A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, February 6, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Pete Livermore	Supervisor, Ward 3
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4
STAFF PRESENT:	Andrew Burnham	Acting City Manager
	Alan Glover	Clerk-Recorder
	Kenneth Furlong	Sheriff
	Al Kramer	Treasurer
	Cheryl Adams	Deputy Purchasing Director
	John Flansberg	Street Operations Manager
	Tom Hoffert	Utilities Operations Manager
	Melanie Bruketta	Deputy District Attorney
	Katherine McLaughlin	Recording Secretary
	Justine Chambers	Contracts Coordinator

(B.O.S. 2/6/03 Tape 1-0015)

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

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

CITIZEN COMMENTS (1-0040) - Mayor Masayko explained that the Krispy Kreme Donuts were from Denise Simms of the Children's Museum and are part of its fund-raising program. This program occurs on the first of each month at the Museum. He invited the public/audience to participate in the program.

1. APPROVAL OF MINUTES - 9/5 AND 9/19/02 (1-0053) - Pages with corrections were distributed prior to the meeting. Supervisor Williamson moved to approve the Minutes of September 5, 2002, meeting with corrections on Pages 7, 8, and 17 and approval of the Minutes of the September 19 meeting with corrections on pages 7 and 10. Supervisor Livermore seconded the motion. Motion carried 4-0-1 with Supervisor Aldean abstaining.

2. AGENDA MODIFICATIONS (1-0086) - Liquor Board Item 3-B was pulled as the Sheriff's investigation had not been completed.

LIQUOR AND ENTERTAINMENT BOARD (1-0095) - Mayor Masayko recessed the Board of Supervisors session and immediately convened the Liquor and Entertainment Board. The entire Board, including Member Furlong, was present, constituting a quorum.

3. TREASURER - Al Kramer

A. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR PARMINDER B. CHHINA, DOING BUSINESS AS FANS AND FUN, LOCATED AT 1914 NORTH CARSON STREET (1-0105) - Ms. Chhina was present. Chairperson Masayko explained the reasons she was required to attend the meeting and that having a Liquor License is considered a privilege in Carson City. He also reminded her of the need to abide by the Liquor Laws including allowing the Sheriff's office to have access at all reasonable times. Ms. Chhina indicated that she would abide by the laws and would provide appropriate training for her employees in them. Discussion explained the location and address of the establishment. Member Furlong noted the favorable Sheriff's investigative report. Member Williamson moved to approve a full bar liquor license for Parminder B. Chhina, doing business as Fans and Fun, located at 1914 North Carson Street under Carson City Municipal Code 4.13 with a fiscal impact of $1,000 original new fee, $500 investigation fee, and a $200 quarterly liquor fee. Member Livermore seconded the motion. Motion carried 6-0.

B. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR ADOLFO GALINDO MARTINEZ, DOING BUSINESS AS MICHUACAN MEXICAN FOOD, LOCATED AT 933 WOODSIDE DRIVE #102 (1-0190) - Pulled as the Sheriff's investigation had not been completed.

BOARD OF SUPERVISORS (1-0193) - There being no other matters for consideration as the Liquor and Entertainment Board, Chairperson Masayko adjourned the Liquor and Entertainment Board and immediately reconvened the Board of Supervisors. (The entire Board was present, constituting a quorum.)

4. CONSENT AGENDA (1-0195)

4-1. DEVELOPMENT SERVICES - STREETS - ACTION TO APPROVE AN INTER-LOCAL AGREEMENT WITH THE STATE OF NEVADA DEPARTMENT OF TRANS-PORTATION, THE REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY, AND THE CONSOLIDATED MUNICIPALITY OF CARSON CITY FOR CONTINUATION OF THE PUBLIC TRANSPORTATION SYSTEM KNOWN AS PRIDE BETWEEN WASHOE COUNTY AND CARSON CITY

4-2. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON SILVER SADDLE RECLAIMED WATER MAIN DESIGN, CONTRACT NO. 2002-083 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO HARRIS AND ASSOCIATES, 2310 PASEO DEL PRADO, SUITE #A104, LAS VEGAS, NEVADA 89102 FOR A CONTRACT AMOUNT OF $108,990 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE

AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF $10,000

B. ACTION TO APPROVE THIS REQUEST FOR CONTRACT APPROVAL FOR THE CONSTRUCTION INSPECTION FOR S. E. SEWER PHASE V AND 2001 SEWER REPLACEMENT PROJECTS, CONTRACT NO. 2001-118 TO HARRIS AND ASSOCIATES, 2310 PASEO DEL PRADO, SUITE #A104, LAS VEGAS, NEVADA 89102 FOR AN AMENDMENT NO. 2 COST NOT TO EXCEED $19,000 AND AUTHORIZATION FOR THE CONTRACTS DIVISION TO EXECUTE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF $4,000

C. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE UTILITIES BUILDING B - SECOND STORY OFFICE ADDITION PROJECT, CONTRACT #2002-073 TO (BIDDER #3) ADVANCE INSTALLATIONS, INC., P. O. BOX 2163, SPARKS, NEVADA 89432, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 624 FOR A CONTRACT AMOUNT OF $22,739 AND A CONTINGENCY AMOUNT OF $3,511

4-3. DEVELOPMENT SERVICES - ENGINEERING

A. ACTION TO AUTHORIZE THE MAYOR TO SIGN THE RECREATION AND PUBLIC PURPOSES LEASE RENEWAL (R&PP) N–298 BETWEEN CARSON CITY AND THE BUREAU OF LAND MANAGEMENT (BLM) FOR THE LANDFILL PROPERTY

B. ACTION ON AMENDMENT NO. 1 TO HIGHWAY AGREEMENT NO. 607-01-803 BETWEEN CARSON CITY STATE OF NEVADA DEPARTMENT OF TRANSPORTATION, AND THE BOARD OF REGENTS OF THE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA ON BEHALF OF THE DESERT RESEARCH INSTITUTE FOR THE PURPOSE OF MONITORING AND ANALYZATION OF THE STORM WATER RUNOFF IN THE TAHOE BASIN ALONG STATE ROUTE 28 IN CARSON CITY

4-4. FINANCE - ACTION TO RATIFY THE EXPENDITURE APPROVAL LISTING FOR THE MONTH OF JANUARY

4-5. PURCHASING AND CONTRACTS

A. ACTION TO EXTEND CONTRACT NO. 0203-070 TO CONTRACT WITH HIGH DESERT MICROIMAGING, INC., BY JOINDER BID THROUGH NEVADA STATE PURCHASING TO PROVIDE HARDWARE, SOFTWARE, AND SERVICES FOR ELECTRONIC DOCUMENT MANAGEMENT SYSTEMS (EDMS) FOR CATEGORIES 1, 2, 3, 4, 5, AND 6 THROUGH DECEMBER 31, 2003, AND AUTHORIZE ALL CITY DEPARTMENTS TO BE ABLE TO PLACE ORDERS FROM THIS CONTRACT PROVIDING THEY HAVE APPROVED FUNDING AND FOLLOW APPROVED CARSON CITY PURCHASING PROCEDURES

B. ACTION TO APPROVE THE AWARD OF 294 ITEMS FROM CONTRACT NO. 0203-086 WATER WORKS PARTS TO WESTERN NEVADA SUPPLY CO. EFFECTIVE THROUGH FEBRUARY 5, 2004, WITH THE OPTION TO RENEW FOR TWO (2) ADDITIONAL YEARS AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 AND PURSUANT TO THE BOARD'S FINDINGS THAT IT IS IN THE PUBLIC'S BEST INTEREST TO ACCEPT THE FIVE (5) BID EXCEPTIONS

C. ACTION TO APPROVE RESOLUTION NO. 2003-R-___ DECLARING CARSON CITY'S INTENTION TO LEASE PROPERTY IN KINGS CANYON FOR GRAZING PURPOSES AND REQUEST FOR BIDS THROUGH THE PROCESS DETAILED IN NEVADA

REVISED STATUTES CHAPTER 244 (FILE 0203-090)

D. ACTION TO APPROVE CONTRACT NO. 0203-097 TO CONTRACT WITH CORPORATE EXPRESS, MY OFFICE PRODUCTS.COM AND OFFICE DEPOT BY JOINDER BID THROUGH NEVADA STATE PURCHASING TO PURCHASE OFFICE SUPPLIES THROUGH DECEMBER 31, 2004 AND AUTHORIZE ALL CITY DEPARTMENTS TO BE ABLE TO PLACE ORDERS FROM THIS CONTRACT PROVIDED THEY HAVE APPROVED FUNDING AND FOLLOW APPROVED CARSON CITY PURCHASING PROCEDURES

4-6. HUMAN RESOURCES

A. ACTION TO APPOINT TWO MEMBERS TO THE HISTORIC RESOURCES COMMISSION

B. ACTION TO APPOINT FOUR MEMBERS TO THE BOARD OF APPEALS

4-7. CARSON CITY AIRPORT AUTHORITY

A. ACTION TO APPROVE REVISED LEASE TO WT INVESTMENTS, LLC, TO MOVE A PORTION OF THE LEASED AREA TO ACCOMMODATE THE AIRPORT MASTER PLAN

B. ACTION TO APPROVE REVISED LEASE TO CARSON EXECUTIVE HANGAR CONDOMINIUM ASSOCIATION, INC., TO MOVE A PORTION OF THE LEASED AREA TO ACCOMMODATE THE AIRPORT MASTER PLAN - Board comments explained that Glen Martel may be leaving the area and questioned whether the Board of Appeals appointments should be made. It was felt that Mr. Martel could remain on the Board unless he resigns or relocates his residence outside of the City. Supervisor Livermore moved to adopt the Consent Agenda containing 15 items and that Item 4-5C's. Resolution number be 2003-R-6, RESOLUTION NO. 2003-R-6, DECLARING CARSON CITY'S INTENTION TO LEASE PROPERTY IN KINGS CANYON FOR GRAZING PURPOSES AND REQUEST FOR BIDS THROUGH THE PROCESS DETAILED IN NEVADA REVISED STATUTES CHAPTER 244, FILE 0203-090, as presented. Supervisor Staub seconded the motion. Motion carried 5-0.

5. BOARD OF SUPERVISORS

A. ACTION TO ADOPT BOARD GOALS FOR FISCAL YEAR 2003-2004 (1-0247) - Mayor Masayko summarized the process used to establish the goals on November 22 and pointed out that one goal had received six votes. This item should have received only five votes. The Board's policy is to adopt a listing that is manageable. For this reason the short list contained only those items obtaining a plurality of Board votes. The entire list of priorities was attached to the short list for discussion/information purposes. He also explained his clarification of Items 2b and 2c. Justification for pursuing these goals was indicated. Reasons for changing the terminology from "enterprise zones" to "mutual interest areas" were discussed. As the Memorandum of Understanding (MOU) with Douglas County had used the term "enterprise zones", it was felt that the term should be used when referencing the Douglas/Carson City line. As Lyon County does not have a similar MOU, the term "mutual interest areas" is appropriate. Supervisor Aldean suggested that consideration be given to ratification of the MOU. Mayor Masayko revised the short list of priorities for 2c to include development of an MOU. Item 2b. was revised to read: "Pursue and develop a framework and agreement including reaffirming the intent of mutual cooperation expressed in the January 2001 memo of understanding to establish an area of mutual interest along the southern border of Carson City and the northern border of Douglas County for approval by the Board of Supervisors

and Douglas County Commission. Item 2c. was accepted as amended. Mayor Masayko indicated his intent to give his copy to Mr. Burnham for rewriting and for placement on the Consent Agenda for approval at the next meeting. Discussion indicated that the revised freeway agreement with NDOT and State Transportation Board of Directors should be to the Board before June. Mayor Masayko explained that the Resolution adopted by the Board at the January 30th meeting was being forwarded to the Governor. Discussion noted that the State Transportation Board's direction to NDOT to complete the Carson City freeway had not been given prior to the Board establishing its goals. The ability to fund and support a second expressway, i.e., College Parkway, was questioned. Comments indicated a desire to send this priority to RTC for discussion. Supervisor Staub felt that RTC's goals would be discussed on Wednesday. He planned to recommend the RTC's priorities for moving traffic at this time include the design and construction of alternative routes around and through the City. This includes the expansion of Roop Street and the extension of Stewart Street between Roop Street and Curry Street. Mayor Masayko asked RTC to act quickly on Item 3a. Commissioner Aldean noted her original support for the expressway, which is now known as the freeway. The freeway will create internal issues which RTC must address. She questioned the need for another expressway and whether it would be a prudent expenditure of RTC funds. Supervisor Williamson pointed out that the goals are unique and must be revised as conditions warrant. The top priority for 2003-2004 should be adding, implementing, and constructing the freeway. The City should not stand in the State's way on this project. Flexibility is needed within the City's work plan to show that we are committed to its completion. Discussion pointed out the funding concerns and need to pursue those projects which are achievable. Supervisor Staub pointed out the need for RTC to continue to support the Fairview Drive upgrade as it will be needed as a detour until the southern leg of the freeway is completed. He also felt that the Board should be able to adopt Goal 3b. at today's meeting. The economic development priorities should continue to be the second priority right behind the freeway. Discussion supported his contention that the City was doing everything in its power to be a business oriented, friendly community attempting to protect and promote its economic development. Anyone encountering problems with either staff or the rules and regulations should contact a Board member. Supervisor Livermore pointed out that the regional hospital plan had been endorsed by the Planning Commission. Its accomplishment will require ordinance modifications, which is a goal of the economic vitality committee. The Hospital's construction should commence this summer. Supervisor Williamson indicated there are vacancies on the economic vitality committees and solicited volunteers. She suggested that adoption of the goals be held until after the RTC has had an opportunity to discuss its goals. Mayor Masayko suggested that the priority be revised so that Goal 1 will be the Items listed as No. 2a–develop a revised agreement for completion of the freeway with approval by the Board of Supervisors and the State Transportation Commission. Goal 2 should be economic vitality and business recruitment. Goal 3 should be to develop, fund and implement a public information division within the City Manager's office. Goal 4 should be the mutual area agreement with Douglas County. Goal 5 should be the mutual area agreement with Lyon County. Goal 6 should be the performance audit. The hospital should be considered as part of Goal 2. Consensus supported this revised listing and directed that the item be agenized for the next Board meeting. The priorities on the second page were then discussed. It was felt that its economic vitality and business conditions issues were removed. Mayor Masayko felt that the grant and criminal justice working committee had received more than one vote and urged the Board to keep the list manageable so that something can be accomplished. Clarification indicated that the economic development/business recruitment items had all been rolled into his No. 2 Goal. Discussion also indicated that the public information division would be a part of the budget and that staff will not wait for the new City Manager for its implementation. Mayor Masayko then described how he uses the goals and priorities when making presentations before service clubs/organizations as it is an important work plan. Supervisor Staub reiterated the need for a public information division particularly in

light of the response that was given by the media to Mr. Wolkomir's audit report on the Sheriff's Office. For this reason he felt that the public information division should be made Goal No. 1. Discussion ensued concerning the priority which would identify five Carson City parcels for economic development using CDBG funding. This priority should be undertaken as part of the economic vitality program. The Board will establish the appropriate land use when recommendations are submitted to it by the committee(s). Supervisor Aldean indicated that the committee(s) are working on the development of uses and identifying the key parcels which need assistance. Mayor Masayko felt that the committee(s) should know that the Board may not be able to do all of their recommendations, however, the highest and most doable should be done. Supervisor Staub stressed that it was important that the committee(s) understand the need to protect and maintain the current economic engines which include the auto dealers. Mayor Masayko reiterated his desire to keep Goal No. 1 as the commitment to build the freeway. Supervisor Aldean indicated that the retention of businesses and the recruitment of new businesses are being worked on by the corridor committee. No formal action was taken on this item.

B. ACTION ON APPOINTMENT OF MEMBERS OF THE BOARD OF SUPERVISORS TO VARIOUS BOARDS, COMMITTEES, AND COMMISSIONS (1-0865) - Discussion explained that the Board had already selected the Mayor Pro-Tem and a representative the NACO Board. Supervisor Livermore's assignment to the State Public Land Committee was made by the Governor. Discussion questioned the reason for having a Board Member on the Senior Citizens Center Advisory Committee. Mayor Masayko recommended that the policy be maintained until the Senior Citizens Center Board indicates whether it will accept a citizen-at-large representative for the Board of Supervisors. Supervisor Staub volunteered to serve on the Senior Citizens Center Advisory Committee. Supervisor Livermore recommended that Supervisor Aldean be appointed to the RTC as a Board Member. This vacates her public-at-large seat. Supervisor Aldean volunteered to serve on the WNDD Board as a trade with Supervisor Livermore for the Parks and Recreation Commission appointment. Supervisor Livermore expressed his desire to serve on the Parks and Recreation Commission. Supervisor Aldean volunteered to serve on the Public Transportation Advisory Committee. Mayor Masayko expressed his desire to remain on the Convention and Visitors Bureau at least until the V&T bond and the room tax increase issues are resolved. Supervisor Williamson was to remain on the NACO Board of Directors, Western Nevada Development District, the Western Nevada Home Consortium, Redevelopment Authority, and the Subconservancy District. One Region, One Vision was removed from the listing as it is no longer active. Supervisor Williamson was reappointed to the Carson Water Subconservancy District. Supervisor Staub volunteered to serve on the Carson River Advisory Committee. Western Nevada Development District was assigned to Supervisor Aldean. The Parks and Recreation Commission was assigned to Supervisor Livermore. Supervisor Livermore's appointments to the Carson Water Subconservancy District and the Economic Development Vitality Committee were ratified. Discussion also indicated that Supervisor Staub's appointment to the Regional Transportation Commission should terminate in 12/04 and that the shorter term would expire in 12/03 which was to be Supervisor Aldean's appointment. Supervisor Staub wished to remain on the Community Council on Youth. Discussion indicated that the Public Transportation Advisory Committee will become a technical committee to the MPO/RTC. Supervisor Aldean volunteered to serve on the Public Transportation Advisory Committee. She also suggested that this Committee be expanded to include a Lyon County representative since it is not represented on the MPO. Supervisor Staub indicated his desire to remain on the Debt Management Commission and the Airport Authority. Reasons for appointing Supervisor Aldean to the TRPA were provided. She disclosed that she does have a mixed use, affordable housing project on the California side of Lake Tahoe which will be presented in the near future. Mr. Burnham had agreed to serve as her alternate

when it is discussed. She is sensitive to the issue and wished to avoid any conflict of interest. Her family no longer has any financial interest in Glenbrook as its development potential had been sold several years ago. They still own a small stream environmentally zoned, undevelopable parcel. Staff was directed to determine the expiration date for her appointment. Mayor Masayko indicated that the motion is to include the appointment of Mr. Burnham as her alternate. Supervisor Aldean moved to make the assignments as discussed. Supervisor Livermore seconded the motion. Motion carried 5-0.

C. DISCUSSION AND POSSIBLE ACTION REGARDING THE SELECTION OF A NEW CITY MANAGER (1-1535) - Human Resources Director Ann Beck indicated that 35 applications had been received to date. The application period closes on February 14. Discussion suggested there be a City and a community evaluation team used to screen the applicants. The committees will conduct separate reviews of the applications in a public forum. They will select seven and interview those individuals. Mayor Masayko felt that the committees should consist of five to eight members although 12 or 13 also work. More than that may be unwieldy. Only three or four applications for the committee appointments had been received. It was felt that everyone will wait until the last minute to submit his/her application. Ms. Beck agreed to advertise the committee openings a second time. Supervisor Livermore urged her to have the evaluations done in writing and submitted to the City as it will provide documentation that the process had been fair and equitable. Mayor Masayko felt that the more individuals on the committees, the better the evaluations will be. Ms. Beck indicated that her staff will analyze the applications to insure compliance with the minimum position requirements. She agreed to make announcements at meetings of the local social organizations. She had contacted the Chamber of Commerce. She also clarified her intent to give the committees' top applicants to the Board along with a copy of all of the other applications. The Board should select the five that they want to interview. This group will be sent a second questionnaire. The committees will interview and evaluate these individuals. The ranking will be submitted to the Board who will determine the number it wants to interview. These applicants will be invited to come to the area for the final interview. Mayor Masayko commended Ms. Beck and her staff on their efforts to conduct the search in-house. No formal action was taken or required.

RECESS: A recess was declared at 10:10 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:22 a.m., constituting a quorum.

D. NON-ACTION ITEMS - DISCUSSION ON LEGISLATIVE MATTERS; INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS; CORRESPONDENCE TO THE BOARD OF SUPERVISORS; AND STATUS REPORTS AND COMMENTS FROM MEMBERS OF THE BOARD (1-1795) - Mayor Masayko thanked the Board for attending the informal legislative welcoming ceremony at the City Hall and thanked the City staff for doing it. Molly's Catering had provided the refreshments. It was felt that the informal gathering buys Carson City friendship. Although the January 30th meeting did not have the hoped for results, Supervisor Livermore was pleased that the Douglas County Commissioners and staff had attended the legislative welcoming.

E. NON-ACTION ITEMS - STAFF COMMENTS AND STATUS REPORTS - None.

6. DEVELOPMENT SERVICES - ENGINEERING - City Engineer Larry Werner

A. ACTION TO APPROVE AN AGREEMENT BETWEEN CARSON CITY AND DOUGLAS COUNTY REGARDING THE USE OF DOUGLAS COUNTY STAFF FOR CARSON CITY RADIO TECHNICAL SERVICES (1-1820) - The Douglas County program was described. The contract will expand its employees from 1-1/2 to two. It will cost $50,000 for staffing and $10,000 for materials and equipment. The present program costs $70,000. Douglas County Communications Technician Dan Burger will be preforming the work for Carson City. He is a Carson City resident. Mayor Masayko noted for the record that the contract has a fixed fee and reiterated the costs. He asked staff to provide the amount of service utilized under the contract and the negotiated cost during the budget process. Mr. Werner acknowledged that the cost was based on the projected amount of service which will be required and is the best guess possible. He agreed to provide status reports to the Board. Mayor Masayko pointed out that while the Board and Commission may disagree on some items, there are several on which they agree. There is more in common between the two than has been recognized. They should cooperate whenever it is in the best interest of both parties. Discussion indicated that it was assumed that Sheriff Furlong was aware of the proposal as Lt. Saylo and Deputy Fair had been involved. Mr. Werner indicated that he would make sure that Sheriff Furlong knew about the program. Clarification indicated that the $50,000 is a not to exceed maximum. Efforts to privatize the service have been unsuccessful. The "employee" lives in the vicinity of the dispatch center which should improve the response time. The proposal will assist with the regionalization of communications and radio frequencies. Mayor Masayko explained telephone call he had on Homeland Security. The program will assist with combining the State and local services so that interaction between them can occur. This will improve State and local responses to emergencies. Clarification also indicated that Douglas County has already responded to City requests for assistance and has worked for the City when the private contractor failed to respond. Douglas County has not been paid for this work. The five-year contract allows for annual negotiations based on the budget direction(s). Mr. Burger introduced himself. Mayor Masayko indicated for the record that Mr. Burger had helped in the past during emergency periods and that this is a fine example of the cooperation among critical public safety agencies. The Douglas County Commission will consider the contract this afternoon. Supervisor Aldean moved to approve an Interlocal Agreement between Carson City and Douglas County regarding the use of Douglas County staff for Carson City Radio Technical Services; fiscal impact is approximately$50,000 per year and was budgeted within the Vehicle Maintenance Internal Service Fund. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION TO APPROVE AN AGREEMENT BETWEEN NEVADA CHILDREN'S FOUNDATION, INC., A NONPROFIT NEVADA CORPORATION, AND CARSON CITY, WHEREBY THE NEVADA CHILDREN'S FOUNDATION, INC., AGREES TO SELL AND CONVEY ALL THAT CERTAIN REAL PROPERTY IN AND TO A STORM DRAINAGE WATER DETENTION BASIN DESCRIBED AS PARCEL 1 (1-2041) - Acting City Manager Andrew Burnham - Discussion elaborated on the term "in and to" and the purpose of the agreement. The final drainage configuration may not be that as conceived today. NDOT will use the 90,000 cubic yards of material from the detention basin on the freeway. The agreement allows for changes to be made as desired in the future. The freeway and its drainage and storm water program were noted. Clarification indicated that the amount of land being acquired was not the entire 50-acre parcel shown on the map in the staff report. The site is being acquired at approximately $4 a square foot, which was felt to be the going price for the land. Only 3.98 acres of the site will be used for detention. Three more easements are required for the project. The channel maintenance issues also need to be resolved. Efforts are being made to move quickly to finalize these items and not delay the Hospital's construction program. University Heights property owners

and Eagle Creek are part of this project. The State Lands and WNCC–Timberline and Combs Canyons–are not part of the project. Discussion indicated for the record that the City and NDOT have a $5.2 million agreement regarding reimbursement of detention projects. Once the $5.2 million is reached, the City is liable for any remaining costs. The project may be part of the $5.2 million. Mr. Burnham explained that the Board will be considering several contracts/agreements related to the freeway during the next several meetings. City staff is attempting to move as quickly as possible to finalize and complete its freeway commitments. Mayor Masayko also indicated for the record that the wetlands on the Lompa property and on North Lompa Lane were being relocated to the Silver Saddle Ranch. This work should be completed within two weeks. Public comments were solicited but none were given. Supervisor Livermore moved to approve an agreement between the Nevada Children's Foundation, Inc., a nonprofit Nevada corporation, and Carson City whereby the Nevada Children's Foundation, Inc., agrees to sell and convey all that certain real property in and to a storm drainage water detention basin described as Parcel 1, as shown on the parcel map filed in the Official Records of Carson City, Nevada, in Book 9, Page 2414, on the 14th day of June 2001 as File Number 262892; fiscal impact is $694,500 to be reimbursed to Carson City from the Nevada Department of Transportation as part of the freeway agreement; and the funding source is the General Fund Eagle Detention Basin. Supervisor Williamson seconded the motion. Motion carried 5-0.

7. COMMUNITY DEVELOPMENT - Director Walter Sullivan **- ACTION TO ADOPT BILL NO. 102 ON SECOND READING, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 18, ZONING, CHAPTER 18.02, ADMINISTRATIVE PROVISIONS, SECTION 18.02.035, COMMISSION/BOARD APPLICATIONS, TO PROVIDE FOR REVISED APPLICATION SUBMITTAL PROCEDURES AND DEADLINES FOR PLANNING COMMISSION AND BOARD OF SUPERVISORS APPLICATIONS, AND OTHER MATTERS PROPERLY RELATED THERETO (FILE A-02/03-11) (1-2300) -** Mayor Masayko and Mr. Sullivan indicated for the record that they had not received any comments either pro or con on the ordinance since the first reading. Discussion indicated that the timeframes within the ordinance comply with the Statutes. Public comments were solicited but none were given. Supervisor Aldean moved to adopt Bill No. 102 on second reading, Ordinance No. 2003-2, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 18, ZONING, CHAPTER 18.02, ADMINISTRATIVE PROVISIONS, SECTION 18.02.035, COMMISSION/BOARD APPLICATIONS, TO PROVIDE FOR REVISED APPLICATION SUBMITTAL PROCEDURES AND DEADLINES FOR PLANNING COMMISSION AND BOARD OF SUPERVISORS APPLICATIONS. Supervisor Williamson seconded the motion. Motion carried 5-0.

8. INTERNAL AUDIT DEPARTMENT - Internal Auditor I. Steve Wolkomir

A. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE CHAPTER 2.31 AUTOMATION SERVICES DEPARTMENT, SECTION 2.31.040 ORGANIZATION AND MEMBERSHIP OF COMMITTEE BY REMOVING THE CARSON CITY INTERNAL AUDITOR FROM SERVING AS A MEMBER OF THE COMMITTEE AND OTHER MATTERS PROPERLY RELATED THERETO (1-2370) - Acting City Manager Andrew Burnham, Clerk-Recorder Alan Glover - Mr. Wolkomir indicated a desire to attend the Data Processing Committee as an observer rather than as a voting member. Mr. Burnham and Mr. Glover explain-ed a concern regarding tied votes which could occur as a result of having an even number of committee members. This has not occurred in the

past but the potential is there. Concerns were also expressed regarding quorums and the possibility that conflict of interest could eliminate enough members to impact the ability to comply the required majority vote mandated in the Statutes. Comments indicated a desire to remove the Internal Auditor and questioned the reasons for putting him on the committee originally. Mayor Masayko suggested for the record that the ordinance be revised to allow the Department's deputy to service as an alternate during the absence of the designated Department Head. Supervisor Staub moved to introduce Bill No. 103 on first reading, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE CHAPTER 2.31 AUTOMATION SERVICES DEPARTMENT, SECTION 2.31.040 ORGANIZATION AND MEMBERSHIP OF COMMITTEE BY REMOVING THE CARSON CITY INTERNAL AUDITOR FROM SERVING AS A MEMBER OF THE COMMITTEE AND OTHER MATTERS PROPERLY RELATED THERETO and that there is no fiscal impact. Supervisor Aldean seconded the motion. Discussion indicated the desire to know why the Internal Auditor was originally placed on the Committee. Staff was directed to contact former Internal Auditor Gary Kulikowski and to amend the ordinance provisions to allow the Deputy Department Heads to serve as an alternate for the Department Heads. The Committee was asked to submit a recommendation regarding the composition of the committee and its numbers. Comments also explained the reasons ordinances are not considered as part of the Consent Agenda. Mayor Masayko indicated that if the item is not returned, the Board will understand. The motion to introduce Bill 102 on first reading was voted upon and approved with a 5-0 vote.

B. ACTION TO APPROVE THE INTERNAL AUDIT PLAN FOR THE PERIOD NOVEMBER 4, 2002, THROUGH DECEMBER 31, 2003 (1-2720) - Acting City Manager Andrew Burnham, Finance Director David Heath - Mayor Masayko complimented Mr. Wolkomir on the plan. Supervisor Aldean indicated for the record that the risk factors assessed to the Departments which he proposed to audit was not related to just the budgetary line items. Mr. Wolkomir's processes for development of the audit universe and selection of the designated Departments for auditing were limned. Discussion indicated that the Board will analyze the risk factors and, if deemed appropriate, may provide funding for co-sourcing some of the audits. Mr. Wolkomir's list had included seven Departments/functions. Reasons the General Fund does not assess fees to its Departments for Mr. Wolkomir's services were discussed. This process could be revised if the Board desires it. Supervisor Williamson explained her desire to have experience with the plan before deciding the issue of co-sourcing. Mr. Wolkomir explained the amount of work he had already performed on the Sheriff's audit. Board comments stressed the need for the plan to be doable. Mr. Wolkomir's plan had included ideas on how to pay for the co-sourced items which included additional resources and Mr. Wolkomir and the Department's sharing the cost. These suggestions are to be discussed during the budget. Mr. Wolkomir believed that the risks for the Enterprise Fund and the General Fund were equal. Benefits of the audit functions were discussed. The Board is the "de facto" audit committee. The amount of time dedicated to developing the plan will be reduced in the future. Mayor Masayko encouraged Mr. Wolkomir to proceed with the plan and commended him on his goals. He urged him to keep the Board apprized of his progress. Divisions/functions which the Sheriff was interested in having audited were described. The plan spelled out four areas for auditing with a possible fifth item which may be pursued if time allows. It is an ambitious work plan. Mr. Wolkomir was directed to tell the Board immediately if the scope is erroneous. Mr. Wolkomir indicated that his time budget report will keep the Board apprised of his progress. Mayor Masayko reiterated the need to keep the Board apprised of his progress and indicated that the Sheriff is embracing his audit. (2-0010) Supervisor Staub explained that with the change in Administrators at the Sheriff's Department had provided the perfect opportunity to conduct the audit. Future audits will include performance as well as fiscal items. The concept

will provide efficiencies and better methods of operation. He suggested that a monthly status report be provided and agenized. If problems are encountered, a discussion can occur. This process will eliminate any impact to Mr. Wolkomir's ability to stay on schedule. He committed to working with Mr. Wolkomir and urged the other Board members to participate in the process in order for Mr. Wolkomir to succeed particularly as the Internal Audit Committee duties had been assigned to the Board. Mayor Masayko also indicated that the Board will know the needs, strengths, and weaknesses at the end of the year. He complimented Mr. Wolkomir on his professionalism. He also indicated that the Board will consider any proposals to improve performance which Mr. Wolkomir develops. The plan also commits Mr. Wolkomir to bring forward a pay for performance plan and evaluation based on criteria that is presented. Public comments were solicited but none were given. Supervisor Staub moved to approve the Internal Audit plan for the period November 4, 2002, through December 31, 2003, as stated in a memorandum dated February 6, 2003, to the Board from Mr. Wolkomir; fiscal impact is believed to be none other than potential cost savings, cost avoidance, and cost containment. Supervisor Livermore seconded the motion. Motion carried 5-0.

9. FINANCE - Director David Heath

A. ACTION TO ADOPT BILL NO. 101 ON SECOND READING, AN ORDINANCE AUTHORIZING AN INSTALLMENT PURCHASE AGREEMENT, LEASE OR OTHER TRANS-ACTION DESCRIBED IN NRS 350.800 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, IMPROVING, AND EQUIPPING CAPITAL IMPROVEMENTS FOR THE CITY; AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE THE AGREEMENT AND OTHER DOCUMENTS RELATED TO THE AGREEMENT; GRANTING A SECURITY INTEREST IN CERTAIN PROPERTY OF THE CITY AND MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF - Mr. Heath's introduction included the State Department of Taxation letter. Mayor Masayko indicated for the record that he had not received any comments either pro or con on the ordinance. The bonds will be issued within the next week or two. Public comments were solicited but none were given. Supervisor Staub moved to adopt Bill No. 101 on second reading, Ordinance No. 2003-3, AN ORDINANCE AUTHORIZING AN INSTALLMENT PURCHASE AGREEMENT, LEASE OR OTHER TRANSACTION DESCRIBED IN NRS 350.800 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, IMPROVING, AND EQUIPPING CAPITAL IMPROVEMENTS FOR THE CITY; AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE THE AGREEMENT AND OTHER DOCUMENTS RELATED TO THE AGREEMENT; GRANTING A SECURITY INTEREST IN CERTAIN PROPERTY OF THE CITY AND MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF; fiscal impact is that the proposed bonds will provide funding for approximately $802,000 in energy conservation measures as outlined in the energy conservation agreement with CMS Viron Energy Services. Supervisors Livermore and Williamson seconded the motion. Motion carried 5-0.

REDEVELOPMENT AUTHORITY (2-0180) - Mayor Masayko then recessed the Board of Supervisors session and passed the gavel to Chairperson Williamson who convened the Redevelopment Authority. For Minutes of the Redevelopment Authority, see its folder.

BOARD OF SUPERVISORS (2-0228) - Following adjournment of the Redevelopment Authority, Chairperson Williamson returned the gavel to Mayor Masayko who reconvened the Board of Supervisors session. The entire

Board was present, constituting a quorum.

B. ACTION TO APPROVE A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY REDEVELOPMENT AUTHORITY FISCAL YEAR 2002-03 BUDGET (2-0230) - Supervisor Livermore moved to adopt Resolution No. 2003-R-7, A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY REDEVELOPMENT AUTHORITY FISCAL YEAR 2002-03 BUDGET in the amount of $559,611. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO APPROVE A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY FISCAL YEAR 2002-03 BUDGET (2-0260) - The Fiscal Year 2002-03 Contingency Fund expenditures were limned. Copies of this report were distributed to the Board and Clerk. (A copy is in the file.) Mayor Masayko felt that a technical violation for over expenditure of the Justice Court budget should be avoided if at all possible and encouraged staff to request an augmentation. Discussion also questioned whether the $150,000 for a long-term care program/Medicare would be adequate. Mayor Masayko felt that the Counties need to be more aggressive in obtaining funding from the State or the entire program may be invalidated. Mr. Heath described the current proposal under discussion at the Legislature. The cost is uncontrollable and is a priority for NACO. The cost may bankrupt other Counties, i.e., Lincoln and Mineral, if the problem is not addressed. Supervisor Livermore moved to adopt Resolution No. 2003-R-8, A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY FISCAL YEAR 2002-03 BUDGET in the amount of $27,334,102. Supervisor Staub seconded the motion. Motion carried 5-0.

10. CITY MANAGER - Acting City Manager Andrew Burnham **- ACTION TO APPROVE PARTICIPATION IN A REGIONAL CONSORTIUM FOR FEDERAL LOBBYING SERVICES (2–0460) -** Lyon County decided not to participate in the contract. Mayor Masayko disclosed his involvement with the Nevada Commission to Reconstruct the V&T Railroad. The Commission has not discussed the proposal. He did not believe that it will commit the funds required for the services. Discussion indicated that the lobbying activities included the freeway, the V&T Railroad, and the Marlette-Hobart water system. RTC and Water Utility funds will be used to pay the fee. Attempts will be made to lower the fee if fewer services are required. Discussion questioned whether the Subconservancy will participate, if the contract could be cancelled if the effort is ineffective, or if the City should join Washoe County's effort. It was felt that joining Washoe County, CDBG or HUD efforts may dilute the City's ability to successfully obtain support for its goals. The proposal does not use any General Fund monies. Supervisor Williamson moved to approve participation in a regional consortium for Federal lobbying services, fiscal impact is $24,000, and the funding source is RTC and Utilities. Supervisor Staub seconded the motion. Following a request for an amendment, Supervisor Williamson amended her motion to include for a one year pilot program. Supervisor Staub concurred. Motion carried 5-0.

RECESS: A recess was declared at 12:05 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:35 p.m., constituting a quorum.

11. HUMAN RESOURCES - Director Ann Beck

A. ACTION TO APPOINT ONE MEMBER TO THE CARSON CITY PARKS AND REC-

REATION COMMISSION (2-0630) - The Board interviewed Charlene Herst and Stacie Wilke. Mayor Masayko thanked each for applying. Adam Gilbert failed to appear for his scheduled interview. Supervisor Livermore moved to appoint Stacie Wilke to the Carson City Parks and Recreation Commission with the term expiring in January 2004. Supervisor Williamson seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 2 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 2:10 p.m., constituting a quorum.

B. ACTION TO APPOINT FOUR MEMBERS ON THE CARSON CITY OPEN SPACE ADVISORY COMMITTEE (2-1120) - Mayor Masayko explained that his research of the terms had corrected Dr. Fischer's term to indicate that his term expires in January 2004. He had called Dr. Fischer and advised him that it was not necessary for him to attend today's meeting and that the error had been corrected. The terms were staggered. Both Ms. Bird and Mr. Jacquet are reapplying. There are two terms that expire in January 2007 and one term that expires in January 2006. Discussion explained who the other Committee members are and their term expiration dates. Supervisor Livermore disclosed that Laura Bird is his sister-in-law. He will not obtain a financial gain by her appointment and did not perceive a conflict of interest in participating in the interviews. (2-1215) Laura Bird, (2-1505) Dan Jacquet, and (2-2300) Howard Riedl were interviewed. Mayor Masayko thanked each for applying. John Meierdierck failed to appear for his interview. Mayor Masayko explained that the Board's policy does not disqualify Mr. Meierdierck from consideration. Supervisor Aldean moved to appoint Howard Riedl as a member of the Carson City Open Space Advisory Committee with his term expiring January 2004 and Laura Bird and Dan Jacquet with their terms expiring in January 2007. Supervisor Livermore seconded the motion and complimented Ms. Bird and Mr. Jacquet for reapplying and on their willingness to work for the betterment of the community. Mayor Masayko complimented Mr. Riedl for applying. New blood is good and is needed. Supervisor Aldean explained that she was impressed with his application and his interest and knowledge about open space issues. She had made the motion to appoint him to the shorter term due to the investment that Ms. Bird and Mr. Jacquet had in the Commission and its activities. Mr. Riedl's tenure on the Committee will help him decide if he wishes to continue to serve on the Committee and that he will be eligible for reappointment in 2005. The motion to appoint Mr. Riedl, Ms. Bird, and Mr. Jacquet to the terms as indicated was voted and carried 5-0.

12. DISTRICT ATTORNEY - Deputy District Attorney Melanie Bruketta

A. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 4 LICENSES AND BUSINESS REGU-LATIONS, CHAPTER 4.08 ROOM RENTAL TAX, SECTION 4.08.120 DISPLAY OF NOTICE BY DELETING THE EIGHT PERCENT TRANSIENT LODGING TAX AND REPLACING IT WITH A TEN PERCENT TRANSIENT LODGING TAX AND OTHER MATTERS PROPERLY RELATED THERETO (2-2375) - Supervisor Williamson moved to introduce on first reading Bill No. 104, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 4 LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.08 ROOM RENTAL TAX, SECTION 4.08.120 DISPLAY OF NOTICE BY DELETING THE EIGHT PERCENT TRANSIENT LODGING TAX AND REPLACING IT WITH A TEN PERCENT TRANSIENT LODGING TAX AND OTHER MATTERS PROPERLY RELATED THERETO; no fiscal impact. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE AMENDING (ORDINANCE NO. 2002-39) TITLE 8 (PUBLIC PEACE, SAFETY AND MORALS) CHAPTER 8.04 (PROHIBITED CONDUCT) OF THE CARSON CITY MUNICIPAL CODE BY CHANGING SECTION NUMBER 8.04.128 TO SECTION NUMBER 8.04.131, (ACTS OR OMISSIONS CONSTITUTING CONTEMPTS), CHANGING SECTION NUMBER 8.04.129 TO SECTION NUMBER 8.04.132 (SUMMARY PUNISHMENT OF CONTEMPT COMMITTED IN IMMEDIATE VIEW AND PRESENCE OF COURT; AFFIDAVIT OR STATEMENT TO BE FILED WHEN CONTEMPT COMMITTED OUTSIDE IMMEDIATE VIEW AND PRESENCE OF COURT; DISQUALIFICATION OF JUDGE) AND CHANGE SECTION NUMBER 8.04.130 TO SECTION NUMBER 8.04.133 (PENALTY FOR CONTEMPT) AND OTHER MATTERS PROPERLY RELATED THERETO (2-2475) - Discussion explained the purpose of the ordinance. Supervisor Staub moved to introduce on first reading Bill No. 105, AN ORDINANCE AMENDING (ORDINANCE NO. 2002-39) TITLE 8 (PUBLIC PEACE, SAFETY AND MORALS) CHAPTER 8.04 (PROHIBITED CONDUCT) OF THE CARSON CITY MUNICIPAL CODE BY CHANGING SECTION NUMBER 8.04.128 TO SECTION NUMBER 8.04.131, (ACTS OR OMISSIONS CONSTITUTING CONTEMPTS), CHANGING SECTION NUMBER 8.04.129 TO SECTION NUMBER 8.04.132 (SUMMARY PUNISHMENT OF CONTEMPT COMMITTED IN IMMEDIATE VIEW AND PRESENCE OF COURT; AFFIDAVIT OR STATEMENT TO BE FILED WHEN CONTEMPT COMMITTED OUTSIDE IMMEDIATE VIEW AND PRESENCE OF COURT; DISQUALIFICATION OF JUDGE) AND CHANGE SECTION NUMBER 8.04.130 TO SECTION NUMBER 8.04.133 (PENALTY FOR CONTEMPT) AND OTHER MATTERS PROPERLY RELATED THERETO; no fiscal impact. Supervisor Williams seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 3:15 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:25 p.m., constituting a quorum.

C. CLOSED SESSION - ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO NRS 288.220 TO MEET WITH MANAGEMENT REPRESENTATIVES (2-2585) - At 3:25 p.m. Supervisor Williamson moved that the Board recess into a closed session pursuant to NRS 288.220 to meet with management representatives. Supervisors Livermore and Staub seconded the motion. Motion carried 5-0.

D. OPEN SESSION - ACTION TO APPROVE COLLECTIVE BARGAINING AGREEMENT WITH THE CARSON CITY EMPLOYEE'S ASSOCIATION (2-2598) - The Open Session was reconvened at 4:11 p.m. (The entire Board was present, constituting a quorum.) Mayor Masayko briefly described the discussion held in Closed Session and thanked the Association for approving the agreement in advance of the Board's consideration. He also thanked the Association for its unilateral withdrawal of the unfair labor relations/unfair bargaining issue. He also thanked the management staff and Association for understanding the current economic environment which creates a difficulty in forecasting tomorrow's economy. He supported extending the contract period from two to three years. The Board had not taken action in December on the contract due to a misunderstanding about the negotiation process. The employees are valued and are important to the community. Supervisor Livermore expressed his opinion of the value of CCEA and its willingness to renegotiate and bargain in good faith. The employees represent the community very well. Public comments were solicited but none were given.

Supervisor Williamson moved to approve the collective bargaining agreement with the Carson City Employees' Association with the change that was requested by your attorney on Page 15, Line 18, that the word "must" is changed to "may". Supervisor Livermore seconded the motion. Motion carried 5-0.

E. ACTION ADOPTING A PAY INCREASE OF TWO PERCENT EFFECTIVE JULY 1, 2002, FOR REGULAR, UNCLASSIFIED EMPLOYEES AND THEIR POSITION CLASSIFICATION SALARY RANGES THAT WERE NOT PREVIOUSLY INCREASED FOR FISCAL YEAR 2002-2003 (2-2742) - Human Resources Director Ann Beck - Discussion indicated that the unclassified Sheriff's Deputies and Firefighters who had been given rate increases when their Associations contracts were approved were not considered in the proposed increased. The increases are to be tied to performance evaluations. Mayor Masayko felt that the range should be increased and that the range and unclassified personnel policy are in need of repair. The proposal grants the same benefits provided by the Association's contract. Alternatives to this policy were noted. Mayor Masayko felt that the proposal created a perfunctory action as the Board can only establish the salaries of the City Manager and Internal Auditor. Ms. Beck explained that the Board establishes the pay plan for the other employees in accordance with the Statutes. Mayor Masayko felt that there is a difference between establishing a pay plan and the pay. During a financial crisis the City may not be able to afford the plan. Ms. Beck explained that the Board considers the City Manager's recommended plan as required in the resolution. It has been the Board's practice to consider the pay plan en masse. She suggested that, if the Board desires to do so, the proposal be withdrawn for further evaluation. Discussion indicated that the Board could separate the range issue from the funding level. The raises should have been given on July 1, 2002. The Board had historically approved the City Manager's recommendation. The resolution had tied the Unclassifieds' salary adjustment to the CCEA contract. Discussion reiterated the need to review the resolution, policy, and rules and regulations. Ms. Beck felt that she should be prepared to discuss the alternatives in two weeks. Comments also indicated the need to rewrite the resolution for clarification. Discussion iterated the need to determine whether the ranges, pay plan, and the budget with its funding level were tied to the July 1st implementation date. Ms. Beck felt that only the range was tied to the July 1st date. Mayor Masayko felt that the July 1st date should be tied to the range and that the funding should be connected to the budget process. Discussion pointed out that the date is July 1, 2002, and that the resolution required the Board to approve either a 2 percent or a 1.5 percent increase. Public comments were solicited but none were given. Supervisor Staub moved to adopt an adjustment of two percent effective July 1, 2002, in the position classification salary ranges for regular unclassified employees that were not previously increased for fiscal year 2002-2003. Supervisor Williamson seconded the motion. Discussion indicated that the fiscal impact is $130,000 and that the funds are already in the budget. The Board was only approving the salary ranges at this time. As the range will be expanded, only those employees who are at the top of the range will be receiving a potential increase. Ms. Beck felt that this fiscal impact will be in the range of $30,000 to $50,000 if it is not retroactive. It is possible to do the proposal in two phases. The salary ranges must be addressed according to the Board's rules/resolutions. Retroactive implementation will cost the City $130,000. Discussion indicated that the performance evaluation determines the amount of an increase that will be received by the employee. The increase in the range will allow individuals at the top of their range to potentially move up based on their evaluations. Supervisor Aldean reiterated her request to have additional information regarding the process. Supervisor Staub hoped that the unclassified employees who will be impacted by the decision do not think that they will get a two percent pay increase. Ms. Beck indicated that she will clarify the process to them. Mayor Masayko indicated that the Board action returns the administration process to the City Manager's office. The motion to approve the two percent increase in the

unclassified employees' range effective July 1, 2002, was voted and carried 4-1 with Mayor Masayko voting Naye. Mayor Masayko indicated that the remaining issue regarding the funding and its allocation will be considered in two weeks. Supervisor Livermore encouraged Ms. Beck to analyze the resolution, charter, policy, and procedures so that they may be modified to provide a better understanding. Supervisor Williamson pointed out that Ms. Beck is heavily involved in recruiting a new City Manager. It may not be possible for her to complete the review in two weeks, however, the delay should not be "forever". Mayor Masayko indicated that only the pay issue is to be heard in two weeks.

RECESS: A recess was declared at 4:55 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 5 p.m., constituting a quorum.

13. DEVELOPMENT SERVICES - UTILITIES - Acting City Manager Andrew Burnham

A. DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING THE CARSON CITY UTILITIES ADVISORY COMMITTEE'S REPORT RESULTING FROM THE WATER AND SEWER RATE STUDY AND RECOMMENDATIONS FOR FUTURE WATER AND SEWER RATES AND CONNECTION FEES, AND ACTION TO DISCHARGE THE UTILITIES ADVISORY COMMITTEE (3-0245) - Committee Chairperson Ron Knecht introduced Committee Members Jim Riggs, Craig Mullet, and Larry Osborne. Mr. Knecht briefly highlighted pages 4, 11, 12, 13, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19, and 20 and the sewer and water appendices of the report. Discussion noted that if the pay-as-you-go plan is implemented, the rate payers will experience an immediate substantial jump in their rates. The rates could then be leveled out or decreased depending on future needs. Supervisor Livermore suggested that only the residents who have access to the City fire hydrants be accessed a fee for it. The residents with private fire systems who are in rural areas should not have to pay for the City's system. Discussion indicated that the proposal will eliminate the subsidy provided residential customers. The fees had also been restructured which will provide a reduction in the service rate and, depending upon usage, an increase in the commodity charge. This will result in a reduction for small residential customers and an increase for large residential customers. Commercial and industrial rates will decrease at the rate of 14 percent per year for the next five years. The sewer rates had included a small subsidy which was felt to be insignificant. The sewer rates in surrounding counties/communities were explained. The proposed rate had been built on Carson City costs which illustrates the efficiency of the City's operation. Mr. Burnham explained the City's policy to waive the sewer connection fee for a specified period of time in areas where it is mandatory that the residents connect. Chairperson Knecht explained that Committee Member Glen Martel had been very active during the discussions on the proposed sewer connection fee and that BAWN is aware of the proposal and had agreed to it. Discussion explained how the connection fees had been developed. The proposed process implements annual residential fee increases for five years. The overall rate structures for both water and sewer were discussed in depth and compared to the current rates. The issues of whether to have one water commodity rate for all users, continue the policy to have one class of users subsidize another, or have each class of customers pay for its portion of the commodity had purportedly been discussed at great length by the Committee. The proposal assesses a higher fee for high end residential users than commercial users. Both Mayor Masayko and Supervisor Williamson felt that the commodity rate should be the same for all users. It will be difficult to sell the State on the program if it pays $2.96 and the Feds pay forty cents. Chairperson Knecht indicated that Mr. Hoffert will have to sell the program to the State. The concept uses the approach that the commodity is not the only item for

consideration. The capital investment is included in the fees. It varies by class. The State and Federal agencies are small users. A subsidy will be created for some users unless the fees are based on the class of user. He assured the Board that if the proposal is implemented as envisioned, the cross subsidy will be eliminated.

Consultant John Bonow explained that the process had assumed where the costs were created and allocated it to the different user classes. The amount of capital required to maintain the program is to remain constant over the multi-year program. The fees will need to be reviewed annually and adjusted as conditions warrant. The model that was developed for the program should stand the test of time and reflect annual changes as they occur. Supervisor Livermore explained that the Board's composition may change every two years. The political issue regarding the fee structure is what share of the capital costs should the 10,000 residents be paying as compared to the 1,000 commercial users.

Chairperson Knecht indicated that the Committee had considered this issue also. The issue is whether to subsidize one class versus that of another. He then continued his review of the report with a comparison of the fees to those in the surrounding Counties/communities. Supervisor Williamson pointed out that the comparisons failed to indicate the subsidy that is provided.

Mr. Bonow explained that they cannot compare future rates for the surrounding Counties/communities for an extended period of time. The proposal will decrease the commercial rate by 14 percent for each of the next five years. He felt that Carson City will continue to have the lowest rates in the area under the program. Supervisor Aldean indicated that this would be a good economic selling point. Chairperson Knecht felt that in five years the residential fees will also be the lowest in the region. He agreed that Moundhouse, Indian Hills, and Storey County may have lower residential connection fees, however, their future rates are unknown. He then explained the need to discuss issues regarding what to do if the State contract cannot be amended; the meter charge and whether to keep its current fees; and whether to move a portion of the monthly service charge in the residential class to the commodity fee and the pros and cons with this concept. He felt that the revenue projections could be reached if: 1. The State contract is renegotiated; 2. The volatility of moving the service charge to the commodity charge can be addressed; and 3. The freeway's utility relocation requirements and costs can be determined and funding sources developed. The Committee was willing to address these issues, if the Board desired. Supervisor Staub supported having the Committee address these issues. Mayor Masayko explained that he is anxious for the Committee to complete its work so that the public hearings can be held and appropriate action can be taken by the Board. The Committee should discuss the remaining issues and provide a recommendation to the Board. He also indicated that the Board could accept/reject/revise any and all of the recommendations due to the political issues.

Supervisor Williamson explained her feeling that it is time for the Committee to complete its work. Several of its members have stopped attending the meetings for unknown reasons. At this time the Committee members only represent the Chamber of Commerce, the casinos, and commercial interests. She also noted that Chairperson Knecht himself is now active at the Legislature.

Discussion between Supervisor Staub and Chairperson Knecht indicated that Chairperson Knecht's legislative assignments are relatively light at this time, however, will become heavier during May and June. He could conduct meetings on Friday afternoons. He felt that Member Riggs would be able to attend the meetings. Members Mullet,

Osborne and Polito have been dedicated in their attendance. Member Langston has been absent. Member Martel has conflicts but will attend if possible. Attendance by the other Members has waned, however, he will attempt to get them to attend a meeting within the next 30 days. Supervisor Staub explained his desire to have the Committee's recommendation(s). Supervisor Livermore pointed out that it may take two or three additional meetings for them to complete their work. Mr. Bonow agreed. He also indicated that the issue raised during the last meeting regarding the "double counting of two revenue items" had been corrected. This reduced the decrease on the commercial side of the equation.

Mr. Hoffert pointed out that the freeway design has not been completed. Until this occurs, the cost for relocation of the utilities cannot be determined. Mayor Masayko also pointed out that the contracts and reimbursement clauses are not known at this time. There will be a capital plan. It may be necessary to increase the fees to meet these costs, however, the residents will be able to understand the justification for the fees and can accept them. He also pointed out that the Clean Water Act will impact the fee structure. Staff should be able to use the model and project the impact. He asked staff to provide examples of the impact if the meter charge is higher and the service charge is reduced. Discussion indicated that the fire flow costs are imbedded in the fees and no longer segregated as they had been. The rates should be able to handle the revenue fluctuations created by an increase in usage during wet years and a decrease during drought periods as well as fluctuations in residential and commercial development.

Board discussion ensued concerning whether to support elimination of the residential subsidy. Consensus supported its elimination over time, the increased water and sewer connection fees, and a mixture of bonds and pay-as-you-go capital improvement program. Connection fees should be used to repay the bonds. The Safe Water Act and the arsenic issues, the State contract, the freeway impact on infrastructure/capital needs, the commodity charge and the service charge remain to be resolved. Mayor Masayko reiterated the need to have all of the Committee Members participate in the discussions. Discussion between Mayor Masayko, Chairperson Knecht, and Mr. Bonow indicated that the Committee should complete it work by March 8th.
(3-1971) Mr. Hoffert indicated his belief that the process had established scenarios and methodology that will make the classes of water and sewer customers self-sufficient. His talks to the State will be based on this process.

Mr. Bonow described the type of report he envisioned giving the Board at its next meeting on the rates. He urged the Board to focus on the first year as the five year projections are arbitrary and could become unrealistic if economic conditions change radically. Focusing on the five year projections could provide misleading expectations. Discussion indicated that the model can be revised to match changing circumstances and that rates may have to be adjusted upwards based on the discussion. He then explained that the commercial users' fee decrease had dropped from the original 14 percent to six as a result of the duplication of two revenue sources. The "what ifs" need to be evaluated carefully in order to have more accurate estimates of revenue and expenditures. Staff will know how to work the model for future planning. Mayor Masayko asked Mr. Bonow to provide Supervisor Williamson with her requested information on the fire flow fees included in the commercial sector fee structure. Mr. Bonow indicated that he would to the extent possible but may be limited due to problems encountered with the fluctuations in the fire hydrant pressure requirements and fire flow information. He then explained that the entire process had been to determine the amount of cash required to reach a set level via pay-as-you-go, pay ahead, or with bonding. This process does not include funding for depreciation or capital reserves for a rainy day. The lack of a rate increase had used the reserves which had originally been built up by the rates. The Board may want to create a reserve in case the projections do

not materialize. Mayor Masayko felt that this discussion should also occur. Mr. Bonow reiterated his description of the report that he will provide to the Board.

Member Osborne assured the Board that the Committee had been a fair representation of the community. It was not dominated by the business or industry members. There had been lots of discussions. The votes were either close to or unanimous. Member Martel had been in town over the weekend. He had in fact attended the last meeting. Member Osborne indicated his intent to contact Member Martel. He was certain that Member Martel will try to attend the additional meetings.

Member Mullet noted that although he may represent the industrial industry, he is a resident of the community. Mayor Masayko agreed and thanked the Committee for its work. No formal action was taken on the item.

B. ACTION TO ADOPT A RESOLUTION OF APPRECIATION TO THE CARSON CITY UTILITIES ADVISORY COMMITTEE (3-1962) - Deferred.

There being no other matters for consideration, Supervisors Staub and Williamson moved to adjourn. Supervisor Livermore seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 6:47 p.m.

The Minutes of the February 6, 2003, Carson City Board of Supervisors meeting

ARE SO APPROVED ON May 15, 2003.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder