

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 19, 2001, Meeting
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, July 19, 2001, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

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

STAFF PRESENT: John Berkich City Manager
 Alan Glover Clerk-Recorder
 Al Kramer Treasurer
 David Heath Finance Director
 Louis Buckley Fire Chief
 Daren Winkelman Health Director
 William Naylor Information Services Director
 Steve Kastens Parks and Recreation Director
 Judie Fisher Personnel Manager
 William Callahan Undersheriff
 Cheryl Adams Deputy Purchasing Director
 Steve Mihelic Deputy Fire Chief
 Ken Arnold Deputy Health Director
 Tom Hoffert Utilities Operations Manager
 Neil Rombardo Deputy District Attorney
 Tony Baker Safety/Loss Control Technician
 Katherine McLaughlin Recording Secretary
(B.O.S. 7/19/01 Tape 1-0001)

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

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. A moment of silence was held in lieu of the Invocation. Mayor Masayko lead the Pledge of Allegiance.

CITIZEN COMMENTS (1-0021) - Richard Hardenbrook complimented Supervisor Livermore on his ability to communicate under pressure and described the incident he had referenced.

1. APPROVAL OF MINUTES - MAY 17, 2001, REGULAR SESSION AND MAY 21, 2001, BUDGET SESSION (1-0032) - Discussion noted the typographical correction on Page 1 correcting Ms. Barndt's name. Supervisor Plank moved to approve the Minutes of the regular Board of Supervisors' meeting of May 17, 2001, with the correction to Diane Barndt's name on Page 1 and approval of the Minutes of the Special Budget Session meeting of May 21, 2001. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. AGENDA MODIFICATIONS (1-0054) - Items 16. B. and C. regarding the Redevelopment loan and increment financing were pulled.

3. SPECIAL PRESENTATIONS

A. RECOGNITION OF DR. DAVID SCHROEDER'S CONTRIBUTION TO MENTAL HEALTH SERVICES (1-0063) - Supervisor Livermore introduced Dr. David Schroeder. He described his dedication and service to the Mental Health coalition and community. He thanked him for his service and wished him success in his new venture. Mr. Berkich thanked him for the opportunity to work together during the last two years on mental health issues in the community. He also wished him success in the future. Dr. Schroeder thanked them for the opportunity to work together to bring mental health issues to the forefront. He thanked the Board for the recognition and the Certificate. He expressed his appreciation for the opportunity to work with his medical colleagues and Carson-Tahoe Hospital. Mayor Masayko thanked Dr. Schroeder for his contributions to the community and State.

B. ACTION TO APPROVE A RETIREMENT RESOLUTION COMMENDING CYNTHIA "SAMI" CLARK, PERSONNEL TECHNICIAN I (1-0171) - Personnel Manager Judie Fisher explained Ms. Clark's absence and the intent to have a retirement luncheon for her at a future date. Mayor Masayko expressed his regret at her retirement and wished her success in the future. He read the resolution into the record. Supervisor Livermore moved to adopt Resolution No. 2001-R-36, A RETIREMENT RESOLUTION COMMENDING CYNTHIA "SAMI" CLARK. Supervisor Williamson seconded the motion. Supervisor Plank indicated it was fun to work with Ms. Clark and explained his frequent contact with her. Supervisor Williamson agreed and wished her a speedy recovery and luck with her cats. The motion to adopt Resolution No. 2001-R-36 was voted and carried 5-0. Mayor Masayko read the retirement plaque into the record and volunteered to make a formal presentation to her in the future.

C. PRESENTATION OF LONGEVITY AWARDS TO CITY EMPLOYEES (1-0248) - Longevity awards were presented to: 10 years - John Arneson; Daniel S. Chaney; Don Cortez; Candace Duncan; Elizabeth Huck; Arlene M. Keller; John J. Laaker, Jr; Scott Peterson; Gary L. Porter; Nickolas A. Providenti; John S. Tomasco; Robert S. White; and Cynthia "Sami" Clark. 15 years - Edward McCain and Donis Rodarte. 20 years - Julietta Forbes; Trent S. Osmer, Joseph Piscitelli; and Mildred V. Senneff. 25 years - Stephen D. Kastens; Tom O. Kunkle; Jeri L. Mihelic; Steven G. Mihelic; and Ernest G. Rink. Mayor Masayko congratulated each on their tenure and presented the pins.

LIQUOR AND ENTERTAINMENT BOARD (1-0374) - Mayor Masayko recessed the Board of Supervisors session and immediately reconvened the session as the Liquor and Entertainment Board. The entire Board was present including Sheriff's Representative Lt. Saylo, constituting a quorum.

4. TREASURER - Al Kramer

A. ACTION ON A CHANGE OF LOCATION FOR AN EXISTING PACKAGED LIQUOR LICENSE FOR ADSI/ALBERTSONS, DOING BUSINESS AS SAV-ON #9003, LOCATED AT 220 FAIRVIEW DRIVE (1-0379) - Store Manager Wilfried Stoeger was present. Mr. Kramer explained the need to consider a change in liquor managers at a future Board meeting. Chairperson Masayko reminded Mr. Stoeger that the liquor license is a privilege and asked him to adhere to the local and state laws. He also stressed the Board's concern regarding the sale of liquor to minors. Mr. Stoeger assured the Board that he would train his employees and would diligently obey the laws. Member Saylo indicated that he would meet with Mr. Stoeger after the meeting regarding an application for the new liquor manager. Member Williamson moved to approve the change of location for an existing packaged liquor license for ADSI/Albertsons, doing business as Sav-On No. 9003 located at 220 Fairview Drive under Carson City Municipal Code Section 4.13; fiscal impact is \$25 change of location fee, and wished him success. Member Livermore seconded the motion. Motion carried 6-0.

C. ACTION TO REVOKE ALL DELINQUENT LIQUOR LICENSES NOT PAID FOR BY JULY 18, 2001, FOR NON-PAYMENT OF THE QUARTERLY FEE (1-440) - All delinquent liquor licenses had been paid prior to the meeting. No action was required or taken.

B. ACTION ON A DINING ROOM WITH BEER AND WINE FOR XUE BAO CHEN, DOING

BUSINESS AS CHINA CHEF I, LOCATED AT 3747 SOUTH CARSON STREET (1-0445) - Chairperson Masayko reiterated his comments concerning the liquor license being a privilege, the need to adhere to the City and State liquor laws, and to provide appropriate training for the employees. Discussion pointed out the communication problem incurred with Mr. Chen although Mr. Chen responded affirmatively to the Board that he would obey the laws. Member Saylo indicated that Mr. Chen holds two other liquor licenses and noted the favorable Sheriff's Investigative Report. Member Staub suggested that an interpreter be required when similar situations arise. Chairperson Masayko agreed. Mr. Kramer agreed to inform the applicants of the requirement in the future. The success of his other Carson City and Douglas County operations was noted. Member Livermore moved to approve a dining room with beer and wine for Xue Bao Chen, doing business as China Chef I, located at 3747 South Carson Street, under Carson City Municipal Code 4.13 with a \$500 original new fee and \$150 quarterly fee. Member Williamson seconded the motion. Motion carried 6-0. Chairperson Masayko suggested the Sheriff's Department visit the business to assure that the representation is occurring. Discussion indicated that Mr. Chen had brought an interrupter with him when he applied for the license. Chairperson Masayko asked that the same requirement be made known to the applicants when attending the meeting.

BOARD OF SUPERVISORS (1-0550) - There being no other matters for consideration as the Liquor and Entertainment Board, Chairperson Masayko adjourned it and immediately reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum.

5. CONSENT AGENDA

5-1. ENVIRONMENTAL HEALTH - ACTION TO APPROVE REVISIONS TO AND ADOPT CARSON CITY'S SOLID WASTE MANAGEMENT PLAN

5-2. FINANCE

A. ACTION ON GRANTEE'S AGREEMENT BETWEEN CARSON CITY AND NEVADA DEPARTMENT OF TRANSPORTATION TO PROVIDE FUNDING FOR CARSON CITY'S TRANSIT PROGRAM THROUGH SEPTEMBER 30, 2003

B. ACTION TO RENEW WITH NEVADA PUBLIC AGENCY INSURANCE POOL (NPAIP), 308 NORTH CURRY STREET, CARSON CITY, NV 89703, FOR A TOTAL PREMIUM OF \$352,608 FOR THE PROPERTY, LIABILITY, CRIME, AND BOILER AND MACHINERY INSURANCE COVERAGES FOR 2001-2002

C. ACTION TO APPROVE MIDWEST EMPLOYERS CASUALTY COMPANY, C/O A AND H INSURANCE COMPANY, P. O. BOX 7340, RENO, NEVADA 89510, FOR EXCESS WORKERS' COMPENSATION COVERAGE IN THE AMOUNT OF \$31,032 FOR FISCAL YEAR 2001-2002

5-3. DEVELOPMENT SERVICES - ENGINEERING

A. ACTION TO ACCEPT AN OFFER OF DEDICATION OF LAND FOR PUBLIC PURPOSES FOR CARSON CITY EMPIRE RANCH PARK FROM STANTON PARK DEVELOPMENT, INC., CONTAINING APPROXIMATELY 1,141 SQUARE FEET OF LAND

B. ACTION TO AUTHORIZE THE CARSON CITY DEVELOPMENT ENGINEERING DEPARTMENT TO ENTER INTO A LONG TERM ENCROACHMENT PERMIT AGREEMENT WITH SIERRA PACIFIC COMMUNICATIONS OF NEVADA FOR INSTALLATION OF A FIBER OPTIC PROJECT IN THE AREA OF GONI ROAD TO ARROWHEAD DRIVE TO U.S. HIGHWAY 50 EAST

5-4. PURCHASING AND CONTRACTS

A. ACTION TO RENEW CONTRACT NO. 9899-059 WITH BADGER METER, INC., FOR THE UTILITIES OPERATIONS DEPARTMENTS TO PURCHASE DOMESTIC WATER METERS THROUGH OCTOBER 14, 2002, WITH THE SAME PRICES, TERMS AND CONDITIONS AS ORIGINALLY BID ON SEPTEMBER 17, 1998

B. ACTION TO RENEW CONTRACT NO. 9900-049 WITH EAGLE-PICHER MINERALS, INC., FOR THE UTILITIES OPERATIONS DEPARTMENT TO PURCHASE DIATOMACEOUS EARTH THROUGH OCTOBER 6, 2003, AT \$216.06 PER PALLET WITH THE SAME TERMS AND CONDITIONS AS ORIGINALLY BID ON SEPTEMBER 21, 1999

C. ACTION ON CONTRACT NO. 0102-026 VEHICLE REPLACEMENT FISCAL YEAR 2001/2002 AUTHORIZING THE FLEET MANAGER TO PURCHASE 2002 MODEL YEAR VEHICLES FROM NEVADA STATE PURCHASING'S VEHICLE PRICE AGREEMENTS PROVIDING THAT CARSON CITY'S APPROVED FUNDING AND PURCHASING PROCEDURES ARE FOLLOWED - Supervisor Plank moved to approve each of the nine items on the Consent Agenda as presented. Supervisor Williamson seconded the motion. Motion carried 5-0.

6. BOARD OF SUPERVISORS - NON-ACTION ITEMS

A. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0575) - Supervisor reports included the following meetings/activities: Supervisor Livermore - Carson-Tahoe Hospital; Chamber of Commerce Manufacturers forum; Mental Health Steering Committee; Carson Water Subconservancy; and the Democratic Women's Club. Supervisor Staub - Regional Transportation Commission; Airport Authority; Debt Management Commission; Community Council on Youth; and with Hospital Board Chairperson Tom Metcalf and Administrator Ed Epperson. Supervisor Williamson - her vacation; Chimes and Carillon Committee; Mr. Berkich; Redevelopment Director Rob Joiner; Hospital Board Chairperson Tom Metcalf and Hospital Administrator Ed Epperson; and the Farmers Market. Supervisor Plank - Eagle Valley Golf Course tour with Jeri Murphy and Supervisor Williamson; Sertoma Club and its programs; City Engineer Larry Werner and Richard Waiton regarding drainage improvement which Mr. Waiton had made that Supervisor Plank had asked Mr. Werner to include in the storm drainage program; Supervisor Livermore and Hospital Administrator Ed Epperson; RTC and the Brunswick Bridge discussions; Senior Center Advisory Council; and Supervisor Williamson and Hospital Chairperson Tom Metcalf. Mayor Masayko - Convention and Visitors Bureau; Community Center's summer camp; Sundowners Sertoma summer camp; Economic Development Committee; Steinheimer Park grand opening; and the Chamber of Commerce Manufacturers Committee.

Supervisor Livermore solicited applicants for the non-profit hospital board. Mayor Masayko explained Eleanor Dunbar's contact with him regarding the Roop Street extension and its impact at Lee and Roop. He asked that Supervisor Staub or RTC staff contact her regarding her concerns. Supervisor Staub explained Street Operations Manager John Flansberg's comments that indicated the property owners would lose a maximum of one-and-a-half feet on each side of the street in that vicinity. This is the conceptual plan. A cost estimate is being developed. He also apologized to the Republican Central Committee for being unable to attend its barbeque on Saturday. Supervisor Williamson announced her plans to attend a major project review session on the Ormsby House. She also indicated that a second unnamed downtown project is underway. She invited the public to attend the Sunday evening concerts and the Third and Curry Street activities. Discussion explained the Sparks' Farmers Market. Comments expressed the hope that Carson City's Farmers Market will become the same type of an event and noted the ability to expand at the Pavilion will provides an opportunity for such growth. Mayor Masayko also indicated that the Farmers Market had reached the break-even point and may not need Redevelopment's support next year. He congratulated the sponsors and participants. Supervisor Plank complimented staff on the appearance of Edmonds Park. He also announced that Marty Olsen had been hired as the Senior Center's Director and that the ground breaking for the Center's expansion may occur on September 21. He asked that the Manufacturers "Made in Carson City" tour include the Sausage Factory. Comments noted that the Sausage Factory had been selected as the official UNR Wolfpack hot dog supplier. Mayor Masayko requested a three dimensional City seal replace the Nevada Seal in the Sierra Room. Supervisor Staub explained his discussion with Recreation Superintendent Barbara Singer about having a City seal in the room. Mr. Berkich agreed to work on it. Mayor Masayko also asked that informational maps be hung in the Sierra Room. These maps could include zoning, planning, graphics, etc., and should be framed. Mr. Berkich agreed to check into the maps.

(1-1531) Mayor Masayko briefly explained the Supreme Court's ruling regarding the daylight savings time issue raised during the Legislative session. The Supreme Court had ruled that County fee bill had passed within the established time period and could be sent to the Governor for his signature. Discussion with Clerk-Recorder Alan Glover indicated the fee increases may raise \$30,000 a year in additional revenue. The technology fee for the Recorder's office had not been included in the bill. Mr. Glover expressed an intent to provide the Board with a

report next month.

B. STAFF COMMENTS AND STATUS REPORT (1-1453) - Mr. Berkich announced the Fuji Park open house at the Carson High School Senator Square on Monday, Tuesday, and Wednesday of next week. Its purpose was described. He invited the public to participate.

7. DISTRICT COURT - Judge Michael Griffin - ORDINANCES - SECOND READING

A. ACTION ON BILL NO. 111 - AN ORDINANCE AMENDING CHAPTER 2.36 FEES ON COURT ACTIONS TO SUPPORT PROGRAM OF MEDIATION; SECTION 2.36.010 FEES IN DISTRICT COURT BY INCREASING THE FILING FEE ON THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING FROM FIVE DOLLARS TO TEN DOLLARS AND OTHER MATTERS PROPERLY RELATED THERETO; AND B. ACTION ON BILL NO. 112 - AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL BY ADDING CHAPTER 2.37 FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR PREVENTION AND TREATMENT OF ABUSE OF ALCOHOL AND DRUGS; SECTION 2.37.010 FEES IN DISTRICT COURT WHICH ADDS AN ADDITIONAL TEN DOLLAR FILING FEE TO THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING AND BY ADDING SECTION 2.37.020 COLLECTION--PAYMENT TO TREASURER WHICH DESCRIBES HOW THE ADDITIONAL FUNDS WILL BE EXPENDED AND OTHER MATTERS PROPERLY RELATED THERETO (1-1562) - Mayor Masayko indicated he had received no comments on either bill during the two weeks since the first reading. Supervisor Plank moved to adopt on second reading Bill No. 111, Ordinance 2001-10, AN ORDINANCE AMENDING CHAPTER 2.36 FEES ON COURT ACTIONS TO SUPPORT PROGRAM OF MEDIATION; SECTION 2.36.010 FEES IN DISTRICT COURT BY INCREASING THE FILING FEE ON THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING FROM FIVE DOLLARS TO TEN DOLLARS AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Plank moved to adopt on second reading Bill No. 112, Ordinance No. 2001-11, AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL BY ADDING CHAPTER 2.37 FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR PREVENTION AND TREATMENT OF ABUSE OF ALCOHOL AND DRUGS; SECTION 2.37.010 FEES IN DISTRICT COURT WHICH ADDS AN ADDITIONAL TEN DOLLAR FILING FEE TO THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING AND BY ADDING SECTION 2.37.020 COLLECTION--PAYMENT TO TREASURER WHICH DESCRIBES HOW THE ADDITIONAL FUNDS WILL BE EXPENDED AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.

BREAK: A recess was declared at 10:10 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:20 a.m., constituting a quorum.

8. CLERK-RECORDER - Alan Glover - ACTION TO DIRECT THE CLERK-RECORDER TO START THE REDISTRICTING OF THE WARD BOUNDARIES WITHIN THE FOLLOWING GUIDELINES: THE BOUNDARIES SHOULD BE AS CLOSE AS PRACTICABLE TO THEIR PRESENT BOUNDARIES, THAT THE DISPARITY BETWEEN THE LARGEST AND SMALLEST WARDS SHOULD NOT EXCEED FIVE PERCENT AND THE INCUMBENT SUPERVISOR SHOULD BE KEPT IN THEIR PRESENT WARDS (1-1675) - Scott Royal was thanked for his assistance in developing the maps. The number of residents per district is based on population and is approximately 13,000. The precincts are based on the number of registered voters. Mr. Glover hoped to reduce the number of precincts and even the number of electorate in each as much as is possible. Comments indicated the desire to eliminate as much redrawing of precincts as feasible. The process may change the polling places for some

precincts as well as the precinct numbers for some of the electorate. The district realignment must not reapportion a Supervisor out of his/her seat. The Board could order a complete new alignment, if desired. Ramifications for such a drastic design were noted. Comments also pointed out the Federal regulations regarding minorities including the prohibition against gerrymandering and congregating or disenfranchising. -

It was felt that as the Supervisors run at large, everyone has an opportunity to be a candidate. Both ethnical and socio-economical diversity is provided. Mr. Glover explained that census block ten had contained the highest Hispanic population. This type of information will be carefully considered in the process. Comments also expressed a desire to straighten some of the boundary lines, such as between Wards 3 and 4. Supervisor Livermore suggested that the freeway not be used as a division point between wards. Public comments were solicited but none given. Supervisor Livermore moved that the Board of Supervisors direct the Clerk-Recorder to start the redistricting of the Ward boundaries within the following guidelines: The boundaries should be as close as practicable to their present boundaries, that the disparity between the largest and smallest wards should not exceed five percent, and that the incumbent Supervisors should be kept in their present Wards. Supervisor Plank seconded the motion. Motion carried 5-0.

9. COMMUNITY DEVELOPMENT - Director Walter Sullivan

A. ACTION ON GM-00/01-2 - A RESOLUTION FIXING THE NUMBER OF RESIDENTIAL BUILDING PERMITS UNDER THE CITY'S GROWTH MANAGEMENT ORDINANCE FOR 2002 AND 2003, ESTIMATING THE NUMBER OF RESIDENTIAL BUILDING PERMITS FOR 2004 AND 2005, ESTABLISHING ENTITLEMENT NUMBERS WITHIN CATEGORIES, AND OTHER MATTERS PROPERLY RELATED THERETO (1-2005) - Discussion noted past concerns with this program and its current acceptance. Justification must be provided to reduce the three percent rate even though the number of permits taken has historically been less than half the allowed amount. Supervisor Plank moved to approve GM-00/01-2, and adopt Resolution No. 2001-R-37, A RESOLUTION FOR OPTION 1 FIXING THE NUMBER OF RESIDENTIAL BUILDING PERMITS UNDER THE CITY'S GROWTH MANAGEMENT ORDINANCE FOR 2002 AND 2003, ESTIMATING THE NUMBER OF RESIDENTIAL BUILDING PERMITS FOR 2004 AND 2005, ESTABLISHING ENTITLEMENT NUMBERS WITHIN CATEGORIES, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Mr. Sullivan read the permit numbers into the record and the noted that the Planning Commission had voted unanimously to recommend the resolution to the Board. He also complimented Associate Planner Jennifer Pruitt on the packet. No public testimony had been given at the Commission meeting. Supervisor Williamson indicated that Douglas County is considering a Growth Management ordinance. Additional comments were solicited but none given. The motion to adopt Resolution No. 2001-R-37 was voted and carried 5-0.

B. ACTION ON V-00/01-13 - AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO DENY A VARIANCE APPLICATION REQUEST FROM FRED BROWN (PROPERTY OWNER: FRONTIER PROPERTIES, LLC) TO ALLOW AN INCREASE IN MAXIMUM SIGN AREA FROM THE EXISTING 300 SQUARE FEET TO 450 SQUARE FEET TOTAL ON PROPERTY ZONED RETAIL COMMERCIAL/MOBILEHOME PARK (RC/MHP), LOCATED AT 1903 NORTH CARSON STREET, APN 2-081-01 (1-2174) - Deputy District Attorney Neil Rombardo, Principal Planner Rob Joiner, Fred Brown, Applicant's Attorney John Griffin - Mr. Sullivan described the North Town sign restrictions. He agreed that the proposed Frontier sign and the North Town sign were similar but the zoning districts are different. Mr. Rombardo pointed out the findings required to grant the variance. Discussion explained the Planning Commission's tied vote for both denial and approval. As the Commission had not overturned staff's recommendation, it stands as a recommendation for denial. The request for Board action is to either uphold staff's recommendation or reverse it. A reversal will require making the findings. The lower portion of the sign is the part what is in question. The size of the previous sign was described. The variance was required when additional signage was requested. The size of the North Town sign was described. Justification for not considering the size of the shopping center in the calculation for a sign was provided. Reasons North Town was granted a variance for its sign and the differences between Frontier and North Town were limned.

Mr. Brown gave the Board a packet of information. (A copy was not given to the Clerk.) Photographs of his sign were displayed. The size of his old sign and his proposed sign were limned. Proliferation of signage stopped at the Grocery Outlet before reaching his property. The signs will help identify the small businesses located in his center. He needed 300 square feet of advertising space for those businesses which is the same as that granted to North Town. A comparison with Pinion Plaza's sign was made. Without a major box, customers would not be attracted to the center without the individual advertisements on the proposed sign. Not all of the businesses will be able to advertise on the sign. Discussion explained that the amount of advertising signage to be added to the current sign equalled 160 square feet. As proposed visibility will not be allowed through the sign. The eight additional panels will be the same size as those already installed.

Discussion between the Board and staff explained the advertising allowed on the North Town sign. Mayor Masayko requested the record indicate that the advertising sign is paid for by the businesses in the center. Mr. Joiner described the sign code required a new shopping center just coming into the community and cited the Longs Drugstore shopping center an example. A sign had been granted but not constructed for the back side of J. C. Penneys.

Mr. Brown pointed out that the Longs Drugstore shopping center does not have 32 businesses which need advertising. Mr. Joiner explained that his reason for citing it as an example was based on the fact that it is a shopping center although not all of the pads have been sold. The number of businesses which will ultimately be located at that site has yet to be determined. Not all of the businesses will be allowed advertising on the sign. Mayor Masayko pointed out that the future could not be predicted and that it may be possible for them to have signage.

Mr. Griffin pointed out that Longs is an anchor which Frontier does not have. Code Section 20.06.090 indicates that the sign should be scaled to the building and in character with the surrounding neighborhood. Frontier is the largest shopping center in the vicinity. The sign is in character with surrounding signs. The previous sign could have been rebuilt. It would have allowed the requested space. A sign could also be placed on Winnie Lane. The vehicle signage at Frontier will no longer be allowed.

Supervisor Plank pointed out that the top of the sign is important as it identifies the shopping center and the location. A large identifiable business is not in the center. He felt that the concept made sense for the shopping center. Mayor Masayko stated for the record that the Code would allow a sign on Winnie as the property occupies a corner. Mr. Joiner agreed. He also indicated that the signs on the vehicles is not allowed. Mayor Masayko expressed his feeling that such signs are not conducive to a professional looking shopping center. Clarification indicated that these signs could be cited and removed. Legally parked vans with painted on signs which are allowed. Handmade, butcher wrapped, "A" frames, or vehicles that have been parked for six months with flat tires and advertisements are not allowed. Mr. Griffin stipulated, if the variance is granted, to not putting a sign on Winnie Lane and that the owner will assist the City in curtailing the vehicles with "ad hoc" or homemade signs. This prohibition is contained in the new leases. Mr. Griffin also stipulated that the applicant would assist the City in enforcing both the lease and the Code prohibitions against such advertising.

Discussion explained the definition of a shopping center. McDonalds and Safeway are not owned by the same person. It was felt that Safeway had been constructed under an old Code with different standards. If Frontier Plaza is sold and split into two parcels, both parcels could have one 300 square foot sign which is 40 feet in height. Parcels with reciprocal agreements or easements are considered one shopping center. At one time North Town had been considered as one shopping center. It was later divided out. This is the reason there are two signs at that site. K-mart had obtained a special use permit. Its sign is under the legal limit.

Clarification indicated that Mr. Lippincott is the property owner and that Mr. Brown is the property manager. Supervisor Williamson explained that she used the the address to locate a business rather than the signage. Driving through the Frontier parking lot is an exciting experience, e.g., a light standard in the middle of it. Business decisions determine who will locate where and the type of business investments property owners will make. She felt that the such decisions had considered the need to upgrade the sign. The Code had been developed

with public input over a long period of time. Signs in other locations were developed at a different time. The visual impact survey had indicated that the residents do not like signs, particularly a group of "mesh mashed" signs. She indicated that she would support staff and deny the variance.

Supervisor Staub disclosed his ownership of a shopping center and the terms of the lease prohibiting signage on Carson Street. He receives numerous complaints from his tenants regarding this clause. He agreed that it is important to the business owner to have signage. He then explained his concern regarding the removal of a nonconforming sign. He felt that it was unattractive and had been in disrepair for numerous months. It had been destroyed by winds on a regular basis. Although he did not care for the design, it was more attractive than what had been there. It is not a substantial increase in size from the original. He felt that Frontier Plaza was being "picked out" to apply the ordinance. North Town Plaza had a variance. There is little difference between North Town and Frontier beyond the date when constructed. Granting the variance would not materially damage or prejudice any other property in the area. He acknowledged that it could be in conflict with Finding 5, however, in the interest of being realistic, it will replace a sign which had not complied with the Code. Shopping centers of the same size have received the variance in the past. Old shopping centers should not be forced to comply with the Code while new shopping centers are allowed to exceed the Code based on the City's hunger for new centers. It would be a disservice to Frontier Plaza to not grant the variance.

Additional public testimony and other comments were solicited but none given. Supervisor Livermore expressed his support for Supervisor Staub's comments. Supervisor Livermore then moved that the Board of Supervisors approve a variance request from Fred Brown, property owner: Frontier Properties, LLC, to allow an increase in maximum sign area from the existing 300 square feet to 450 square feet total on property zoned Retail Commercial/Mobilehome Park (RC/MHP), located at 1903 North Carson Street, Assessor's Parcel Number 2-081-01, based on the information provided to the Board today with the understanding that the property owner will not seek to erect an additional sign on Winnie Lane and that he/she will represent to address in the lease and will work diligently to assist City staff to eradicate the homemade mobile signs. Supervisor Plank seconded the motion. Following a request for an amendment, Supervisor Livermore amended his motion to represent that the five findings that staff had found does not apply. The findings should be that the granting of the variance does justice to the applicant or the property without extending any other special privileges; the variance request is not in conflict with goals statement in that district; and will not result in material damage or prejudice to other properties in that district. Mayor Masayko indicated that the motion was offered based on the conditions specific to this property and to the conditions which exist today. Supervisor Plank continued his second. Mayor Masayko then indicated that he would support the five findings that it did not materially injure or set precedence and that it is the right and reasonable thing to do given the circumstances. He then explained his personal visit to the site which had indicated that there were only two vehicles remaining in violation of the ordinance. Not all of the businesses will be able to advertise on the sign or have extra exposure from it. All of the businesses across the street have fairly significant signs. The sign is not out of character or proportion with those signs. The 32 businesses in the center are trying to make a living and should have an opportunity to be reasonably located. He thanked Mr. Griffin for the stipulations as they had helped him makeup his mind. He was also a little disappointed that the panels are going to extend all the way to the base of the sign and is not transparent. This removed some of the scale and dimension. He would, however, vote for the motion. The motion to grant the variance was voted and carried 4-1 with Supervisor Williamson voting naye.

C. ORDINANCE - SECOND READING - ACTION ON BILL NO. 113 - AN ORDINANCE EFFECTING A CHANGE OF LAND USE ON ONE PARCEL FROM MULTI-FAMILY APARTMENT (MFA) TO MULTI-FAMILY APARTMENT-PLANNED UNIT DEVELOPMENT (MFA-PUD) ON PROPERTY LOCATED SOUTH OF LONG STREET AT THE TERMINUS OF MOLLY DRIVE, APN 2-441-19, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO (1-3285) - Supervisor Plank moved that the Board approve P-00/01-1 and adopt Bill No. 113 on second reading, Ordinance No. 2001-12, AN ORDINANCE EFFECTING A CHANGE OF LAND USE ON ONE PARCEL FROM MULTI-FAMILY APARTMENT (MFA) TO MULTI-FAMILY APARTMENT-PLANNED UNIT DEVELOPMENT (MFA-PUD) ON PROPERTY LOCATED SOUTH OF LONG STREET AT THE TERMINUS

OF MOLLY DRIVE, Assessor's Parcel Number 002-441-19, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.

10. DEVELOPMENT SERVICES - CONTRACTS - Director Andrew Burnham

A. ACTION ON THE ACCEPTANCE OF THE MUTUAL RELEASE BETWEEN DIAMOND ELECTRIC, INC., AND CARSON CITY ON THE EDMONDS SPORTS COMPLEX PUMP INSTALLATION PROJECT, CONTRACT NO. 2000-016, AND ACCEPTANCE OF CHANGE ORDER NO. 8 FOR AN INCREASE TO THE CONTRACT IN THE AMOUNT OF \$5,600.13 AND APPROVE THE RELEASE OF FINAL PAYMENT IN THE AMOUNT OF \$5,600.13 (1-3365) - Discussion noted the final cost for the project and its funding level. The project had gone under the prevailing wage regulations due to the change orders. Specifications for future projects will be modified to require projects which are close to the \$100,000 benchmark to include the prevailing wage requirements. Mayor Masayko supported this approach. Public testimony was solicited but none given. Supervisor Plank moved to accept the Mutual Release between Diamond Electric, Inc., and Carson City on the Edmonds Sports Complex Pump Installation project, Contract No. 2000-016, and accept Change Order No. 8 for an increase to the contract in the amount of \$5,673.97 and approve the Release of Final payment in the amount of \$5,673.97; funding sources are Edmonds Park 520-3505-435-7853 for \$300,000 and Governors Field 520-3505-435-7867 for \$50,000 as provided in FY 00/01. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION ON THE ACCEPTANCE OF THE MUTUAL RELEASE AND MEDIATED AGREEMENT BETWEEN CONTRI CONSTRUCTION COMPANY AND CARSON CITY ON THE NORTHWEST STORM WATER DRAINAGE PROJECT, CONTRACT NO. 9900-232 AND FREEWAY UTILITY RELOCATION PHASE 1-A CONTRACT NO 9900-149 FOR A COMBINED INCREASE TO THE CONTRACTS IN THE AMOUNT OF \$295,000 DISTRIBUTED AS FOLLOWS: i. ACTION ON THE ACCEPTANCE OF CHANGE ORDER NO. 18 FOR AN INCREASE TO THE NORTHWEST STORM WATER DRAINAGE PROJECT, CONTRACT NO. 9900-232 IN THE AMOUNT OF \$154,140 AND APPROVE THE RELEASE OF FINAL PAYMENT IN THE AMOUNT OF \$154,140; AND, ii. ACTION ON THE ACCEPTANCE OF CHANGE ORDER NO. 42 FOR AN INCREASE TO THE FREEWAY UTILITY RELOCATION PHASE 1-A, CONTRACT NO. 9900-149 IN THE AMOUNT OF \$140,860 WHICH EXCEEDS THE APPROVED CONTINGENCY BY \$81,806.89 AND APPROVE THE RELEASE OF FINAL PAYMENT OF \$140,860 (1-3492) - The mutual release form was given to the Board and Clerk. (A copy is in the file.) It had been approved by both parties' attorneys. The mediation process had been worthwhile and may be used in the future when disputes arise. NDOT agreements will be considered by the Board in the near future. (2-0018) Portions of the projects will be rebid after the negotiations are finalized with NDOT. The pipe had been acquired for this project. The amount of overage was felt to be somewhat reasonable when the entire \$4 million project is considered. Reasons for the change orders were noted. Supervisor Williamson moved to accept the Mutual Release and Mediated Agreement between Contri Construction Company and Carson City on the Northwest Storm Water Drainage Project, Contract No. 9900-232 and Freeway Utility Relocation Phase 1-A Contract No. 9900-149 for a combined increase to the contracts in the amount of \$295,000 as distributed on the Board Action Report. Supervisor Plank seconded the motion. Motion carried 5-0.

Supervisor Williamson moved to accept Change Order No. 18 for an increase to the Northwest Storm Water Drainage Project, Contract No. 9900-232 in the amount of \$154,140 and approve the Release of Final Payment in the amount of \$154,140. Supervisor Plank seconded the motion. Motion carried 5-0.

Supervisor Williamson moved to accept Change Order No. 42 for an increase to the Freeway Utility Relocation Phase 1-A, Contract No. 9900-149 in the amount of \$140,860 which exceeds the approved contingency by \$81,806.89 and approve the Release of Final Payment of \$140,860. Supervisor Plank seconded the motion. Motion carried 5-0.

Mr. Burnham explained that the warranty requirements are provided for in the mutual release. They will continue on. The work issues regarding College Parkway are still being discussed. Contri has been cooperative to this point. Mayor Masayko disclosed that he and Mr. Berkich periodically receive correspondence from Mr. Contri on various subjects. He was glad to hear that the relationship had agreed upon the financial items. There are some "quality items" still under discussion. Discussion noted rumors indicating the College Parkway structure had to be removed. Mr. Burnham was not aware of this rumor. He felt that things had been going fine with the structure. A meeting with NDOT is scheduled for tomorrow and he agreed to check into the matter.

11. DEVELOPMENT SERVICES - STREETS - Street Operations Manager John Flansberg - ACTION TO DIRECT STAFF TO MAKE IMPROVEMENTS ON APPROXIMATELY ONE MILE OF MEXICAN DAM ROAD ON A ONE TIME ONLY BASIS AT A COST TO THE ROAD MAINTENANCE SALES TAX ACCOUNT OF \$25,000 AND A COST TO THE GENERAL FUND ROAD MAINTENANCE ACCOUNT OF \$20,000 FOR LABOR AND EQUIPMENT TO PLACE ASPHALT GRINDINGS AS FURNISHED BY THE NEVADA DEPARTMENT OF TRANSPORTATION (2-0135) - City Manager John Berkich, Homeowners Association President Mitch Mattice, Mark Kimbrough, Mike Turner - The \$45,000 cost includes chip sealing and placement of the grindings. RTC had seen the list of streets on which the grindings could be placed. It included this site. Monies from the General Fund will be used for this project. No RTC controlled monies will be used for the project. A vehicle count indicates 375 cars per day on the road. The road is private, undedicated, and owned by the Mexican Dam property owners. The property owners currently maintain it. There is no legal requirement mandating they maintain it. Supervisor Livermore explained how he was contacted by the homeowners association regarding the road and the request for assistance due to the City's application of grindings two years ago on another portion of the roadway. Once the grindings are placed, the expenditure will not reoccur as the association has agreed to maintain the roadway. The allocation will not adversely impact other City street projects which are scheduled for this year. A map was used to designate the location, explain the area which had flooded in 1997, and describe the roadway. Discussion explained the property ownership along the one mile stretch included in the project. These property owners were approached after the flood regarding repair/maintenance to no avail. They had not been contacted concerning the proposed project. Supervisor Staub suggested that a hold harmless agreement be obtained and explained his reasons for making the suggestion. Mayor Masayko indicated that the City would be liable for the work if negligence is proven regardless of the hold harmless agreement. Supervisor Plank felt that there are between 16 and 18 homes along the road. The daily traffic count is more than they generate. He felt that the recreational activity in the vicinity generated the traffic volume. Therefore, he could justify the expenditure to the suggested point. He also explained the notification procedure required for the project. Discussion pointed out that the direct route for the work would be over Deer Run Road. Mr. Flansberg felt that it is a local delivery. Mexican Dam Road can handle the load that will be required to transport the material. It will take approximately two to three days to haul all of the material. Mr. Berkich indicated that Mr. Quigley was aware of the project. He hoped that an arrangement could be developed which would minimize the impact on the neighborhood. He felt that Mr. Quigley preferred to have as little traffic as possible but may recognize the necessity to have local deliveries. Discussion also indicated that the Curry Street project would not be delayed.

(2-0355) Public comments were solicited. Mitch Mattice expressed his hope that he would not complicate the process. He then explained that the area where the grindings are to be placed is not in the Association. There are no homes along that stretch. The Association had assumed the stewardship of the stretch in order to have access to the homeowners' subdivision. There are 19 homes in the association with two to three cars per home. This does not justify the current traffic volume. The Association does not collect any dues for this stretch of road. The Association is not legally obligated to maintain the stretch. Safety concerns with the roadway when it becomes rutted, the Association's maintenance efforts, and its limited financial capabilities were limned. Mayor Masayko felt that the suggested hold harmless proposal could not apply. He also indicated that the program would be a one time, special program. Carson City is not accepting any ongoing maintenance for the roadway nor liability. Mr. Mattice agreed and indicated that the Association would do whatever the Association allows them to do toward maintaining the stretch of roadway once it is upgraded. He agreed that it is a one time offer and hoped that the Association would have the resources to continue its maintenance. He also intended to approach BLM for

assistance with further maintenance of the roadway due to an alleged property ownership change which may be occurring. Mayor Masayko suggested that the City accompany him when he approaches BLM. Access to the public lands along the Carson River corridor should be maintained. The 300 cars per day more than exceed the residential use. He also pointed out that not all dirt roads will be improved. Additional comments were solicited.

(2-0441) Mr. Kimbrough explained his involvement with the roadway since 1997 and the efforts to improve it after the 1997 flood. Mr. Flansberg had been very helpful in this process. Unfortunately, the one mile of roadway and its maintenance problems remain unsolved. Board assistance was requested to complete it. He also pointed out the liability incurred by the Association for a roadway which it does not own. He thanked Mr. Flansberg for his assistance. Additional comments were solicited.

Mr. Turner felt that recreational use of the road had expanded since BLM took over the Silver Saddle Ranch. The Association does not have the ability to maintain it. Assistance was requested particularly if the Open Space Committee obtains additional property in the area. Any improvements to the roadway will improve public safety on it. Mayor Masayko felt that this is an additional reason for seeking BLM's assistance.

Supervisor Staub recognized former State Senator Don Mello and his wife Barbara, who were in attendance. He also disclosed his personal discussions with Mr. Mello regarding the road. He agreed that there is a public safety issue and described an alleged incident when the Sheriff's Office was unable to traverse the roadway due to a lack of a vehicle.

Supervisor Livermore moved to direct City staff to make improvements on approximately one mile of Mexican Dam Road on a one time only basis at a cost to the Road Maintenance Sales Tax Account of \$25,000 and a cost to the General Fund Road Maintenance Account of \$20,000 for labor and equipment to place asphalt grindings as furnished by the Nevada Department of Transportation; fiscal impact is \$45,000; and funding source is Road Maintenance Sales Tax and General Fund Road Maintenance. Supervisors Plank and Staub seconded the motion. Motion carried 5-0.

BREAK: A recess was declared at 12:10 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

13. PERSONNEL - Manager Judie Fisher

A. ACTION TO APPOINT ONE MEMBER TO FILL THE TWO-YEAR TERM FOR THE "HOTEL-MOTEL INDUSTRY" VACANCY ON THE CONVENTION AND VISITORS BUREAU (2-0546) - Sean Sever was interviewed by the Board. Mayor Masayko thanked him for applying. Supervisor Livermore moved to appoint Sean Sever to fill the two year term for the "Hotel/Motel Industry" vacancy on the Convention and Visitors Bureau and that the appointment date is to be effective today, July 19, 2001. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko welcomed him to the Bureau and introduced Bureau Executive Director Candace Duncan.

B. ACTION TO APPOINT TWO MEMBERS TO THE LIBRARY BOARD OF TRUSTEES (2-0648) - Mr. Huetig had withdrawn his application. Candy Trenoweth was unable to attend the meeting. Supervisor Plank indicated that Ms. Denzler is a registered voter, however, was not active. Ms. McBride is not a registered voter. Discussion explained the voter registration designations. The Board interviewed the following applicants: Roseann Denzler; (2-0900) Frank Follmer; (2-1071) Terry Amundson; (2-1255) Dorothy McBride; and (2-1453) Leslie Danihel. Mayor Masayko thanked each of the applicants for applying.

BREAK: A recess was declared at 2:10 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 2:25 p.m., constituting a quorum.

Supervisor Plank moved to reappoint Terry Amundson to the Carson City Library Board of Trustees. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko congratulated her on her appointment.

Supervisor Plank explained his original support for Ms. Trenoweth and the quality of the applicants. Supervisor Plank then moved to appoint Leslie Danihel to the Carson City Library Board of Trustees. Supervisor Livermore seconded the motion. Mayor Masayko explained his preference and acknowledged the quality of the applicants. His vote against the motion was not to be taken personally but is a vote for his candidate. The motion was voted and carried 4-1 with Mayor Masayko voting Naye. He then changed his vote to Aye to make it unanimous. Mayor Masayko congratulated Ms. Danihel on her appointment.

Supervisor Williamson thanked the other applicants for applying and encouraged them to remain active with the library. She hoped that other volunteer positions could be found for their talents. Mayor Masayko supported her suggestion and encouraged the applicants to follow through with her suggestion.

14. JUVENILE PROBATION - Chief Juvenile Probation Officer Sheila Banister

A. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT TO RECEIVE \$31,832 IN COMMUNITY YOUTH CORRECTIONS BLOCK GRANT FUNDS DURING THE 2001-2002 FISCAL YEAR FROM THE STATE OF NEVADA DIVISION OF CHILD AND FAMILY SERVICES (2-1718) - Supervisor Plank disclosed that he is a Ron Wood Resource Center Trustee. He would not benefit from the request. Supervisor Plank moved that the Board of Supervisors approve the Carson City Juvenile Probation Department receipt of \$31,832 in community Youth Corrections Block Grant funds during the 2001-2002 fiscal year from the State of Nevada Division of Child and Family Services; fiscal impact is \$31,832 State grant dollars; and the funding source is the State of Nevada Division of Child and Family Services and that a match is not required. Supervisor Williamson seconded the motion. Mayor Masayko noted that the grants had first been applied for by the former Chief Juvenile Probation Officer Bill Lewis and complimented Ms. Banister on continuing to seek them. Motion carried 5-0.

B. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT TO RECEIVE \$19,310 IN FEDERAL GRANTS DURING THE 2001-2002 FISCAL YEAR FROM THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION (2-1811) - Supervisor Plank reiterated his disclosure that he is a Ron Wood Resource Center Trustee. He would not benefit from the request. The program attempts to change the youths' direction and avoid their going to the Silver Springs Youth facility. Supervisor Plank moved that the Board of Supervisors approve Carson City Juvenile Probation Department receiving \$19,310 from federal grant funds during the 2001-2002 fiscal year from the Office of Juvenile Justice and Delinquency Prevention; fiscal impact is \$19,310 from the Office of Juvenile Justice and Delinquency Prevention and are funds handled through the State of Nevada; no match is required. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO APPROVE THE CARSON CITY JUVENILE PROBATION DEPARTMENT TO RECEIVE \$35,781 IN FEDERAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACCOUNTABILITY INCENTIVE BLOCK GRANT FUNDS DURING THE 2001-2002 FISCAL YEAR (2-1875) - Storey County and the Washoe Tribe provide matching funds for their share of the grant. Supervisor Plank moved that the Board of Supervisors approve the Carson City Juvenile Probation Department to receive \$35,781 in Federal Office of Juvenile Justice and Delinquency Prevention Juvenile Accountability Incentive Block Grant funds during the 2001-2002 fiscal year; fiscal impact is \$35,781 in federal funds to be matched with \$4,415 as follows: \$1958 in Administrative Assessment funds from Budget 4505, \$1267 in Administrative Assessment funds from Budget 4505, \$337 in Storey County Juvenile Services budget, and \$853 in Administrative Assessment funds 4505; funding source is the Office of Juvenile Justice and Delinquency Prevention and the State of Nevada Division of Child and Family Services. The grant program is a continuing, multi-year grant. Supervisor Williamson complimented Ms. Banister and her staff on their efforts to obtain the grants. The motion was voted and carried 5-0.

15. ENVIRONMENTAL HEALTH - Director Daren Winkelman - ORDINANCE - FIRST READING - ACTION ON AN ORDINANCE AMENDING CHAPTER 5.11 LANDFILL RATES AND FEES OF THE CARSON CITY MUNICIPAL CODE ADDING SECTION 5.11.020, OUT OF COUNTY RATES, WHICH ESTABLISHES THE RATES TO BE CHARGED FOR OUT OF COUNTY COMPACTED AND UNCOMPACTED WASTE LOADS AND OTHER MATTERS PROPERLY RELATED THERETO (2-1962) - Deputy Director Ken Arnold - Discussion indicated a charge is assessed for yard waste and wood. The charge for yard waste and wood is the same for both in and out of county. The fee increase is being assessed for solid municipal waste which require daily covering. The out-of-county usage will be easier to track under the City's operation of the landfill. One complaint had been received on the last rate increase. Mr. Winkelman indicated that he had received several phone calls, however, when the need for the increase is described, the caller is satisfied. The complaints had dealt with operational issues which they had been having before the City took over the operation. The transition had gone smoothly on July 1 although staff had spent weekend and evening hours working on the computer program. Comments expressed the feeling that the household waste from Washoe and Lyon Counties is now being sent to Lockwood. Mr. Winkelman felt that part of the reason Washoe County began using Lockwood was due to the new transfer station at Galena. Supervisor Plank complimented staff on its efforts to cleanup the problems left by the former operator. Discussion explained that the minimal disposal fee is for half a ton or less. The rate is then established per pound over the 1,000 lb. rate. A full ton is charged \$35. The fee for the small users is not based on weigh due to the desire to get them to use the landfill rather than illegally dump elsewhere. Supervisor Livermore explained his personal tour of the facility. Mayor Masayko complimented Ms. Wiggins on her work. Discussion also explained that the effort to reduce the seagull population. Staff did not feel that the loss of the out-of-county use would impact the rates. The public education program was felt to be successful due to the lack of complaints. Efforts to get the users to cover their loads while in transit were continuing. Public comments were solicited but none given. Supervisor Plank moved to approve on first reading Bill No. 114, AN ORDINANCE AMENDING CHAPTER 5.11 LANDFILL RATES AND FEES OF THE CARSON CITY MUNICIPAL CODE ADDING SECTION 5.11.020, OUT OF COUNTY RATES, WHICH ESTABLISHES THE RATES TO BE CHARGED FOR OUT OF COUNTY COMPACTED AND UNCOMPACTED WASTE LOADS AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.

16. FINANCE - Director David Heath

B. ACTION ON A RESOLUTION MAKING CERTAIN DETERMINATION IN CONNECTION WITH A LOAN TO THE CARSON CITY REDEVELOPMENT AUTHORITY AND PROVIDING THE EFFECTIVE DATE HEREOF; AND C. ACTION ON A RESOLUTION CONCERNING AN INCREMENT FINANCING FOR THE CARSON CITY REDEVELOPMENT AUTHORITY; AUTHORIZING THE ISSUANCE OF AND SPECIFYING THE DETAILS FOR THE AUTHORITY'S REDEVELOPMENT PROJECT BONDS, SERIES 2001; CREATING CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE EXECUTION AND DELIVERY OF THE PURCHASE CONTRACT; AUTHORIZING AND RATIFYING THE SALE OF THE BONDS; SPECIFYING THE INTEREST RATE ON AND OTHER TERMS AND CONDITIONS OF SUCH BONDS AND THEIR FORM; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-2298) - Deferred until agendized for the Redevelopment Authority.

A. ACTION TO APPROVE AN APPLICATION TO REMOVE UNCOLLECTIBLE ACCOUNTS RECEIVABLE FROM THE RECORDS OF THE AMBULANCE FUND IN THE AMOUNT OF \$286,563.15 OUT OF BILLINGS THROUGH MAY 31, 2001 OF \$2,159,225 (2-2304) - Discussion indicated that the billings were write-offs and not manipulation of numbers. They were individuals without insurance or are unable to pay. It was also noted for the record that the individuals who do not make the payment but needed transport will be taken to the hospital anyway. Discussion ensued on whether the Treasurer's Collection Division could handle the service. Concern was expressed regarding the number of times the same individual had been transported. Comments indicated the feeling that these individuals were using the ambulance service for transportation purposes due to the lack of nearby/close family members. Supervisor Williamson

suggested that the Senior Center/Hospital or another agency provide alternative transportation resources for such individuals. Mayor Masayko also noted that the ride from a rest home to an individual's home requires an ambulance transport. Supervisor Staub suggested that the Hospital, if possible, suggest to non-emergency patients that they use other transportation sources, i.e., taxicabs. Supervisor Livermore pointed out that the cost does not include that incurred and written off by the Hospital. Supervisor Plank moved to approve an application to remove uncollectible accounts receivable from the records of the Ambulance Fund in the amount of \$286,563.15 out of billings through May 31, 2001, of \$2,159,225. Supervisor Livermore seconded the motion. Motion carried 5-0.

17. DISTRICT ATTORNEY - Deputy District Attorney Melanie Bruketta - ACTION TO APPROVE ADDITIONAL COMPENSATION FOR ATTORNEY EDWIN T. BASL TO CONTINUE TO PROVIDE LEGAL REPRESENTATION TO CARSON CITY SHERIFF'S OFFICERS BILL CALLAHAN, KEN SANDAGE, ROD KING, FRED SCHOENFELDT AND STEVE JOHNSON AT \$200 PER HOUR, NOT TO EXCEED \$5,000 UNLESS ADDITIONAL COMPENSATION IS APPROVED BY THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATED THERETO (2-2511) - Comments expressed the hope that this would be the last request for funding for this case. The final grand jury report had not been received by the District Attorney's office. Supervisor Plank moved to approve additional compensation for attorney Edwin T. Basl to continue to provide legal representation to Carson City Sheriff's Officers Bill Callahan, Ken Sandage, Rod King, Fred Schoenfeldt and Steve Johnson at \$200 per hour, not to exceed \$5,000 unless additional compensation is approved by the Board of Supervisors, and other matters properly related; fiscal impact is unknown at this time, however, we hope it is none of the specified amount; and the funding source is Account No. 10141004120825 District Court Dept. II Grand Jury Account. Supervisor Livermore seconded the motion. Motion carried 5-0.

18. CITY MANAGER - John Berkich

A. ACTION TO APPROVE A LEASE AGREEMENT BETWEEN CARSON CITY AND THE COMMUNITY COUNSELING CENTER FOR THE PROPERTY LOCATED AT 915 EAST MUSSER STREET, CARSON CITY, NEVADA (2-2578) - Deputy District Attorney Melanie Bruketta, Community Counseling Center Executive Director Mary Jenkins - Discussion noted that only the lessee had the ability to cancel the lease. The rental fee is \$1 per year. A typographical error on Page 7, Paragraph C, Line 2 was corrected to read "rent". Supervisor Livermore explained a request that the non-profit organization's Board of Directors be required to carry liability insurance and that proof be provided indicating that this coverage is paid. He also asked that all future lease agreements for non-profit organizations include such a requirement. Mayor Masayko agreed with the need to require the insurance for volunteers serving on non-profit organization boards and pointed out the difference between having such insurance and that required for City employees. He questioned whether this requirement should be part of a building lease agreement. Supervisor Livermore pointed out City staff's role in obtaining an agreement with the Community Counseling Center to provide the service to justify the requirement. Mr. Berkich suggested that the insurance be made a part of the Community Support Services funding requirements. Supervisor Livermore indicated support for any requirement that will provide the coverage and protect the volunteer board of directors. Mayor Masayko agreed that the requirement should be made but suggested that it not be included in a lease for a building. He directed Administrative Assistant Teixeira to include this requirement in the Community Support Service grant application. Ms. Bruketta explained that City employees who serve on non-profit volunteer boards/committees as part of their regular City duties are covered under the City insurance program. She also suggested that Risk Management be notified of such activities. Supervisor Livermore pointed out that the City is subsidizing the organization based on the \$1 lease. This is the same as providing a community grant for operations. He urged staff to develop a policy to address the issue.

Ms. Jenkins indicated that the facility could house ten individuals. These patients may, on occasion, be violent. The policy regarding removal of such patients was described. Supervisor Staub then explained his concern with having a \$1 million liability limit and urged the staff to increase the coverage. Mr. Berkich did not feel that the extension of the City's property insurance to include the building created an impact on the City's insurance rate. Supervisor Staub explained his reasons for feeling that the rental rate should include such costs. Mr. Berkich

expressed a willingness to stipulate that staff would investigate the cost. Any marginal costs identified as a result of the investigation will be submitted to the non-profit organization for reimbursement. Mayor Masayko felt that the premium had included a dollar value for this building and asked that the cost be indicated. Mr. Berkich indicated that a report would be submitted to the Board delineating whatever cost can be identified. Ms. Jenkins indicated that the cost impact would have to be determined before she could committed to reimbursing the City. She was agreeable to a commitment to reimburse the City if the amount is "fair" and they have the ability to "handle it". Supervisor Staub assured her that it should be less than \$100 per year for extended coverage. The property damage could be more. Mayor Masayko asked Mr. Berkich to include in his report both the liability coverage and the property damage. Discussion indicated that the City is an additional insured for the \$1 million limit and questioned whether the City's rate would be reduced if the limit is increased to \$2 million. Mr. Berkich reiterated his intent to provide a report to the Board on the rates. Mayor Masayko reiterated the intent to mandate the same requirement for all other lessees.

Supervisor Williamson moved to approve the lease agreement between Carson City and the Community Counseling Center for the property located at 915 East Musser Street, Carson City, Nevada, with the correction on Page 7 to the word "rent"; fiscal impact is revenue of \$1 annually. Supervisor Plank seconded the motion. Following discussion on amending the motion to include the liability coverage costs, Supervisor Williamson amended the motion to include "and subject to the stipulation of possible revision of insurance coverages". Supervisor Plank concurred. Motion carried 5-0.

Mr. Berkich thanked Ms. Jenkins for offering the Center's services for this needed program. Supervisor Plank reminded the Board and Ms. Jenkins that a Community Service Support Grant had been given to the Detox Center. Ms. Teixeira indicated that a formal letter requesting these funds had been received and will be considered by the Board at a future meeting.

B. ACTION TO APPROVE AN AGREEMENT WITH THE STATE OF NEVADA FOR THE LEASE OF CERTAIN FACILITIES AT THE FORMER NORTHERN NEVADA CHILDREN'S HOME (2-3210) - Administrative Assistant Liz Teixeira - The lease calculations were explained. The original intent was that the City would not pay any rental fees as the improvements made to the building(s) should offset all rental fees. The program provides a mechanism for complying with the Statutes. The utility costs are part of the Community Service Support Grant to the Boys and Girls Club. Mayor Masayko asked that this cost not be "buried". Supervisor Livermore moved to approve an agreement with the State of Nevada for the lease of certain facilities at the former Northern Nevada Children's Home; fiscal impact is \$15,000 for fiscal year 2001-2002; and the funding source is the Community Support Services General Fund. Supervisor Williamson seconded the motion. The lease is for five years. Motion carried 5-0.

C. ACTION TO APPROVE AN AGREEMENT WITH THE BOYS AND GIRLS CLUB OF WESTERN NEVADA FOR USE OF CERTAIN FACILITIES AT THE FORMER NORTHERN NEVADA CHILDREN'S HOME; AND D. ACTION TO APPROVE AN AGREEMENT WITH NEVADA HISPANIC SERVICES FOR USE OF CERTAIN FACILITIES AT THE FORMER NORTHERN NEVADA CHILDREN'S HOME (3-0004) - Discussion reiterated Supervisor Staub's request that the insurance coverage be more than \$1 million. He suggested it be in the \$5 million range. As the leases had expired in May, it was felt that time could be taken to research the costs and bring them back. Both items were deferred. No formal action was taken.

BREAK: A recess was declared at 4 p.m. Board of Supervisors present included Mayor Ray Masayko and Supervisors Robin Williamson, John Plank, Pete Livermore, and Richard S. Staub. Carson-Tahoe Hospital Board of Trustees present included: Chairperson Tom Metcalf, Vice Chairperson Caleb Mills, and Trustees Basil Chryssos, Pete Livermore, Paul Saucedo, and Jo Saulisberry. A quorum of both Boards was present. City staff present included: City Manager John Berkich, District Attorney Noel Waters, Finance Director David Heath, Deputy Finance Director Tom Minton, and Recording Secretary Katherine McLaughlin. Hospital staff present included: Chief Executive Officer Steve Smith; Administrator Ed Epperson, Assistant Administrator Ron Telles,

Chief Financial Officer Michael Blair, and Legal Counsel Mike Pavlakis.

19. CARSON-TAHOE HOSPITAL - Mayor Masayko reconvened the Board of Supervisors at 6 p.m. Chairperson Metcalf reconvened the Hospital Board of Trustees. All of the members of both Boards were present, constituting a quorum.

DISCUSSION AND ACTION ON THE APPROVAL OF A TRANSFER AGREEMENT BETWEEN CARSON CITY AND CARSON-TAHOE HOSPITAL, A NEVADA NONPROFIT CORPORATION, FOR THE TRANSFER OF THE ASSETS AND ASSUMPTION OF THE LIABILITIES OF CARSON-TAHOE HOSPITAL AND OTHER MATTERS RELATED THERETO, PURSUANT TO NRS 450.500 (3-0082) -

Copies of the agreement had purportedly been distributed to the Boards prior to the meeting. (A copy of this document had not been given to the Clerk.) Mr. Berkich then reviewed the changes which had been made to the transfer agreement including the definition of charity care and indigent care. (Copies of these definitions were distributed to the Board and Clerk.) Mr. Pavlakis and Mr. Blair explained the charity care definition. Revised Section 2.4 was distributed to the Board and Clerk and reviewed. Mr. Berkich cited the following revisions: Page 11, Section 2.9; Page 33, Section 9.1; Page 37 removal of Paragraph 12.4; and the typographical change to Supervisor Plank's name on Page 39. Mayor Masayko noted that escheatment had been added to Page 36, Section 12.3, and indicated a desire to discuss this section later in the meeting. Mr. Berkich then explained that the assessment for the Hospital had been completed and is being reviewed. The City appraiser's preliminary report on the assessment has indicated that the methodology and application used were appropriate and no exceptions have been found so far. Discussions continue to analyze the indigent care and Disproportionate Share (DSH) issues. The Hospital has continued to work diligently on the employee issues regarding PERS.

Mr. Epperson highlighted the discussions on the employees' issues including the reasons a signed memorandum of understanding is not available this evening. He felt that the discussions were favorable and positive.

Mr. Berkich then noted the issues regarding compensation for the new board members and term lengths. Mr. Epperson indicated his intent to recommend that any compensation be at the level currently received as elected officials. He was also going to recommend that the terms be staggered. The Statutes require the corporation's membership to be elected.

Mayor Masayko questioned whether the contract would be enforceable on any other successor entity than the City and the original nonprofit organization. Mr. Pavlakis explained that as long as 775 Fleischmann Way is used as a nonprofit hospital, the reversion clause does not apply. It would apply regardless of whom the owner/operator/management company/lessee-lessor is if the property is not used as a nonprofit hospital as the reversionary clause runs with the land. This restriction will remain with the property until the Statute is changed. He then read Section 12.1 regarding this issue.

(3-0525) Discussion ensued on Section 12.3 regarding binding arbitration and its impact on the ability to seek legal action, if so desired. Mr. Waters felt that arbitration would expedite the process and reduce the costs incurred through the court system. He agreed that if the arbitrator's decision is unsatisfactory, recourse is somewhat limited. The arbitrator will review the transfer documents, commercial practices, past dealings of the parties, and existing Nevada laws. Supervisor Staub explained his feeling that there would not be any financial savings created by using an arbitrator. He suggested the use of Nevada Arbitration Rules (NADR) which eliminates the need to go through the American Arbitration Association (AAA) and paying substantial filing fees. NADR allows for a speedy resolution of the issue and legal appeals through the District Court system. Mr. Pavlakis was willing to use the NADR. Supervisor Staub acknowledged that the process is limited to \$40,000 unless the parties mutually agree to another amount. Mr. Pavlakis proposed the following amendment to Contract Section 12.3 commencing at the third line: Binding arbitration by a single arbitrator in a manner as the parties may agree, and failing agreement, in accordance with the commercial arbitration association rules of the AAA. His reasons for supporting the revision were limned. He urged his Board to retain binding arbitration. Mayor Masayko felt that the parties should be able to agree to binding arbitration or not as well as ultimate dispute resolution programs

under the court process. Future boards or successor organizations should not be limited in the process of dispute resolutions. Discussion noted the pros and cons to binding arbitration. Mr. Pavlakis felt that the revision would allow all types of mechanism if mutual agreement prevails. If it does not, then binding arbitration should be required. Mr. Waters explained that the clause would provide for a fast resolution of any issue and described a third option which would leave the resolution process open to any statutory procedure including legal recourse.

Board discussion ensued on the amount of flexibility desired regarding dispute resolutions including the type of issues which will be considered under the clause. Supervisors Livermore and Plank supported as much flexibility as possible. Supervisor Williamson supported leaving Paragraph 12.3 as written. Supervisor Staub reiterated his recommendation to use NADR including the timeframe for completion. Mayor Masayko pointed out that the parties could agree to use binding arbitration at a future date without including the requirement in the agreement. He also noted that without flexibility in the contract, all issues can be solved only under one plan. Mayor Masayko summarized the Board's direction as requiring additional flexibility.

Chairperson Metcalf then explained that many of his contracts include the AAA requirement. Discussion with Mr. Waters indicated that many City contracts also have AAA requirements. Others have more flexibility. Chairperson Metcalf then indicated that the process allows for fast resolution so that the parties can move to other things. It also allows an opportunity for compromise, which happens many times. Trustee Saucedo expressed his concerns about the amount of time which could be required to resolve the issue. Trustee Mills explained his experience with arbitrators regarding labor issues. He also felt that timeliness is more important than "having a second bite of the apple" and agreed that the process could be used for discovery purposes. Chairperson Metcalf, Trustees Chryssos and Saulisberry supported Mr. Pavlakis' recommendation. Mr. Pavlakis then explained his personal experience with arbitrators. Flexibility could be provided as revised and through mutual agreement on the arbitrator, the rules, etc. He supported retaining the AAA rules and binding arbitration. Protocol for handling any amendments was discussed. Mr. Pavlakis then suggested that the Trustees act to amend 12.3 of the agreement to insert the language after arbitration by a single arbitrator in a manner as the parties may agree, failing agreement, in accordance with the commercial arbitration rules of the AAA.

(3-1260) Trustee Saucedo then moved to accept the proposal by Mr. Pavlakis for changing Section 12.3 of the dispute resolution as he had presented it. Trustee Mills seconded the motion. Public comments were solicited but none given. The motion was voted and carried 6-0.

Supervisor Plank and Mayor Masayko supported the motion. Supervisor Staub reiterated his concern regarding binding arbitration and suggested the revision be that parties shall submit the dispute to arbitration by a single arbitrator in a manner that the parties may agree or if the parties, or if there is no agreement, then in accordance with arbitration by a single arbitrator in accordance with commercial arbitration. He felt that the previous motion made whatever agreement the parties reach binding. Mr. Pavlakis agreed that parties could agree to modify the contract. The clause would modify the method in which binding arbitration would be conducted. It will require binding arbitration unless there is a different agreement. Supervisor Staub did not feel that this was either the Supervisors or his desire. He preferred to delete binding and make it arbitration which would allow the parties to agree to arbitration in any form. If they cannot agree, then they will agree to binding arbitration by a single arbitrator in accordance with the AAA. Discussion indicated that this was the intent of the motion.

(3-1308) Mr. Pavlakis then suggested that the motion be that the parties shall submit the dispute to arbitration by a single arbitrator in a manner as the parties may agree, failing which, by binding arbitration in accordance with the commercial arbitration rules of the AAA. Trustee Saucedo moved to accept the latest course which was just laid upon us. Following discussion on the procedure to revise the previously adopted motion, Trustee Saucedo restated his motion as being to reconsider the motion and moved that the Trustees use the language as was dictated by Mr. Pavlakis. Trustee Mills seconded the motion. Lou deBottari expressed his feeling that in 50 years there will be no chance of having a day in court. This is wrong. Additional comments were solicited but none given. The motion to modify the arbitration clause as indicated was voted and carried 6-0.

Supervisor Staub moved that the Board adopt the language that was just dictated by Mr. Pavlakis as an amendment

to Section 12.3 of the transfer agreement. Supervisor Livermore seconded the motion. Mayor Masayko acknowledged that the process would give up the right to go to court in order to use arbitration. The motion to adopt the language as submitted by Mr. Pavlakis was voted and carried 5-0.

Discussion ensued on Section 9.1 regarding "conduit financing". The City will not be responsible for these bonds. Mayor Masayko felt that the bonds were to defease the General Obligation Bonds with industrial revenue bonds. (Chairperson Metcalf stepped from the room at 7:20 p.m. and returned at 7:22 p.m. A quorum was present the entire time.) Discussion indicated that Section 2.8 of the Memorandum of Understanding states that the City agrees to act as a conduit for the issuance of economic revenue development or other revenue bonds for the Hospital including the defeasance bonds provided the Hospital repays the City for all costs associated with the issuance of those bonds. The Hospital also agreed to hold the City free, clear, and harmless from any claims, loss or liabilities associated with the bonds. Mayor Masayko then referenced Section 9.1 regarding conditions present at the closing of the agreement. Mr. Pavlakis explained that Section 9.1 is an attempt to identify September 30 as the closing date and its possible extension to December 31. The extension will hinge on the IRS determination letter which allows the bonds to be issued and allows the non-profit hospital to be in existence as a non-profit hospital which provides access for the bonds. Without the bonds, the Hospital will not be able to pay the City any money. Mayor Masayko felt that this merely defeases the bonds and provides new bond holders. Mr. Pavlakis then explained the concern regarding the issuance of new bonds after defeasance. Bond counsel recommended the clause on assumed liabilities which includes \$500,000 for defeasance costs related to the defeasance bonds. The financial consultants recommended a procedure called master trust indenture which creates the framework allowing flexibility for the Hospital Board to defease the bonds and access additional funds for issuance costs. The Hospital Board has not approved any additional acquisition financing, however, the financial consultant has indicated that it is within the new non-profit organization's ability to bond for additional funding amounts. Bond counsel will bring an inducement resolution to the Supervisors in August which allows for the recapture of monies which have been paid to consultants for the issuance of the defeasance bonds. This resolution will be between \$28 and \$85 million. The actual amount of this bond will have to be established through a financial plan which the Hospital Board will have approved.

Discussion then turned to Section 2.4. Supervisor Williamson suggested that Section b be revised to include "or federal payments of some type or payments from federal agencies". She was concerned that DSH may not be the term used to identify the funding in the future. Mr. Epperson felt that the Section had addressed this concern. Mr. Pavlakis read the handwritten revision which had been made to the revision referencing NRS 428 and any future amendments (the DSH program). Mayor Masayko requested Section b be revised to include this statement. Mr. Pavlakis and Supervisor Williamson agreed. Supervisor Staub indicated that his draft comments had included a similar change regarding this paragraph.

Discussion between Mr. Pavlakis and Supervisor Staub indicated that sole provider is defined as determined by Medicare regulations in Section c. Discussion ensued on the trigger period for demonstrating that the Hospital had exceeded its burden of providing care to indigent patients. The 25 year period involves only the last paragraph of 2.4 whereas the next to the last paragraph could be at any time throughout the life of the agreement. Clarification by Mr. Pavlakis indicated that if, during the 25 year life of this clause, the City has exceeded its taxing authority and the Hospital still has outstanding indigent costs, the City does not have a lot that it can do. Supervisor Staub felt that the paragraph indicates that the City shall pay the Hospital the actual indigent care costs regardless of Sections a, b, and c. Mr. Berkich felt that the intent had always been to have those Sections apply regardless of the life of the agreement--25 or 35 years. The referenced paragraph merely reiterates the original intent. The intent is for the Hospital to continue providing indigent care during the 25 years without seeking payment from the City so long as the conditions in a, b, and c are met. Supervisor Staub felt that this is the intent in Section a but not b and c. Mr. Pavlakis indicated that the final paragraph was the only change which had been made to Section 2.4 from the previous version. He also pointed out that the Hospital could demonstrate its view, including financial ruin, but the City's limit will remain at whatever level its taxing authority is. Mayor Masayko questioned the location of this statement due to his concern with the NRS 428 requirements. Mr. Pavlakis then explained a recommended change to the fifth line in the next to the last paragraph of Section 2.4 to read ".....generate revenues through taxing authority 'for indigent care'" or "'for care of indigent patients'". Mayor Masayko suggested that the NRS cites be

included in the sentence. He was opposed to forcing the City to go beyond that required in NRS 428. Mr. Waters expressed his support for revising the limits to be that of the City's taxing authority when referencing indigent care. This should be separate from the City's limits for its general taxing authority. He also recognized the need for clarity when discussing these issues. The NRS provisions were 428.050 and 428.285 as currently codified or as amended. NRS 450.425 dealt with county hospitals and was not added to the list. Mayor Masayko reiterated his request that this section be stated as clearly as possible. Discussion ensued concern the possibility that the Statutes could be revised until they do not deal with indigent care. Mr. Waters then amended the line to read: "generate revenues through taxing authority for indigent care as provided in Chapter 428 of the Nevada Revised Statutes or as amended, and after resort is had to the escrow of funds established in Section 2.7". Mayor Masayko then explained his request that the City be named rather than referenced as "it". Mr. Waters changed "its" to be the "City". Both Mr. Waters and Mr. Pavlakis agreed to the revisions. Consensus of the Hospital Board indicated that the City's taxing authority is to be restricted to NRS 428. Clarification indicated that Mr. Waters felt that only NRS 428 dealt with the City's taxing authority for indigent care. Mr. Waters also indicated that it may be necessary to repeat this clause in another portion(s) of the agreement although he was unsure of the location(s). Mayor Masayko suggested that the last paragraph include this clause. Consensus supported his revision in that paragraph.

Trustee Saucedo moved that we add the language as described by District Attorney Noel Waters and that it be inserted into two paragraphs under Section 2.4 Payment, which, in the version he had, are the fifth and sixth paragraphs which say "for urgent care as provided under Chapter 428"... Following a request for a correction, Trustee Saucedo amended his motion to be "for indigent care as provided under Chapter 428 or as amended". Trustee Saulisberry seconded the motion. Following a result for a second amendment, Trustee Saucedo amended his motion to include changing "its" to Carson City. Trustee Saulisberry concurred. Mr. Pavlakis then requested an amendment adding the other handwritten revisions which were on the draft, e.g., the inclusion of "to residents of Carson City" twice in Subparagraph a and "currently codified in NRS 428, as the same may be amended" in subparagraph b after the Disproportionate Share Payments and in the paragraph beginning with "the parties agree that the amount" in the last line of that paragraph after Disproportionate Share Payments that the same language be added as "currently codified in NRS 428 as the same may be amended", and the Mayor's suggested change of "its" to "City's" in the fourth line of the second to the last paragraph; and requested that the terminology be geared to indigent patients, that the Hospital will provide the same quality care to all of the patients and that the discussion only relates to payments for those who are less fortunate and requested that the term be corrected to indigent care patients. Trustee Saucedo agreed to amend his motion to include Mr. Pavlakis' requested amendments. Trustee Saulisberry concurred.

(3-2017) Public comments were solicited. Louis deBottari questioned whether the term "Medicare regulations" included the emergency room and hospital. He did not want to see patients stabilized and then shipped to a Medicare facility. Mayor Masayko felt that in order to receive DSH payments, Medicaid must be accepted. Mr. Epperson indicated that the Hospital is a full Medicare provider in every setting that the Hospital has. This will not change. The Hospital will continue under the Medicare program as defined by the payor source. Mr. deBottari explained his concern that after the Hospital becomes non-profit and is sold to another hospital and, specifically after the 25 year term, the hospital will be out of Medicare. Mr. Epperson felt that the Hospital will always be a Medicare provider, specifically, if it remains a full service provider. He did not feel that the Hospital would have any choice regarding this issue. It currently is the source of more than 50 percent of the funding patients. This percentage will only grow in the future. State hospital licensing requirements mandate that an emergency room be provided. The majority of admissions and, specifically, those on Medicare come through the emergency room. Federal, state and local requirements mandate the treatment of all patients regardless of the ability to pay and Medicare. This should not be an issue at any time in the future. Mayor Masayko agreed that the current contract does not specifically indicate that the Hospital will remain a Medicare provider. There is no intent to make a change that would eliminate the ability to be a Medicare provider. Mr. deBottari felt that the people have a vote on this subject as it is currently aligned. The voting ability will be lost when the Hospital is transferred to a non-profit. Mayor Masayko noted the control provided by the 60 people who are on the board of directors. They will have a vote on the management of the Hospital. They should be 60 local Carson City people. Mr. deBottari responded that this is less than one-tenth of one percent of the residents. Mayor Masayko pointed out that it would

be impossible to include such provisions in an ever-lasting agreement. Mr. deBottari suggested that the agreement include that the Hospital will continue to take Medicare at the Hospital.

Additional public comments were solicited. Tony Morangi read his prepared statement into the record. A copy was given to the Clerk and is in the file. He supported the agreement including its 25 year indigent care clause.

The motion to approve the revisions to Section 2.4 as indicated was voted by the Trustees and carried 6-0.

Mayor Masayko directed that the Section be amended based on the Board's consensus. Mayor Masayko then referenced Paragraph 2.4 regarding receiving any person falling sick or maimed within the City. The intent is to meet the definition of NRS 428.030.1 and 2, which is a defined term. He suggested this cite be included in the clause. Mr. Waters felt that Page 4R included the definitional term of a person needing emergency medical care who had fallen sick or maimed within the City in which serious or permanent bodily injury, disability, or death is likely to result without treatment. He assured Mayor Masayko that this language was taken from NRS 428.030.1 and 2. Mayor Masayko pointed out that this also indicates the level of indigent and charity care which is provided. The City is obligated to the indigent care and the Hospital is obligated to charity care. Mr. Pavlakis explained that the definition for indigent care is contained on Exhibit K. It has been reviewed by the City's external accountants Kafoury Armstrong. Kafoury Armstrong, the Hospital, and the Finance Department had provided input into the development of this definition. It is hoped that this definition will stand the test of time for future audits. NRS 450.500 requires inclusion of this definition within the agreement. Mayor Masayko felt that the definition of any person fall sick..... was within NRS 428. The definition should not exclude anyone within this description. Mr. Waters and Mr. Pavlakis, and the Trustees assured him that this is the intent.

Mayor Masayko then pointed out the use of "six percent operated profit" and questioned whether a non-profit organizations should be making this amount. He then referenced Section 2.4 regarding the net operating margin with various subtractions which he felt became the definition of the net profit. He stated for the record that all of these items are decisions that the new Hospital board will make unilaterally for the benefit of the Hospital and not for the benefit of the six percent or Carson City's trigger. As long as the City has the ability to pay, he hoped that this would not happen as the City will loose its standing as a constituent/partner. Six percent would not work for his suggestion, however, the term in accounting called cash flow, which he described, fits better as it makes the City on the same level of interest payment as the bond holders. He reiterated that the City's indigent care level is subject to an independent, discretionary, management decision made by the new board as to what expenses have been incurred, what are imbedded, and what will be charged to the total income without consideration to the fact that the City is in the position of being after all other creditors. Mr. Blair explained the reasons for using generally recognized hospital terms in the definitions. These terms should be consistent year after year. Instructions and policies have been developed by the Hospital to define and support the amount of annual indigent care provided. This effort should provide consistency over time. Mayor Masayko reiterated that this position makes indigent care the last item to be taken from the net income. Even the six percent profit comes before indigent care. He felt that the City's indigent care should be at the same level as the debt. Mr. Pavlakis indicated that the six percent is considered funds available for future improvement. He then explained that so long as the Hospital is able to maintain this six percent, a call will not be made to the City for more funding. The concept is to avoid having the City and/or the Hospital write checks to one another. Mayor Masayko stressed, for the record, that the charity care is part of the Hospital charter. The indigent care, however, falls to the City. NRS 428.050 is the only protection for the City. His concern with a private non-profit hospital's need to earn six percent free cash flow annually was noted. The six percent places the City's indigent care on the bottom. He felt that the commitment to indigent care should be the same as the Hospital's ability to earn revenue/cash flow. Mr. Berkich explained the negotiations which had reduced this percentage from seven percent. (Supervisor Plank stepped from the room at 8:15 p.m. and returned at 8:18 p.m. A quorum was still present.) Mayor Masayko continued to stress his concern about the indigent care position and noted that the hospital did not need to make money once the expenses are paid. Mr. Berkich explained that the Hospital had been making more than seven percent for several years. The amount is the minimum necessary to reinvest and maintain technology. Mayor Masayko felt that corporations normally handle this expense by bonding. The City does not have any control over the Hospital's ability to make the six percent. If the Hospital does not make the six percent, it will turn to the City for the money. Mr. Berkich felt that if the six

percent is not earned for more than one year or if a tread develops so that the Hospital can justify coming forward and asking for additional funding, the request would be made. The City will at that time use its taxing authority to meet the indigent care needs and reimburse the Hospital. Mayor Masayko felt that this should be in writing. Mr. Berkich agreed that it was not in writing, however, as the board is comprised of Carson City residents, he was comfortable with the terms as written. Mayor Masayko felt that this was not the way to run a "railroad". Supervisor Livermore responded by expressing his feeling that it is the method under which the "railroad" had been run for 52 years. He did not see the railroad changing due to the community representation on the board. Mayor Masayko reiterated his feeling that the Hospital's profitability and the indigent care issue should be tied to a different measurement.

Discussion indicated that a motion by the Supervisors was not required to mirror the Hospital Board's action on the amendments to Section 2.4 as the Supervisors consensus had supported those revisions.

(3-2645) Supervisor Livermore explained that he had worked with counsel to develop his motion in order to insure that all of the points and findings necessary are made. He then expressed his appreciation for the work and cooperation done by the City staff and Hospital Administration in addition to the participation of various stakeholders including the press, public, employees and the medical community. He agreed with former Supervisor Bennett's comment that "it has taken us a while to park this bus, but it looks like we've finally ended up where we needed to be". Based upon a review of the Transfer and Assumption Agreement, the Hospital appraisal, the NRS provisions and, specifically, NRS 450.500, Supervisor Livermore moved that the Board of Supervisors of Carson City approve the Transfer and Assumption Agreement with Carson-Tahoe Hospital, a Nevada non-profit corporation, based upon the following findings, all as set forth in the Transfer and Assumption Agreement: 1. The NRS has been met; 2. The corporate structure and governance of the non-profit hospital is as required by NRS 450.500(1); 3. The non-profit Hospital has agreed to care for indigent patients and to receive any person falling sick or maimed within the county as required by NRS 450.500(1)(b); 4. The non-profit hospital has agreed to accept all the current assets and to assume all the current liabilities and to takeover and maintain all the records of the existing hospital; 5. The Transfer and Assumption Agreement provides for the transfer of patients, staff and employees for the continuing administration of any trusts and bequests of the existing hospital; 6. The Transfer and Assumption Agreement provides for the assumption by the non-profit hospital of all indebtedness of the county attributable to the hospital through the defeasance of the outstanding bonds, through acquisition financing; 7. The agreement provides for a revision (reversion) of the hospital premises to the City in the event the premises cease to be used as a non-profit hospital, unless the premises are sold and the proceeds used to erect or enlarge another non-profit hospital for the City; 8. Finally, the Agreement provides for the conveyance of the hospital for a price in excess of the City's actual capital investment, and in fact, for a price at least equal to the fair market value of the hospital, to be paid through a defeasance of the existing indebtedness of the City attributable to the hospital and the assumption of other debts and liabilities in a total amount of approximately \$29,500,000, and a contract to provide indigent care for a fixed term of 25 years, having a value of approximately \$35,000,000, and beyond that for an indefinite term, at a value in excess of \$20,500,000, for a total consideration to the City and its residents of at least \$85,000,000; based upon those findings, and in future (further) considerations of all the benefits to the residents of Carson City to be derived from the Transfer and Assumption Agreement, Mr. Mayor and Fellow Supervisors, I move that the Board of Supervisors approve the Transfer and Assumption Agreement as presented this evening with modifications to Page 8 and 36, precisely the dispute resolution, with a close of escrow to occur on or before September 30, 2001, or as soon thereafter as the defeasance bonds are ready for issuance and the Internal Revenue Service has issued its letter granting tax exempt status to the non-profit hospital entity. Supervisor Williamson seconded the motion. Mayor Masayko thanked the Hospital Trustees for their work and diligence and staff for its work to protect the taxpayers. Public comments were solicited.

(3-2808) Tom Hughes noted that he had spoken to the Board on three separate occasions regarding the proposal. He acknowledged his opposition to the proposal. He agreed that he had not always had all of the facts. He questioned the reasons the facts had not been made public by the County Hospital. He, personally, felt that a private, non-profit hospital would not benefit the employees. The deal had been made before this evening's meeting. He was very disappointed. Additional comments were solicited.

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Louis deBottari expressed his concern regarding the six percent which the Mayor had addressed. He questioned what would happen if the Supervisors became efficient and lowered the tax rate and the six percent provision is triggered, it could force the tax rate to raised to the maximum. This would allow the private non-profit hospital to grant bonuses and live "high on the hog" at the expense of the taxpayers.

Mr. Berkich thanked the team for its work and introduced the members.

The Board of Supervisors' motion to approve the Transfer and Assumption Agreement as amended was voted and carried 5-0. Mayor Masayko indicated that he would be checking the agreement to insure that changes agreed to this evening are made. Carson-Tahoe Health System is now on its way. He wished it success. He then turned the microphone over to Chairperson Metcalf.

Chairperson Metcalf solicited volunteers for the hospital board. (3-2980) Following the Hospital Board's agenda, he then requested Administrators Comments. None were given. (3-2983) Trustees Comments were solicited. Trustee Saulisberry noted the lengthy process taken to reach this point. She expressed her intent to continue her efforts to provide the best medical care possible for the community. Trustee Saucedo thanked the Board as a taxpayer for doing its due diligence. Even though they had not always agreed, he had always felt that the Board had searched for the type of operation needed for the community. He assured the public that the Trustees would continue to provide for the community in the manner which the community wants. The Trustees are members of the community and are very concerned about the medical needs, the level of service, and types of medical services provided for the residents. He thanked the Board for its vote. Chairperson Metcalf also indicated that he would do his best as a citizen of the community until his elected term is completed. He would then do other things.

(3-3021) Chairperson Metcalf then requested public comments. None were given.

Trustee Mills then moved to adjourn. Trustee Saulisberry seconded the motion. The motion carried 6-0. Chairperson Metcalf then adjourned the Hospital Board of Trustees.

There being no other matters for consideration by the Board of Supervisors, Supervisor Plank moved to adjourn. Supervisor Livermore seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 8:35 p.m.

The Minutes of the July 19, 2001, Carson City Board of Supervisors meeting

2001. ARE SO APPROVED ON _____Sept._6____,

_____/s/_____

Ray Masayko, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder