meeting with the Douglas County Commissioners. This suggestion was based on Douglas County Manager Bruce Adams' statement that "A range war was about to begin.". This communication gap should be bridged posthaste. Once this problem is resolved, then joint meetings should be held with Lyon and Storey Counties. This would establish a common understanding that the City was attempting to resolve the problem on a regional basis. He acknowledged the time constraints placed by Mr. Helms, however, urged the Board to make it a cooperative effort. Both Mr. Thornton and Supervisor Fettic expressed their feelings that the Board was attempting to do what was in the best interest of the community and region while looking to the future.

(3-1484) Public Works Director O'Brien explained his involvement in the discussions. He urged the Board to adopt a policy statement due to the benefits which 10,000 acre feet of water would provide the region. Likewise, the benefits should be considered for Douglas and Carson City as well as any other entity which is involved. He felt that the Board should "demand" that staff work with the surrounding Counties. He urged the Board to direct the City Manager to perform a feasibility study in that the issue could not be placed before the electorate until the actual costs are determined. He also urged that it be placed on a special ballot and that it be supported by the community(ies). He felt that Mr. Helms could understand this rationale due to the magnitude of the project and the future of the region. In this fashion the entire area could "win".

(3-1580) Supervisor Chirila acknowledged the time restraints, however, as the majority of the Board had not been actively involved in the discussions felt that a project of this magnitude should be endorsed only after an in depth evaluation is made. She felt that the entire concept should be conceived as a regional project and joint discussions should be held to discuss it. WNDD could, perhaps, be the mediator. A feasibility study was a known given. She then questioned the feasibility of having Carson City be a "purveyor" of water for other communities while Carson City taxpayers bore the burden of creating and maintaining the system. The other entities could later decide to purchase water from other sources leaving the City with an enormous drawn out tax burden which is no longer wanted by the community.

Mr. O'Brien stressed his feeling that it had to be a cooperative project as everyone would benefit. He felt that, although it would be a tremendous debt, the City could handle.

Calculations indicated that the \$30 million bond issue would cost approximately \$108 for a \$100,000 house. Financial Consultant Paul Howarth explained that the \$20 million bond would increase the taxes by 34 cents. Supervisor Swirczek suggested that a balloon payment plan be used to repay the bond as this would shift the majority of the bond from the current populace to future residents. Mr. Howarth agreed that it is possible to defer payment, however, it has been discovered that a lengthy deferment plan would kill the market. He suggested that the bond bank be used by all the entities under a joint venture which would provide the best possible interest rate or the AB 251 plan. He did not feel that if the entire principal is deferred it would be marketable, however, something in the interim could be.

Supervisor Swirczek expressed his feeling that the commitment should be placed on the future users as much as possible. Purportedly this would be palatable to the electorate of the participating Counties. Mr. Howarth then expressed his feeling that the Statutes would prohibit total deferral of the principal. He felt that there was a five year mandatory period when the repayment had to commence. Supervisor Swirczek cited an example of a deferred plan which had been used in Clark County. Mr. Howarth agreed; that this was an exceptional case, however, noted that the bond issue was like a "jig saw puzzle" which had to be pieced together for the final picture.

Supervisor Swirczek then expressed his feeling that Mr. Helms' water rights were not the only water rights available. He felt that it may be important that the Board adopt a Resolution which does not restrict the purchase to a specific entity.

(3-1918) Joan Wright, an attorney with the "Allison" firm in Carson City, represented Lahontan Farms. Lahontan Farms has been actively attempting to sell water rights for some time. To date the City has refused to discuss the offer on any terms. She stressed that the price of the water rights she was offering was less than the Helms' offer. If the City was interested in purchasing an option on the water, the firm was willing to grant the City time for the necessary groundwater studies. She felt that preliminary studies by the firm had indicated that there are economical methods which could be utilized to bring the water to the City. She felt that Churchill County would be happy to cooperate with another entity in a regional plan as EPA has ordered Churchill County to clean up its water. Initial contacts with the State has indicated that the water rights could be transferred. Clarification indicated that her contacts had been with staff, however, the last individual with whom she had spoken was not present.

Supervisor Swirczek explained his contact through Mike Oliver with one of the principals of this firm. Supervisor Swirczek had contacted Pete Morros

concerning the downstream users and the effect upstream pumping would have on them. Mr. Morros felt that this may be the only negative factor involved in the proposal.

Ms. Wright acknowledged this point and that piping may be a negative factor, however, when compared to the Helms' purchase price, it may be more cost effective.

(3-2099) Mr. Hamilton noted that ad valorem taxes were not the only financing mechanism available for the project. Connection fees, user fees, development surcharges, etc., could be utilized for this purpose. He supported a combination of mechanisms as a more equitable means.

Mr. Fettic suggested a resolution which would allow negotiations to continue with Mr. Helms with Douglas County's participation and directing the City Manager to schedule a meeting with Douglas County Commissioners and staff to pursue the Helms' offer as well as to discuss other water acquisition matters which are pertinent to both entities.

Supervisor Chirila questioned the amount of water necessary to reach the projected 70,000 population. Mr. O'Brien explained that the City was currently using a little over 8,000 acre feet for a population of 35,000. To double the population it would be necessary to have a minimum of 16,000 acre feet. As the growth would be over a long period of time, the entire 16,000 acre feet would not be needed at one time. For this reason it had been suggested that other entities who need the water could share the resource.

Supervisor Chirila suggested that the bond proposal be placed on a ballot and anyone wishing to sell water rights be allowed to contact the City. Although she did not know whether the Helms' proposal was the best offer, it would allow staff time to evaluate other offers as a comparison. Discussion pointed out that negotiations would continue and had not been finalized.

Mr. O'Brien explained that the water rights would allow storage of 4,000 acre feet of water in addition to the 10,000 acre feet of water. Mr. Morros has been very concerned about the City's limited storage capacity. Mr. Morros and Mr. Stone had been involved in the negotiations. Both have insisted that Douglas County be involved. Mr. O'Brien also expressed the feeling that the 4,000 acre feet of storage may give the City time to determine the need and acquisition means for a complete buildout to a population of 70,000. He also stressed that if subdivisions are to be approved in the near future, the City's storage capacity must be expanded.

(3-2441) Harold Jacobsen expressed his feeling that at the time he left office there had been a listing of 15 sources of water with costs and established feasibilities. The Dangberg water rights had not been included in these sources. When Mr. Jacobsen first became a member of the Board of Supervisors, then Supervisor Hayes had informed him that an evaluation of

the Dangberg water rights should be made. Therefore, he did not feel that it was a new proposal. He urged a thorough and complete evaluation of the water rights be conducted before the agreement is signed. He currently is a member of the Carson-Truckee Water Conservation District. He urged the Board to consider the water rights on a regional basis due to competition from Washoe County. He felt that Carson City residents wanted controlled, orderly growth as allowed under the Growth Management Ordinance. Dam project should be adopted as a regional program. He did not feel that Carson City could afford to "go it alone". He offered to help the Board in any way possible. He urged the Board to use the Carson Conservancy District as well as the Carson-Truckee Conservation District to make the project He also explained that the City had purchased water rights in Douglas County for \$750 after Douglas County turned them down. He felt that a Carson River Authority should be established which would operate in the same fashion as the one on the Colorado River. He reiterated his statements concerning the need to work with our friends, Douglas County, and fight our enemy, Washoe County. Again, he offered his help.

In response to Supervisor Swirczek's questions, Mr. Jacobsen agreed to give the Board an update on the District's activities at a future meeting.

Supervisor Scrivner explained the gradual growth experienced within the City since 1977. The future of the City is contingent on its resources. He questioned whether the area could ever sustain a population of 70,000. He compared the Dangberg purchase to that of the Bosc ranch purchase which had been attempted many years ago. Mr. Ted Stokes currently owns this ranch and would once again like to attempt to sell those water rights to the City. He felt that there are a lot of water rights available. He, too, supported the regional cooperative approach. If none of the neighboring Counties elect to join in the effort, then Carson City should should proceed if it has the capability of doing so.

Supervisor Swirczek read the purpose of the Resolution under discussion and expressed his feeling that the Resolution should allow evaluation of all water rights in addition to the Helms' offer. He felt that the task order approved earlier for \$10,000 should be used to do the evaluations.

(4-0007) Edd Furgerson echoed Mr. O'Brien's comments that Mr. Morros' main concern was with the City's storage capacity. If the deal included 4,000 acre feet of storage, then it was a good deal. Before committing to this deal, however, storage within the City should be considered. He felt that King, Clear Creek, and Ash Canyons could be utilized for storage.

Supervisor Fettic explained his concerns and media reports about his feelings on the Growth Management Ordinance and its allotment procedures. He supported the three percent growth concept as adopted during Mr. Jacobsen's term.

Supervisor Fettic then moved to continue the negotiations with Mr. Helms and

to instruct staff to take under consideration other water rights that may be available or come to their attention and to direct the City Manager and his staff to lay the ground work for a combined meeting with the Douglas County Commissioners and the Carson City Board of Supervisors and their respective staffs for the purpose of pursuing the Helms' offer as well as other water acquisition matters that may be of mutual concern. Supervisor Swirczek seconded the motion.

(4-0093) Mr. Jacobsen stated that there were three individuals in the room who had offered to sell the City water at one time or another. (NOTE: He did not identify these individuals.)

Discussion ensued concerning whether the motion should include direction to the Financial Consultant to begin preparation of the financial wherewithal to make the project viable. It was felt that this was included in the motion as part of the term "negotiations".

Mayor Flammer expressed his reluctance to limit the activities by naming Mr. Helms. He also felt that this may "raise a red flag" and eliminate him from the process. Supervisor Fettic explained that his intent was to allow staff to continue to negotiate with him while indicating the Board's sincere interest in his offer. It would also allow staff and the Board to consider other offers. Mr. O'Brien expressed his feeling that the motion should state Helms as his offer was the sole purpose of today's discussion.

The motion to continue negotiations with Mr. Helms and direct staff to evaluate all other water right offers brought to their attention and to schedule a joint meeting with the Douglas County Commissioners and its staff for the purpose of pursing the Helms' offer as well as any other acquisitions which are of mutual concern was voted by roll call with the following result: Ayes - Swirczek, Fettic, Chirila, Scrivner, and Mayor Flammer. Nayes - None. Motion carried unanimously and so ordered.

BREAK: At 3:05 p.m. a ten minute recess was called. When the meeting reconvened at 3:15 p.m., a quorum was present.

VI. F. 2. b. AMENDMENTS A-87-6 - CARSON CITY MUNICIPAL CODE

TITLE 20 (SIGN CONTROL) - MODIFICATIONS RELATIVE TO

INDOOR WINDOW SIGNS - PLANNING COMMISSION APPROVED

5-0 (4-0190)

Following Mr. Sullivan's introduction, Supervisor Fettic moved to approve the Regional Planning Commission's recommendation for approval of A-87-6 Window Signs and direct the District Attorney's Office to prepare an Ordinance for first reading. Supervisor Swirczek seconded the motion. Motion was voted and carried 5-0.

c. AMENDMENTS A-87/88-1 - CARSON CITY MUNICIPAL CODE TITLE 20 (SIGN CONTROL) - MODIFICATIONS RELATIVE

TO ESTABLISHING STANDARDS FOR OFF-PREMISE REAL ESTATE SIGNS - PLANNING COMMISSION APPROVED 5-0

(4-0246) Following Mr. Sullivan's presentation, the distance which should be allowed for the off-premise signs was discussed. The Planning Commission had recommended a one mile radius. Supervisor Scrivner moved to refer the matter to the District Attorney's office for preparation of an Ordinance with a two mile radius. Supervisor Fettic seconded the motion. Further discussion followed concerning the radius with developer Ron Kitchen expressing his feeling that one mile was adequate. Billboards would not be controlled by this proposal. The motion was voted by roll call with the following result: Ayes - Chirila, Scrivner, Mayor Flammer, Fettic, and Swirczek. Nayes - None. Motion carried unanimously.

d. GROWTH MANAGEMENT GM-87/88-1 - KITCHEN - REQUEST TO INCREASE NUMBER OF PERMITTED ALLOTMENTS IN LARGE CONTRACTOR DEVELOPER CATEGORY - PLANNING COMMISSION DENIED 4-0-1 (4-0481)

Mr. Kitchen explained the financing problems he was encountering in attempting to do all the required on and off site improvements when only 12 allotments could be obtained in this period. He felt that the small builders could not construct seven units in a year. He suggested that contractors be approached and, if possible, the number of allotments which would not be used be returned and reissued. Mr. Sullivan felt that there were only 11 allotments which might be returned under this process. He then explained the number of allotments for each category and the number which had been taken out by contractors. Supervisor Fettic explained that builders will take out allotments and not build on them due to the feeling that the allotments may not be available at the time a contractor wants to build. He suggested changing the Ordinance to allow waiver of the \$50 fee or return it when the allotments are returned. Action was not taken on Supervisor Fettic moved to transfer six allotments from the this proposal. owner-builder category to the large builder category and seven allotments from the multi-family category to the large developer category and transfer five allotments from the bank to the large developer category, and increase the number of allotments which the large developer may receive from 12 to 16, which would amend Resolution No. 1987-R-13, all the other allotments would remain the same as in Resolution 1987-R-13.

Mr. Kitchen then suggested that the allotments be issued in two periods of fifty percent each. This would require the builders to construct or lose the allotments.

Supervisor Fettic then corrected the motion to be to approve Resolution No. 1987-R-73 to amend Resolution No. 1987-R-13 as previously moved. Supervisor Swirczek seconded the motion. Clarification stressed that the proposal would not increase the number of allotments by varied the numbers within the

classifications. Motion was voted and carried 5-0.

- VII. ORDINANCES FIRST READING None.
- VIII. ORDINANCES SECOND READING None.
- IX. CITY MANAGER RESOLUTIONS, REPORTS, AND BOARD DIRECTIVES (4-1190)
  - A. REQUEST FOR BOARD DIRECTION CONCERNING APPROPRIATION OF CAPITAL ACQUISITION FUNDS

Mr. Hamilton explained the changes in revenue created by SB 73, AB 645, the Cable TV franchise fee, and impounded revenue sharing funds. The final budget had to be submitted to the Department of Taxation by August 15. Ms. Walker requested a transfer of \$137,440 and explained the Library air conditioning problems and the preliminary estimates indicating it would cost \$4,000 for two swamp coolers or \$65,000 for an air conditioning and heating Mr. Hamilton expressed the Librarian's opinion that the use of these unit. swamp coolers would not be detrimental to the books, however, individuals displaying items would be advised of the potential humidity problem. The swamp coolers would act as a stop gap measure until funds are entire heating/air conditioning available to revamp the Clarification indicated the desire to place \$50,000 in the ending fund balance.

Supervisor Fettic moved to approve the expenditure of approximately \$4,000 for the purchase of two swamp coolers for the Library. Supervisor Swirczek seconded the motion. Motion was voted and carried 5-0.

Discussion ensued concerning the need to upgrade the System 36, the ambulance, computerization of the traffic signals--which could be handled under the gas tax, and Juvenile Detention Center roof repair.

Supervisor Swirczek moved to appropriate from the Capital Acquisition Fund an approximate amount of \$24,000 for the replacement of an ambulance, \$17,000 to repair and recoat the roof of the Juvenile Detention Facility, and \$6600 for the Query for the IBM System 36. Discussion noted the possibility that a court decision concerning the Revenue Sharing Funds may be appealed. Supervisor Fettic seconded the motion.

Supervisor Scrivner elaborated on his feeling that the problems with the Courthouse should be addressed before another ambulance is purchased. He also felt that the ambulance should be under the Hospital rather than as a part of the Fire Department. The ambulance contract with the Hospital is in negotiations at this time. These concerns were discussed at length. During the discussion clarification indicated that the \$24,000 for the ambulance was for retrofitting rather than the procurement of a new unit. Supervisor Swirczek amended his motion to include that if the negotiations

with the Hospital are successful, these funds shall be allocated for the ambulance which may reduce the allocation of \$24,000 for the retrofitting of the ambulance. Supervisor Fettic continued his second. Supervisor Scrivner continued to expound on his feelings.

The motion for allocation of the funds was voted by roll call with the following result: Scrivner - No; Chirila - Aye; Mayor Flammer - No; Fettic - Yes; and Swirczek - Yes. Motion carried 3-2 and so ordered.

Supervisor Fettic then moved to approve the expenditure of \$7,000 to build new Courthouse restrooms, segregate criminals from Judges, and for general safety purposes, and the amount of \$3,000 to install the Courthouse emergency call system for security. Supervisor Swirczek seconded the motion. Mayor Flammer expressed his feeling that this was inadequate. Based upon these comments, Supervisor Fettic moved to allocate an additional \$20,000 for the Courthouse improvements. Supervisor Swirczek continued his second. The motion was voted by roll call with the following result: Scrivner - Aye; Chirila - Aye; Fettic - Aye; Swirczek - Aye; and Mayor Flammer - No. Motion carried 4-1.

Mr. Hamilton expressed his feeling that the \$137,000 allocated for the golf course may not be needed, however, should not be reallocated until later in the 1987-88 fiscal year. At that time the Sheriff's Department could be addressed.

B. REQUEST FOR BOARD DIRECTION CONCERNING APPROPRIATION OF UNANTICIPATED REVENUE SHARING FUNDS OF \$11,300 (4-2466)

Due to pending legal action, this matter was continued.

C. REQUEST FOR BOARD DIRECTION CONCERNING THE MAY 21, 1987, APPROPRIATION FOR UNCLASSIFIED EMPLOYEE SALARY INCREASES

(4-2488) Following Mayor Flammer's introduction, Mr. Hamilton explained the error in the calculations for unclassified employee salary increases. The fringe benefits had not been included in the \$90,000 appropriation. In addition to the error, the salary augmentations for three or four individuals, as explained during the request, were made. This created a need for a \$29,000 augmentation to the budget. He explained that the mistake was an honest one and had not been made intentionally as intimated by several individuals. He, therefore, requested that the budget be augmented to meet the salary increases as presented on May 21.

Personnel Officer Judie Fisher apologized for the embarrassment and inconvenience created by the error. She reiterated the point that it was an honest mistake.

Mayor Flammer expressed his feeling that a "fast maneuver" had not been

attempted. He felt the question was whether there were sufficient funds available to meet the shortage. Mr. Hamilton suggested that either the ending fund balance be reduced or the individual Department budgets could address the augmentation wherever possible. He urged the Board to augment the allocation in view of his feeling that it was a legal and/or moral obligation made at the Board's direction.

Supervisor Fettic requested staff to make recommendations to the Board on how to fund the augmentation in view of the fact that the motion was specific in the amount to be allocated.

Mayor Flammer noted the options provided by Deputy Finance Director Mary Walker in a memo. They were to increase the \$90,000 appropriation or maintain the original allocation if legally possible. Ms. Walker explained that this was the Finance Committee's recommendation. The legal concerns were related to the question of whether the Board had entered into a contract with the unclassified employees at the time the Personnel Action Forms, which indicated the increase allocated, were signed. Mr. Hamilton explained that he had discussed this issue with Mr. Cockerill and requested time to evaluate the alternatives unless the Board wished to augment the allocation today.

Supervisor Swirczek echoed the feeling that the intent had not been to mislead the Board, however, due to the budgetary constraints questioned the ability to meet an additional commitment. He suggested that alternatives be provided including a means by which the possibility of a similar financial error occurring in the future would be eliminated. He felt that the Departments should meet the deficiency.

Supervisor Scrivner explained that the amount granted had been over the amount requested originally. He felt that the question was not one of an error in the presentations but rather one of spending over and above that which was allocated. He explained his attempt to correct the error several weeks earlier. He felt duty bound to stick with the \$90,000 allocated. He was adamant that the Departments return any amount over the allocated sum otherwise a full investigation should be made into the expenditure of funds without proper authorization. He felt that over expenditures of this nature should not be tolerated as it would lead to a precedence whereby budgets could be ignored. Additionally, he felt that it was the City Manager's responsibility to correct the situation.

Mr. Hamilton then explained his feeling that the funds had not been spent as only 32 days of the 1987-88 fiscal year had lapsed. The \$90,000 would not be spent until March or thereabouts.

Supervisor Scrivner then questioned what would happen when the funding ended and the employee expected to receive the same amount. He felt that this was "free appropriation of funds not authorized". Clarification indicated that he wanted the City Manager to readjust the salaries to the \$90,000 as

#### allocated.

Discussion noted that there are 32 individuals involved. Discussion ensued concerning whether the Board needed a motion to direct the City Manager to return with alternatives.

Supervisor Swirczek explained his recommendation that staff submit a report on how the Departments could make up the deficit. This report should include statements concerning how these cuts could be taken without affecting service. Supervisor Chirila expressed her reluctance to do this due to her feeling that operating budgets were already cut to the bone.

Supervisor Scrivner then moved to stay with the \$90,000 as appropriated originally and that the City Manager determine how to resolve the problem with the employees. He then stated his feeling that the City needed additional secretarial staff. Funding for such services had not been appropriated. He felt that the Board would be remiss in its duties to grant the augmentation in view of such a need.

Mr. Hamilton reiterated his concerns about the legality of this suggestion. If percentages are used to reduce the salary, it may be possible that some of the salaries would be reduced below the starting parity figures approved by the Board. The District Attorney's office had not had time to address this legality question.

Mr. Cockerill then explained the various motions adopted at the May 21st meeting and the conflict created between the parity schedule and the allocation. He recommended that the Board defer making a decision until his office had had an opportunity to review the matter.

Mayor Flammer expressed his feeling that the City Manager should be able to adjust the salaries in relation to the amount of raise granted rather than to pro rate the matter and unfairly tax an individual who received a small increase.

Ms. Fisher explained her suggestion that as she had made the mistake, she would offer her resignation and allow the Department to be consolidated within the other Departments. This would provide the necessary funds to cover the shortage. She also noted that the Departments were short on funding at this time and could not afford the reduction.

Discussion noted the motion and indicated that a second had not been made.

Supervisor Scrivner expressed his feeling that the District Attorney's office should check into the legality of spending \$37,000 which had not been authorized by the Board. He also stated his refusal to accept Ms. Fisher's resignation.

Supervisor Swirczek expressed his feeling that the motion had died due to a lack of a second. He then suggested that the matter be referred to the District Attorney's office and that all the facts, opinions, and options be evaluated. Discussion ensued concerning whether the Board would have to fund the overage if the District Attorney determines that the Board made a commitment.

Supervisor Fettic expressed his feeling that the funding should be provided if at all possible. He questioned whether there were legal means by which to provide the funds to make the parity possible. Mr. Hamilton expressed his opinion that it may be possible.

 ${\tt Ms.}$  Walker requested direction in view of the need to complete the budget by  ${\tt August}\ 15$  to meet State deadlines.

In order to get the matter off center, Mayor Flammer passed the gavel to Supervisor Scrivner and seconded the motion.

Clarification noted that the budget must be completed by August 15. Ms. Walker would put the \$90,000 appropriation in the figures. If additional revenue is received and the budget augmentation procedure is followed, the appropriation could be changed. The same could occur if budget cuts are made and transfers within the funds are requested. Also, a loan could be used.

Mayor Flammer explained his reasons for feeling that sound business practice demanded the Board stay with the \$90,000 allocation as approved originally. His comments stressed that the increases could be augmented by Board action at some future meeting. Mayor Pro-Tem Scrivner echoed this feeling based on his refusal to allow the expenditure without prior authorization.

Ms. Walker suggested, based upon her contact with the Department Heads and while recognizing the Board's position, that the Board approve the augmentation and allow the Departments to find the sum within their budgets. Her comments explained her pro rated procedure to establish the cuts each Department would be required to make. She noted that personnel turnover alone may be able to address the shortage. Any Departments which could not absorb the cut may be addressed through cuts in other Departments. She felt certain that the \$29,000 shortage could be addressed somewhere in the \$14 million City budget.

Mayor Flammer expressed his feeling that it was a matter of principal and his support for having the issue brought back in the future for reconsideration.

Mayor Pro-Tem Scrivner expressed his feeling that if the funding or another alternative is discovered prior to the 15th, the item should be placed on the next agenda. Until that time all budget figures should remain within

the \$90,000. To go over that allocation would be in violation of the Board's order.

Ms. Walker explained that if clear direction is not set by the Board until the 13th, her staff would have to work overtime to meet the State budget deadline.

Supervisor Fettic suggested that the motion be amended to allow the \$90,000 allocation to stand while allowing the \$29,000 to stand so long as no additional impact is created on the budget. The \$29,000 would have to be found within the approved budget. He then explained his feeling that had the matter been brought to the Board's attention in May when the shortage was first determined, he would have agreed to roll back the salaries; however, three months have elapsed since that time. He felt that it was unfair to the employees to have the funds withdrawn at this time. Clarification indicated that his suggestion would not change the ending fund balances but would make cuts in other areas. Mayor Pro-Tem Scrivner explained that he would not accept this amendment.

Clarification indicated that if the motion is adopted as made, the District Attorney's opinion would only clarify whether the motion could be made or not.

Mr. Cockerill pointed out that it is not absolutely necessary for the Board to adopt a motion. Supervisor Swirczek explained a process which would necessitate the preparation of two budgets and allow the Board to chose the one it wants at the next meeting.

The motion to stay within the \$90,000 allocation was voted by roll call with the following result: Scrivner - Yes; Chirila - Yes; Mayor Flammer - Yes; Fettic - No, due to his feeling that this was not the correct procedure to follow; Swirczek - noted that the motion would lock the Board into the \$90,000 appropriation, however, an adjustment could be made after the 15th, Yes. Motion carried 4-1.

Clarification indicated that Ms. Walker should change the checks. Mayor Flammer explained that this would keep the Board "straight with the public". Changes could be made later if so desired.

#### D. REQUEST FOR BOARD DIRECTION CONCERNING APPROPRIATION OF SB 73 (ADDITIONAL GAS TAX MONIES FOR STREETS) (5-0857)

Ms. Walker explained the tax bill and the uses for the funds. The monies could not pay for administrative or personnel costs. Mr. O'Brien explained that Vehicle Maintenance would provide \$10,000, which it normally provides for repair performed on the street sweeper, and with \$14,000 from the tax, a new street sweeper could be lease/purchased. He also felt that storm drain maintenance could be included in the street repair, which would allocated \$5200. These monies could be used for parts and other maintenance equipment

for the traffic signals as well as additional street signage, which totals \$22,150. Mr. O'Brien suggested funding the storm drain master plan and street master plan with the remaining monies. The ability to include storm drains was discussed at length. Supervisor Fettic moved to approve the expenditure of \$96,000 from the SB 73 legislation as presented by the Public Works Department. Supervisor Scrivner seconded the motion. Discussion ensued concerning whether the street sweeper could be included in the uses. Supervisor Fettic amended his motion to remove the \$14,000 for the street sweeper from the expenditure pending a determination as to whether this was a appropriate use of the funds. Supervisor Scrivner continued his second. The motion to approve the gas tax expenditures with the exception of the street sweeper which would be authorized if it is determined to be a proper use of the funds was voted by roll call with the following result: Ayes - Scrivner, Chirila, Swirczek, Fettic, and Mayor Flammer. Nayes - None. Motion carried 5-0 and so ordered. Clarification indicated that the \$14,000 for the street sweeper would be so allocated, however, funds would not be spent until a determination is made on its legality.

E. REQUEST FOR BOARD DIRECTION CONCERNING FINALIZATION OF FISCAL YEAR ENDING 1988 AMENDED BUDGET (5-1234)

Mr. O'Brien explained the allocation of funding for a paving management program. Last week a contract for this system was let in the amount of \$42,150 with a \$10,000 grant. These funds had to be transferred from the 86-87 budget to the 1987-88 budget, which is in accordances with the 112 Rule. Supervisor Swirczek moved to authorize the transfer of the amount allocated for the pavement management program that was appropriated in the 86-87 budget to the 87-88 budget. Supervisor Fettic seconded the motion. Motion was voted and carried unanimously.

Discussion ensued concerning what facilities would be relocated for the new Senior Citizen Center and funding sources for this relocation. Supervisor Fettic then moved to spend \$15,685 from Capital Acquisition for moving Parks and Recreation. Following discussion on whether this was the appropriate use of the Capital Acquisition fund and its ending fund balance, Supervisor Scrivner seconded the motion. Motion was voted and carried 5-0.

Following Ms. Walker's request for funds for Parks and Recreation rent, Supervisor Fettic moved to authorize the expenditure of \$6,000 from the General Fund and Parks and Recreation Fund and any additional revenue that may be generated. Supervisor Scrivner seconded the motion. Motion was voted and carried 5-0.

#### X. BOARD OF SUPERVISOR RESOLUTIONS, REPORTS, AND PROCLAMATIONS

A. RECOMMENDATION CONCERNING APPOINTMENT OF CARSON CITY'S REPRESENTATIVE ON NEVADA STATE LAND USE PLANNING ADVISORY COUNCIL (5-1487)

Supervisor Chirila moved to appoint Walt Sullivan to the Nevada State Land Use Planning Advisory Council. Supervisor Scrivner seconded the motion. Motion was voted and carried 5-0.

> В. MAYOR FLAMMER - None.

<u>SUPERVISOR SWIRCZEK</u> - None. <u>SUPERVISOR FETTIC</u> - Commended Mr. Hamilton on his performance during the year that he had been City Manager.

> <u>SUPERVISOR CHIRILA</u> - None. SUPERVISOR SCRIVNER - None.

Supervisor Fettic moved to adjourn. Supervisor Scrivner seconded the motion. Motion was voted and carried 5-0. Mayor Flammer adjourned the meeting at 5:30 p.m.

A tape recording of the proceedings is on file in the Clerk-Recorder's Office. This tape is available for review and inspection during normal business hours.

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Alan Glover, Clerk-Recorder