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3. CONSENT AGENDA (1-0235.5)

A. TREASURER - ACTION ON THE MAY 1998 TREASURER'S REPORT
B. PUBLIC WORKS DEPARTMENT - ACTION ON DEDICATION OF PUBLIC ACCESS, DRAINAGE AND PUBLIC UTILITY EASEMENTS FROM RICHARD AND DIANA SERMONE, AND LES AND JODY KYNETT, ACROSS APN 08-281-41, 42, 43, AND 44, LOCATED ON NYE LANE EAST OF CAMERON COURT FOR THE INSTALLATION AND MAINTENANCE OF PUBLIC UTILITIES AND APPURTENANCES

C. UTILITIES DEPARTMENT - ACTION ON A DEVELOPMENT AGREEMENT RELEASE AND CANCELLATION FOR TELEGRAPH ASSOCIATES, APN 3-238-05, LOCATED AT 402 NORTH DIVISION STREET, FOR SEWER MAIN REPLACEMENT

D. PURCHASING DIRECTOR
i. ACTION ON CONTRACT NO. 9798-264 - NEW EMPIRE SEWER EXTENSION -

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ii. ACTION ON CONTRACT NO. 9798-112 - REQUEST FOR CONTRACT AMENDMENT - TRANSPORTATION ELEMENT OF THE MASTER PLAN - None of the items were pulled for discussion. Supervisor Smith moved to approve the Consent Agenda as presented. Supervisor Plank seconded the motion. Motion carried 5-0.

AGENDA MODIFICATIONS (1-0255.5) - Discussion indicated the Nevada Department of Transportation proposed projects (Agenda Item 10) would be considered at 3:30 p.m.

3. BOARD OF SUPERVISORS (1-0271.5)

A. SUPERVISOR TOM TATRO - ACTION TO APPOINT A BOARD MEMBER TO THE REGIONAL TRANSPORTATION COMMISSION - Supervisor Tatro acknowledged his request for a replacement to the Commission. Mayor Masayko indicated that Supervisor Plank had volunteered to serve out the remainder of his term. Supervisor Tatro iterated his reasons for recommending the replacement occur at this time and moved to appoint Jon Plank to replace himself (Supervisor Tatro) as a member of the Regional Transportation Commission. Supervisor Bennett seconded the motion. Motion carried 5-0.

B. SUPERVISOR KAY BENNETT - ACTION TO APPOINT ROB JOINER AS CARSON CITY'S REPRESENTATIVE TO THE TAHOE REGIONAL PLANNING AGENCY'S MEETING OF JUNE 25, 1998 (1-0318.5) - Supervisor Bennett briefly explained her conflict in meetings and moved that the Board of Supervisors appoint Rob Joiner as her replacement to the Tahoe Regional Planning Agency meeting of June 25, 1998. Supervisor Tatro seconded the motion. Motion carried 5-0.

C. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0335.5) - Supervisor Tatro explained his involvement with the recent Boys State annual conference activities in Carson City and the nomination of Jarad Tatro and Shawn Sullivan as the State's Representatives at Boys Nation in Washington, D.C. Jarad and an unnamed Las Vegas youth were selected. Supervisor Bennett reported on the Nevada Tahoe Conservation District and the Tahoe Resource Conservation District meeting and their selection of a new Executive Director. Dan St. John is also a Board member. She felt that the coalition would begin to move forward as a result of having an executive director. She then reported on the TRPA's Nevada Legislative Oversight Committee meeting, the Carson Water Subconservancy District meeting, the formation of a Carson River Coalition, and the Healthy Initiatives progress. She announced the Tahoe Transportation District's meeting for tomorrow. Supervisor Smith reported on the Regional Transportation Commission meeting and its direction on the Ormsby Boulevard. Clarification corrected the media report by indicating reasons the Ormsby Boulevard extension may occur before construction occurs on Graves Lane. Both Ormsby and Graves Lane are on the priority list. Supervisor Smith then explained the discussion on the Arrowhead/Bypass off-ramps and RTC's action supporting the proponents' request for a north bound off-ramp and a south bound on-ramp the current configuration. A conclusion had not been reached by RTC on the Broadleaf-Silver Oak connection to 395. A

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second meeting will be held on this issue and should involve both sides of the highway. He then expanded on the report of the Carson Water Subconservancy meeting. Supervisor Plank reported on the status of the Fire Bond issue; the meeting among staff, Supervisor Bennett, and himself on the gateway beautification project, which will be coming to the Board soon; the Senior Center Advisory Committee meeting, and their satisfaction with the present transportation program; the Parks and Recreation Commission meeting and the archer's application for park space and the mural program for the Mills Park well-house; and his grand-daughter's graduation from Carson High. Mayor Masayko announced the Boys and Girls Club recognition of some cross country bicycle riders which will occur at 11:30 a.m. today; the Wuhan, China, delegation arrival and activities; and the U.S. Conference of Mayors convention in Reno. He invited the Board members to participate in any or all of the convention activities and, specifically, the Kit Carson Wild West Tour Walk on Saturday. He then reported on the Statewide Transportation Advisory Committee activities, its future enhancement funding, and reasons for strengthening its funding criteria; the Bypass status report request which had been made to NDOT Assistant Director Susan Martinovich and advantages of the monthly status report; Redevelopment Authority Citizens Committee activities including his efforts to salvage the 400 block of South Carson Street which had been burned; and the 135th Anniversary Dinner for the Warren Engine Company.

D. STAFF COMMENTS (1-0830.5) - Deputy City Manager Dan St. John reported on the status of the cleanup efforts of the Genescritti material 900 and 904 South Minnesota public nuisance. An emergency contract had been issued. His experience with the contractor was described. The contractor was 25 percent lower than the other estimate. The site looks better. Another report is to be made next month. Correspondence is to be sent to the petitioners and news media informing all of the status. Chief Deputy District Attorney Lipparelli explained the statutory requirements related to issuing the emergency contract. The estimated cost is in the \$35,000 range. Staff will include the retroactive contract for Board consideration at the next meeting.

5. FIRE DEPARTMENT - Assistant Fire Chief Steve Mihelic - ORDINANCE - SECOND READING - ACTION ON BILL NO. 117 - AN ORDINANCE AMENDING CHAPTER 5.18 OF THE CARSON CITY MUNICIPAL CODE (AMBULANCE SERVICES) BY AMENDING SECTION 5.18.040 (FEES AND RATES) TO INCREASE THE EXISTING FEES FOR CERTAIN AMBULANCE SERVICES, AND TO ESTABLISH A RATE FOR NITROUS OXIDE, AND OTHER MATTERS PROPERLY RELATED THERETO (1-0916.5) - Discussion ensued among the staff and Board on the collection ratio, the General Fund subsidy, and the \$50 subscription program. Supervisor Smith moved to adopt on second reading Ordinance No. 1998-19, AN ORDINANCE AMENDING CHAPTER 5.18 OF THE CARSON CITY MUNICIPAL CODE (AMBULANCE SERVICES) BY AMENDING SECTION 5.18.040 (FEES AND RATES) TO INCREASE THE EXISTING FEES FOR CERTAIN AMBULANCE SERVICES, AND TO ESTABLISH A RATE FOR NITROUS OXIDE, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Plank seconded the motion. Motion carried 5-0.

6. SHERIFF'S OFFICE - Sheriff Rod Banister - ACTION ON A RESOLUTION ESTABLISHING A PETTY CASH FUND IN THE SHERIFF'S OFFICE FOR ADMINISTRATION OF INMATE FUNDS HELD IN TRUST AND ESTABLISHING CONTROL PROCEDURES (1-0992.5) - Supervisor Tatro moved that the Board adopt Resolution No. 1998-R-29, A RESOLUTION ESTABLISHING A PETTY CASH FUND IN THE SHERIFF'S OFFICE FOR ADMINISTRATION OF INMATE FUNDS HELD IN TRUST AND ESTABLISHING CONTROL PROCEDURES. Supervisor Bennett seconded the motion. Motion carried 5-0.

7. CARSON-TAHOE HOSPITAL - Administrator Steve Smith and Property Manager Maureen Cook - ACTION ON A PURCHASE AGREEMENT WITH C & S ENTERPRISES FOR THE PROPERTY LOCATED AT 608 AND 610 WEST WASHINGTON STREET, CARSON CITY, NEVADA (1-1045.5) - Discussion briefly explained the Hospital's plans for the building. The Hospital Board of Trustees had approved the acquisition. Discussion ensued between Mr. Lipparelli, Ms. Cook, and Mr. Smith on the due diligence clause. At this time it appears that the Hospital will be able to close escrow and the Board should approve the agreement. Supervisor Bennett moved that the Board of Supervisors approve the recommendation of the Hospital Board of Trustees for the purchase agreement with C & S Enterprises for property located at 608 and 610 West Washington

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Street, Carson City, Nevada. Supervisor Smith seconded the motion. Motion carried 5-0.

8. COMMUNITY DEVELOPMENT DIRECTOR - Walter Sullivan

A. ACTION ON S-97/98-4 - A REQUEST FROM SLV DEVELOPMENT (PROPERTY OWNER: SARIO LIVESTOCK COMPANY) FOR A TENTATIVE INDUSTRIAL SUBDIVISION MAP KNOWN AS NORTH POINTE BUSINESS PARK ON PROPERTY ZONED LIMITED INDUSTRIAL (LI), LOCATED ON THE NORTHEAST CORNER OF EAST COLLEGE PARKWAY, 8-132-11 (1-1132.5) - Senior Planner Juan Guzman - Discussion clarified the map's illustration of an intersection at Challenger Way, College Park Road and Hot Springs as being an indication of the right-of-way and not of improvement plans. RTC may discuss this intersection in depth at a future meeting(s). Supervisor Smith moved that the Board of Supervisors approve S-97/98-4, a request from SLV Development, property owner: Sario Livestock Company, for a tentative industrial subdivision map known as North Pointe Business Park on property zoned Limited Industrial located at the northeast corner of East College Parkway, APN 8-132-11, subject to three findings and 13 conditions of approval as contained in the Planning Commission's report. Supervisor Bennett seconded the motion. Motion carried 5-0.

B. ORDINANCE - SECOND READING - ACTION ON BILL NO. 119 - AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18 (ZONING), SPECIFICALLY SECTION 18.03.470 (PRIMARY USES) TO INCLUDE PARCELS THAT ARE LOCATED CONTIGUOUS AND ADJACENT TO PARCELS WHERE SINGLE BUSINESSES UTILIZE MULTIPLE PARCELS, AND OTHER MATTERS PROPERLY RELATED THERETO (1-1223.5) - Supervisor Tatro moved that the Board approve Bill No. 119 on second reading, Ordinance No. 1998-20, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18 (ZONING), SPECIFICALLY SECTION 18.03.470 (PRIMARY USES) TO INCLUDE PARCELS THAT ARE LOCATED CONTIGUOUS AND ADJACENT TO PARCELS WHERE SINGLE BUSINESSES UTILIZE MULTIPLE PARCELS, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Smith seconded the motion. Motion carried 5-0.

C. ACTION ON AB-97/98-12 - A REQUEST FROM JOHN C. SERPA TO ABANDON AN APPROXIMATE 50 FOOT WIDE BY 100 FOOT LONG PORTION OF THE PREVIOUSLY DEDICATED PUBLIC RIGHT-OF-WAY LOCATED AT 2777 NORTH DEER RUN ROAD ON PROPERTY ZONED GENERAL INDUSTRIAL (GI), APN 8-531-29 (1-1265.5) - Discussion noted the right-of-way is 200 feet wide in this area. Staff is working to determine the desire of adjacent property owners about abandonment of the remaining portion(s). Supervisor Plank moved that the Board of Supervisors approve AB-97/98-22, a request from John C. Serpa to abandon an approximate 50 foot wide by 100 foot long portion of the previously dedicated public right-of-way located at 2777 North Deer Run Road on property zoned General Industrial, APN 8-531-29; fiscal impact is nothing. Supervisor Smith seconded the motion. Motion carried 5-0.

D. ACTION ON S-93/94-8(F4) - APPROVAL OF A FINAL SUBDIVISION MAP FROM LANDMARK HOMES AND DEVELOPMENT FOR PHASE IV OF SOUTH POINTE SUBDIVISION (FORMERLY KNOWN AS SILVER GLEN), A PORTION OF SUBDIVISION S-93/94-8, LOCATED ON CENTER DRIVE, APN 9-775-23, CONSISTING OF FOUR SINGLE FAMILY LOTS, RANGING IN SIZE FROM ONE-HALF ACRE TO ONE ACRE, SUBJECT TO 12 CONDITIONS OF APPROVAL AND FOUR STIPULATIONS (1-1320.5) - Supervisor Plank moved that the Board of Supervisors approve a final subdivision map from Landmark Homes and Development for Phase IV of South Pointe Subdivision, formerly known as Silver Glen, a portion of Subdivision S-93/94-8, located on Center Drive, Assessor's Parcel Number 9-775-23, consisting of four single family lots ranging in size from one-half acre to one acre subject to 12 conditions of approval and four stipulations; fiscal impact - none. Supervisor Tatro seconded the motion. Motion carried 5-0.

E. DISCUSSION AND POSSIBLE ACTION REGARDING THE DEVELOPMENT OF A NOISE ELEMENT TO THE CARSON CITY MASTER PLAN AND IMPLEMENTATION ORDINANCE (1-1385.5) - Senior Planner Juan Guzman - Staff distributed TO THE Board and Clerk a packet of information

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containing the proposed process for development of the element and a fax of Dr. Walls' letter of support. The proposal did not include the airport due to special requirements mandated for it. Funding for the consultant, potential committee members, reasons staff wished to include these individuals, the work which had been started on the element, development procedures, and staff's justification for wishing to hire Andy Burnham as the consultant on the element were explained. Mayor Masayko supported staff's development procedures as it allows the public adequate opportunity to participate in and voice concerns/support for the element.

BREAK: A ten minute recess was declared at 10:25 a.m. The entire Board was present when Mayor Masayko reconvened the session at 10:35 a.m., constituting a quorum

Chamber of Commerce Executive Vice President Larry Osborne briefly described his original understanding of the process which had occurred at the first meeting on the proposal. Complaints relate to boom boxes, animals, July 4th events, car races, and airplanes. He urged the Board to go slowly in developing such an ordinance as it could have a negative impact/connotation for the commercial/industrial sector and their future expansion programs. The need for such an element, the staffing for enforcement, and funding source were questioned.

(1-2555.5) Western Nevada Builders Association Representative and a member of various City committees working on Titles 17 and 18 amendments Ron Kipp supported the suggested program due to his experience with the other committees. This program will allow the committee to hash out all of the revisions and create a compromise with which everyone will be able to live and work. Incoming Chamber of Commerce President Helaine Jesse supported Mr. Osborne's comments due to her feeling that the acceptable level for noise is subjective. The City already has adequate control to deal with noise issues. Compatible land use issues had been addressed in the land use master plan element. Del White explained his reasons for moving to Carson City from California. This proposal will create a negative impact on the commercial and industrial manufacturers. The committee will create an unmanageable, expensive, and unenforceable ordinance if it fulfills all of the public's desires. He also questioned the need for a California consultant, the use of California ordinances as a model for Carson City's ordinance, and the use of storm drain funding for a consultant on noise. He then explained his reasons for remaining on the committee. He urged the Board to kill the proposal. Carson Cigar Company President and Owner Steve Browne noted his previous employment at Cactus Jacks and his involvement with several economic, developmental, and/or social organizations in the community. He then indicated that he was not speaking as a member/representative of any of those committees but rather as a private citizen. As an individual who has dedicated hours and hours of his time and money, he could not support a proposal which he felt is against the community's best interest. The entire procedure considers the use of a "fair program" to establish a product that will be detrimental to the community. He did not have the necessary time to protect the community and participate in the program. He urged the Board to decline the request. Boom boxes and other similar problems should be dealt with on an individual bases. He also opposed the use of California consultants. As a matter of survival he would make time for another committee. Neighbors should discuss problems with each other without enforcement from an over-regulated, over-bearing city government. Nevada Chapter of Associated General Contractors Representative Cheryl Blumstrum acknowledged that her constituents make noise, the majority of which is after hours and includes multiple shifts. This noise will undoubtedly conflict with any noise ordinance. Examples were cited. She urged the Board to reconsider the need for such an ordinance. The current Code is adequate and effective. Another Code could drive their business' "out-of-business". Noise committee member Bill English voiced his support for the program in view of problems he encountered in his neighborhood. He had been the one to suggest using the OSHA regulations as a standard and compromise. Reasons for this recommendation were explained. He urged the Board to recognize the situation and continue with the program. (1-2385.5) Building contractor Steve Farley felt that another ordinance was unnecessary. Complainants should use the legal process to address any problems now occurring. Don't mess with something which is not broken. There are too many committees working now. Northern Nevada Title Representative Jim Kiernan indicated he was only representing himself as a business person who had lived in three different communities under three different noise ordinances. His personal experiences with those ordinances were described. In those communities the ordinance is used as a source of revenue. Although the original purpose for implementation may be honorable at this time, it may grow beyond control in the future and regulate a private citizen's most mundane acts. He, too, urged the Board to reject the request. Retail Association of Nevada Representative Millie Crisner briefly noted her Carson

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City members. She then voiced her opposition to the proposal due to the feeling that it would be detrimental to businesses and their activities. Sierra Pacific Representative Linda Galley voiced their concern about the noise ordinance and its potential adverse impact on their customers. It could also restrict their ability to respond to an emergency such as a power outage. She urged the Board not to act on the request.

(1-2502.5) Mr. Sullivan responded by explaining the process which would create a Master Plan element and establish the Board's policy if so desired. There is no hidden agenda. The enforcement issues would be considered as part of the Master Plan process. Current noise codes were read. He indicated a willingness to establish a schedule which is amenable to the public. The process will allow dialogue to occur and may even go so far as to indicate the Code does not need to be amended or establish areas of concern. He invited the public and those present to meet with him to discuss their concerns.

Mayor Masayko explained how the item was agendized which enables the Board, as the policymakers, to determine whether the contract should be approved or cancelled.

Supervisor Smith described his efforts to respond to any citizen's telephone calls regarding noise. He agreed that "a sizeable number of his phone calls" are regarding noise in one form or another. He felt that Mr. Sullivan's approach was appropriate. It had included individuals from both sides of the spectrum. He had intended to proceed cautiously before writing/adopting any new laws/ordinances. He felt that he, personally, may be more tolerant of noises and that each individual's level of tolerance is subjective. He could not be considered an expert due to his toleration level. Although many of the speakers had had a vested interest in the issue, the speakers had provided him with a barometer of public opinion on this topic. The individuals who had contacted him with noise complaints were felt to number five and to always be the same ones complaining. Therefore, it may not be a large community problem as originally perceived. He would like to have had the public meetings as suggested, however, in view of the public input he had received prior to the meeting and during the meeting, he was willing to support denial.

Supervisor Plank also felt that a person's noise tolerance level is subjective. His personal experience with the airport flight pattern was noted as an example of his tolerance level. Other examples of perceived noise problems were cited to illustrate the lower level other individuals have. A noise ordinance could have established the standard for one group. This group may eventually force the closure of a manufacturer's plant due to the noise it makes in its daily operation. An ordinance could also be used in the future to support/deny such situations. He supported continuing the process. He did not feel that it would reach a point in Carson City where lawn mowing on Sunday is prohibited but similar problems such as the Minnesota Street nuisance should not be allowed. The present Code situation also has problems which are not beneficial to the community.

Supervisor Bennett pointed out that the individuals who were present were decent, law-abiding, and responsible citizens who understand the impact of their actions. The Board also represents individuals who are not present. She, too, had received complaints/concerns. The City is currently lacking appropriate tools to address the "bad actors". These are individuals who do not take responsibility for their acts and are indifferent to the impact of their acts. These individuals makeup a small percentage of the community. She agreed that in some communities over-regulation has occurred. This has not occurred in Carson City. The City has a successful process which has produced very good results when used in the past. This procedure includes adversaries as well as proponents and allows for dialogue in a democratic process for the community's benefit. The community is prudent enough, in her belief, to produce reasonable, enforceable standards. She supported continuing the development process for the master plan element and whatever subsequent ordinance modifications are created.

(1-2900.5) Supervisor Smith moved that the Board of Supervisors exercise the seven day termination clause as contained in the Article 10 of the contract between the City and Brown-Buntin and Associates. Supervisor Tatro seconded the motion. Discussion indicated that the motion is to stop work on the noise element. Following Mr. Lipparelli's request for a modification to the motion, Supervisor Smith withdrew his motion and Supervisor Tatro withdrew his second. **Supervisor Smith then moved that the Board of Supervisors direct the Community**

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Development Department to halt any further development of a noise element to the Carson City Master Plan and appurtenant ordinance. Supervisor Tatro seconded the motion. Supervisor Smith then indicated that the motion does not mean that he supports uncontrolled noise and the situations which go along with it. He had not alluded to this in his previous comments. Ms. Jessie had said it as well as anyone could. The City has the ability to, and should have--even though there is a situation on Fairview which he understood--the tools through zoning, through planning, through those types of things to keep conflicting issues from occurring again. There are some things which have been grandfathered in that they were struggling and trying to live with. They are one thing. He was sensitized to how the entire process works when they had discussed putting housing near the golf course and the manufacturing committee came in and said, "Look. You have a zone out here. Protect that zone. Don't allow encroachment on it and you won't have the 1-200 people down here a year after they all purchase their houses complaining because we are running a swing shift or a graveyard shift, or whatnot." He felt that the tools were in place to handle these situations and the smaller things--which he would not call nit-picking things as that is disrespectful to the folks who obviously consider them to be very significant issues--but the issue of the guy who is mowing his lawn early on Sunday, those type of things--He just did not think they needed rules and regulations and noise police, as one gentleman had called them, running around with decibel meters citing people. You know, we should deal with that on a complaint basis and not on a pro-active basis. This is why he had made the motion.

Supervisor Tatro expressed his surprise at the number of individuals who were present and had voiced their concern. He had originally thought they were present to support the library election ballot question. Their comments had taken him by surprise. Five years ago he had wanted to outlaw Country Music in Carson City. He was told he could not do that. If that is not possible, then he did not believe that there should be additional regulations concerning the noise issue. He agreed with Supervisor Bennett that today there are reasonable people on the Board. His term expires in December. He was uncomfortable starting something that he would not be around to see through.

Mr. Guzman expressed his desire to address the Supervisor Smith's comments regarding his thinking process on the noise conflicts which are occurring right now and the individual issues such as the dog's barking, the boom box, Country Western Music being too loud, or loud motors. Although he liked Ms. Jessie, he must disagree with her. From a planning point of view, noise is readily easy to measure. It is a unique source of energy. It is one of those things that you can clearly demonstrate. It is an item for which the community decides the standard of acceptability and compatibility as opposed to the subjectivity of defining proper architecture, the size of a tree, etc. It is similar to determining how much water should be allowed to flow through the drainage system. It is measurable. If you have a general tool, which is where the Planning Department is involved and the reason for feeling that it is necessary, you can establish on a very concrete basis if hundreds of housing units should be placed adjacent to a freeway with or without mitigation. You are able to do so based on the standards which have been established in anticipation of this type of a situation arising. For example, the Board may recall the hearings on the Dwight Millard and Jim Bawden subdivision located adjacent to the future freeway. The Department had spend over two hours discussing the noise level and whether mitigation was necessary. At that time staff had been unsure of the issue as it did not have any data on the level of noise which should be mitigated. Staff had, however, anticipated that there would be a problem and a condition was mandated in an attempt to mitigate that problem. Staff is now asking the Board to provide staff with the opportunity to establish the tools to systematically address these issues on a global basis. The question is not that the boom box or the dog's barking are too loud from the Department's view. He then thanked the Board for the opportunity to provide staff's view. Both Supervisor Smith and Mayor Masayko thanked him for his input.

(1-3107.5) Supervisor Bennett then indicated that this is the place she wished to try to go. It is very huge, huge reach between the representation of what Mr. Guzman is asking, or what Community Development is asking for in an element of the Master Plan and the regulation of someone walking out to his/her car and starting the engine. She thought that this was just so exaggerated and, respectfully, it makes your argument and it was done well, Mr. Farley. If the situation should ever get that heavy handed, not only would this room be packed but it would spill out the front doors, etc. The Board would not be sitting here nor would the people who will follow this Board be sitting here for very long, she could assure him. She felt that he knew this. She would be one of the individuals in

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the hall, too. She agreed that there a potential for over-regulation. The Board also recognize that. There is a potential for over-regulation in everything. It is tragic how it permeates so much of our lives but we need to have better tools with which to work. We are a growing, maturing City. We are becoming more densely populated, which is obvious. There needs to be something, some tools that the City has in order to be able to address the folks who are not respectful or considerate of the community's quality of life as a whole.

In defense of his motion, Supervisor Smith indicated that he always appreciates Mr. Guzman's information and asked that he and Supervisor Bennett not take his comments/motion wrong. He felt that somehow there had been an inference in his motion or comments that he did not understand the issue. While he may not be the smartest guy in the world, neither is he an idiot. He completely understood the issue and what was being discussed. He was not confused or misguided. He just happened to feel a little differently than they do. He asked that they respect this and, if you don't like it, vote against the motion.

The motion to direct Community Development to halt further development of a noise element to the Master Plan and its appurtenant ordinance was voted by roll call with the following result: Supervisor Bennett - No; Smith - Yes; Tatro - Yes; Plank - No; and Mayor Masayko - Well, well, let me say this and I will make it brief and for my fiends in the audience out here whose time is valuable--all of our time is valuable and we are busy. But, the first step in any approach to solving a problem even if it is only a perceived problem is to at least get enough people together so that you can either develop a problem statement or no problem statement. From that you develop what will be the necessities and benefits to solving the problem. I am only prepared to go that far. I heard the testimony today. That was great. And I understand where the folks here are coming from. They are concerned about over-regulation. Believe me, I am concerned about over-regulations. I don't want another ordinance in this community that we don't need or another ordinance that takes more than its fair share of money to enforce. But, I haven't heard quite enough today to not to get to the first preliminary policy-making step which could be a meeting just like today but we will have a heck of a lot more information regarding the necessity, the benefits and the problems. If it is global, it is gone. If it is very focused and very much aimed at solving what we think are problems and those problems are identified, that piece of it could go on. So, that is really kind of where I am. I am sorry that you will have to show up again to state/defend your position. But, again, unfortunately, we all live in a community together so we all have to participate. We all have slightly different interests. In voting to continue the process or no on the motion, all I am saying is that we commit to one or two more meetings; and, folks, you need to be there. When it comes back to the Board of Supervisors for another policy decision, maybe before Supervisor Tatro leaves the Board, if it has value in moving forward, it can. If it doesn't, it will be stopped. I need to take the next step. With that I vote No. Motion failed on a 2-3 vote. Discussion indicated another motion was not required.

9. NEVADA ASSOCIATION OF COUNTIES - Executive Director Bob Hatfield - UPDATE ON THE ACTIVITIES OF THE NEVADA ASSOCIATION OF COUNTIES (NACO) (1-3268.5) - Mr. Hatfield began by introducing his staff and explaining the reasons for requesting the meeting. Comments indicated that the Board members had been receiving NACO's newsletter. The newsletter was created as a result of the NACO Board's retreat and as an attempt to improve communications. The next newsletter will deal with the legislative processes. He then explained a planned conference telephone meeting which will occur tomorrow at 10 a.m. This is also the result of the retreat and will establish a Legislative strategic planning committee for 1991 Legislative session. The telephone conference process is an attempt to involve more Counties in the procedure.

Michelle Gamble further described the issues which the NACO Board had determined should be addressed through legislation--the unfunded mandates, land exchanges, State property taxes, centrally assessed properties, and bidders preference. Brief white papers had been drafted on each of these issues and given to the Board previously. (A copy is in the file.) Tomorrow a more detailed discussion on these issues will occur including the information and parameters of any bill drafts on these issues as well as any other legislative issues which should be included in the NACO legislative packet. Another issue which will be discussed is long-term care. A request has been made to have the State consider annual increases in its percentage of the long-term costs. The plan is to develop the strategy so that when the Legislature opens, NACO will be prepared. The need to be prepared is due to the ballot question which will limit the Legislature to 120 days. The impact on the legislative process was

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described. Proposed changes to the unfunded mandates were explained. She urged the Board members to either come to her office or provide a telephone number where they could be contacted. Their comments will be solicited during the tele-conference. The Legislative Task Force will finalize the packet on July 6. The NACO Board will consider this packet at its July 30th meeting.

Mayor Masayko indicated that either he or Mr. Berkich would attend the meeting and thanked them for their input. He then explained a "NACO Data and Fact Binder" he had created in his office for the Board and public's use. He suggested that the other Counties consider creating a similar binder at a centralized location. Mr. Hatfield indicated that this may be helpful in addressing the communication problem in the remote areas. He then indicated that they were prepared to initiate an implementation program to obtain passage of any bills adopted by his Board. This program was briefly described.

Comments noted the City had volunteered to host the NACO Annual Conference on November 17, 18, and 19. Staff's involvement in the conference's planning was explained. Supervisor Bennett expressed her appreciation for having had the opportunity to participate in the retreat and hope that she would be able to be more active in the future. She suggested that NACO also discuss the impact limiting the length of time that the Legislature will be in session will have. Mr. Hatfield indicated this would be in the next newsletter. No formal action was required or taken.

11. TREASURER - Al Kramer

B. ACTION ON A RESOLUTION DESIGNATED AS THE "1998 LIBRARY BOND AND TAX ELECTION RESOLUTION"; DECLARING THE NECESSITY OF AN ISSUE OF GENERAL OBLIGATION LIBRARY BONDS IN CONJUNCTION WITH THE LEVY OF A SPECIAL ELECTIVE TAX AND CALLING AN ELECTION THEREON; PRESCRIBING DETAILS IN CONNECTION WITH THE ELECTION; RATIFYING ACTION PREVIOUSLY TAKEN RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0050.5) - Library Board of Trustee John Sparbell explained Chairperson Bernie Sease's absence and briefly explained the request. Discussion described the bond process and indicated Bond Counsellor Jennifer Stern was present. Supervisor Smith moved to adopt Resolution No. 1998-R-30, A RESOLUTION DESIGNATED AS THE "1998 LIBRARY BOND AND TAX ELECTION RESOLUTION"; DECLARING THE NECESSITY OF AN ISSUE OF GENERAL OBLIGATION LIBRARY BONDS IN CONJUNCTION WITH THE LEVY OF A SPECIAL ELECTIVE TAX AND CALLING AN ELECTION THEREON; PRESCRIBING DETAILS IN CONNECTION WITH THE ELECTION; RATIFYING ACTION PREVIOUSLY TAKEN RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF. Supervisor Bennett seconded the motion. Motion carried 5-0. Discussion also indicated that this item will be listed separately on the ballot as Carson City's question CC-1. During this discussion, Supervisor Tatro stepped from the room. (A quorum was still present.)

A. ORDINANCE - SECOND READING - ACTION ON BILL NO. 116 - AN ORDINANCE AMENDING SECTION 4.04.107 OF THE CARSON CITY MUNICIPAL CODE TO INCREASE THE TELECOMMUNICATIONS BUSINESS LICENSE FEE TO FIVE PERCENT (5%) OF THE TOTAL GROSS RECEIPTS AND OTHER MATTERS PROPERLY RELATED THERETO (2-0615.5) - Supervisor Bennett moved to adopt on second reading Ordinance No. 1998-21, AN ORDINANCE AMENDING SECTION 4.04.107 OF THE CARSON CITY MUNICIPAL CODE TO INCREASE THE TELECOMMUNICATIONS BUSINESS LICENSE FEE FROM FOUR PERCENT TO FIVE PERCENT OF THE TOTAL GROSS RECEIPTS AND OTHER MATTERS PROPERLY RELATED THERETO, with a fiscal impact of approximately \$100,000 in additional revenue to the City. Supervisor Plank seconded the motion. Supervisor Tatro returned following the second. (The entire Board was present constituting a quorum.) Motion carried 3-1-1-0 with Supervisor Smith voting Naye and Supervisor Tatro abstaining as he had not been present during the discussion. Supervisor Smith noted that although he had not supported the increase, he had not been bashful about helping the other Board members spend it.

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C. ACTION ON A RESOLUTION CONCERNING THE FINANCING OF PARK PROJECTS, VARIOUS PURPOSE PROJECTS, WATER PROJECTS AND SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS THEREFOR; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0198.5) - Supervisor Bennett moved that the Board of Supervisors adopt Resolution No. 1998-R-31, A RESOLUTION CONCERNING THE FINANCING OF PARK PROJECTS, VARIOUS PURPOSE PROJECTS, WATER PROJECTS AND SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS THEREFOR; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF BONDS; AND PROVIDING THE EFFECTIVE DATE HEREOF, fiscal impact is \$8.76 million, funding source is the bond sale. Supervisor Plank seconded the motion. Motion carried 5-0.

D. ACTION ON A RESOLUTION CONCERNING A FIRE PROTECTION BALLOT QUESTION; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO LEVY A SPECIAL ELECTIVE TAX FOR FIRE PROTECTION AND PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0236.5) - Finance Director Mary Walker - Discussion indicated the tax would raise approximately \$370,000. These funds can only be used for fire protection services created by the OSHA requirements for two-in, two-out. Supervisor Tatro indicated he would vote against the resolution due to his belief that the Board could have funded the service during the budget process. It is not necessary to ask the electorate for these funds. He urged the Board to act to fund the services from existing revenues. He also pointed out that the wording is so narrow that it eliminated all of the options discussed during the budget hearing. Furthermore, an opportunity to study the issue and analyze alternatives including other staffing options has not been provided. He then explained a concept he had been studying which would develop a public safety department instead of the City's current staffing of a Sheriff's Department and a Fire Department. The ballot question does not allow flexibility nor provide funding for a public safety department. The terminology restricts the funding to "firefighter (firefighter-paramedics)". This exclude implementation of a firefighter-something else position. Fiduciary responsibility dictates analyzing all of the options and allocating the available funding in a prudent, responsible manner. If a ballot question must be pursued, then it should provide the freedom to use other alternatives and solutions.

(2-0310.5) Discussion between the Board and Bond Counsellor Jennifer Stern indicated that the public safety department would combine the deputy sheriff and firefighter position. Mayor Masayko indicated that in Sunnyside, the employees work in one department at a time under the public safety department. There is cross training but each employee has one core assignment. Ms. Stern encouraged the Board to develop the ballot question with an eye toward future needs rather than to wish later that it had been broadened. The proposal only allows for the training, hiring, and equipping of firefighters and firefighter-paramedics. It does not allow for the hiring, training, and equipping of police officers. Mayor Masayko cautioned the Board against making the question too broad as the electorate may not be willing to accept/approve it. Supervisor Bennett acknowledged the validity of Supervisor Tatro's proposal but felt that one should play with the cards one is dealt. She then asked for comments from the Firefighters related to this issue.

Carson City Firefighters Association Representative David Park indicated that firefighter and firefighter-paramedic positions are both entry level positions. The proposal would allow the hiring of both individuals and provide for rotation onto the ambulance or fire equipment. Opposition to a public safety department is based on the impact additional duties would create for the firefighters. He was unsure how the Sheriff's Office felt about such a proposal. The proposal will put four firefighters on an apparatus and allow two to enter a burning building while two remain on the outside in fulfillment of the OSHA requirements. He felt that it would not be possible to respond to all of the calls and maintain this staffing level if the two departments are combined. Supervisor Bennett

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pointed out that this is a policy decision for future Boards and that the issue under consideration by this Board is the OSHA mandate. Mr. Park felt that it is a policy service level question for the Board and electorate to decide. The Department must now wait for a fourth individual to arrive before commencing an aggressive fight against the fire. Under this program, entry occurs only after the second apparatus arrives. Mayor Masayko responded by expressing his feeling that the firefighters would respond accordingly regardless of the structuring and that the funding would support only what it could.

Supervisor Smith acknowledged Supervisor Tatro's question about the restrictions which are posed for a 30 year funding source. His previous experience with broadly worded bond questions indicates the more restrictive the issue, the more receptive the electorate are. He was also opposed to issuing a 30 year bond which does not allow better fiduciary programs. Supervisor Plank felt that this was the entire purpose behind the restrictive wording. In order to broaden the proposal, the number of firefighters, police officers, etc., who would be hired, trained, and equipped would have to be spelled out.

Ms. Stern suggested that Line 5 of the ballot question be changed to read, "firefighters including (without limitation firefighter-paramedics)" as this clarifies that there may be other combinations of firefighters. Her other suggestion is that, rather than saying without limitation, it read "equipping of firefighters including firefighter-paramedics and firefighter-police officers" or "including firefighters cross trained as paramedics and/or police officers". Mayor Masayko felt that this situation should be avoided and that the future Boards should deal with the issue the same as he had encountered with several issues approved by previous Boards. Anticipation of all circumstances cannot be made. Supervisor Tatro reiterated his concerns and feeling that the Board should address the situation through the current budget. He opposed the proposal. Once the proposal is approved by the Board, he would then concede and work with the Board to obtain funding for the fire service. Supervisor Bennett urged Battalion Chief Dan Shirey and his colleagues to be circumspect in the presentation/promotion of the issue due to the Code of Ethics. If they are not familiar with the laws/regulations, she encouraged them to study them. Reasons for her concern were noted. Discussion ensued on whether to add the term "without limitation". It was decided that the revision was not necessary in Line 3. The revision to Line 5 was retained. These changes will be made in future resolutions which the Board will consider during future meetings. The resolution before the Board merely instructs the Debt Management Commission to convene and consider the proposal and its funding.

Supervisor Plank moved that the Board adopt Resolution No. 1998-R-32 with the addition of the term "without limitation" in the parenthesis, A RESOLUTION CONCERNING A FIRE PROTECTION BALLOT QUESTION; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO LEVY A SPECIAL ELECTIVE TAX FOR FIRE PROTECTION PROCESS AND PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF. Supervisor Bennett seconded the motion. Motion carried 4-1 with Supervisor Tatro voting Naye.

12. FINANCE AND REDEVELOPMENT DIRECTOR - Mary Walker

A. ACTION ON A RESOLUTION TO RESCIND RESOLUTION NO. 1993-R-16 WHICH ALLOCATED FIFTY DOLLARS (50) FROM EVERY DUI FINE FOR THE PURPOSE OF FUNDING THE CARSON DETOXIFICATION CENTER AND PROVIDING ON-GOING FUNDING FOR THE DETOX CENTER OUT OF GENERAL FUND RESOURCES AS ESTABLISHED IN THE CITY'S BUDGET PROCESS (2-0604.5) - Mayor Masayko explained his contact with the Center's Director Mary Ellen Rawles, who supported the proposal. Supervisor Tatro explained that his original opposition to the proposal had been based on his belief that it should have been funded as is now being proposed. Supervisor Tatro then moved that the Board adopt Resolution No. 1998-R-33, A RESOLUTION OF THE BOARD OF SUPERVISORS RESCINDING RESOLUTION 1993-R-16 ALLOCATING FIFTY DOLLARS (\$50.00) OF EVERY DUI FINE COLLECTED TO BE SET ASIDE IN A DESIGNATED ACCOUNT FOR USE BY THE CARSON DETOXIFICATION CENTER AND ALLOCATING FUNDING FROM GENERAL FUND RESOURCES TO THE CARSON DETOXIFICATION CENTER FOR COMMUNITY ORIENTED ALCOHOL AND DRUG

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TREATMENT SERVICES. Supervisor Plank seconded the motion. Supervisor Tatro continued his motion to include the fiscal impact of \$20,000 and pointed out that the \$20,000 had already been funded through the budget process. Ms. Walker agreed. Supervisor Plank concurred. Supervisor Tatro indicated his thought on the process was that the funding would be effective in fiscal year 98/99 and beyond and would not deny the Detox Center of any revenue which could be received during the next 12 days. Mayor Masayko ruled that another amendment to the motion was not required. Supervisor Plank concurred. Mayor Masayko indicated that the \$50 fee would continue to be allocated until the end of the current fiscal year. Ms. Rawles thanked the Board for the funding and noted the advantage the new resolution would provide to the Center in its fiscal planning. Al Kramer also supported the resolution. The motion to adopt Resolution 1998-R-33 as indicated was voted and carried 5-0.

B. ACTION ON A RESOLUTION TO AUGMENT AND AMEND CARSON CITY FISCAL YEAR 97-98 BUDGET (2-0678.5) - Following Ms. Walker's brief review of the augmentations/amendments, Supervisor Tatro moved that the Board adopt Resolution No. 1998-R-34, A RESOLUTION TO AUGMENT AND AMEND THE 1997-98 BUDGET OF THE CITY OF CARSON CITY, STATE OF NEVADA, in the amount of \$3,861,590. Supervisor Bennett seconded the motion. Motion carried 5-0.

C. ACTION ON APPLICATION TO REMOVE UNCOLLECTIBLE ACCOUNTS RECEIVABLE FROM THE RECORDS OF THE AMBULANCE FUND (2-0825.5) - Supervisor Tatro moved to approve an application to remove uncollectible accounts receivable from the records of the Ambulance Fund in the amount of \$253,706.65 out of billings through May 31, 1998, of the total billings of \$1,640,131. Supervisor Bennett seconded the motion. Motion carried 5-0.

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

13. PUBLIC WORKS DEPARTMENT - Deputy Public Works Director Tim Homann

A. ORDINANCE - SECOND READING - BILL NO. 118 - AN ORDINANCE AMENDING SECTION 15.05.010 OF THE CARSON CITY MUNICIPAL CODE (AMENDMENTS TO CHAPTER 1 OF THE UNIFORM BUILDING CODE) AND SECTION 15.05.018 OF THE CARSON CITY MUNICIPAL CODE (AMENDMENTS TO CHAPTER 1 OF THE UNIFORM BUILDING CODE) TO INCREASE THE VALUATION BASE FOR THE COLLECTION OF BUILDING PERMIT FEES AND OTHER MATTERS PROPERLY RELATED THERETO (2-0855.5) - Building Official Phil Herrington - Supervisor Bennett moved that the Board of Supervisors adopt Bill No. 118, Ordinance No. 1998-22, on second reading, AN ORDINANCE AMENDING SECTION 15.05.010 OF THE CARSON CITY MUNICIPAL CODE (AMENDMENTS TO CHAPTER 1 OF THE UNIFORM BUILDING CODE) AND SECTION 15.05.018 OF THE CARSON CITY MUNICIPAL CODE (AMENDMENTS TO CHAPTER 1 OF THE UNIFORM BUILDING CODE) TO INCREASE THE VALUATION BASE FOR THE COLLECTION OF BUILDING PERMIT FEES AND OTHER MATTERS PROPERLY RELATED THERETO, the fiscal impact will increase revenues by approximately \$50,000 per year; funding source is self-funding through the collection of Building Permit Fees; and the revenues will fund additional personnel and a new building for the One Stop Shop. Mayor Masayko indicated that the funds will only support additional personnel. Supervisor Plank seconded the motion. Motion carried 5-0.

B. ACTION ON APPROVAL OF CONTRACT NO. 97/98-271 WITH PARATRANSIT SERVICES FOR "PUBLIC TRANSPORTATION SERVICES" (2-0908.5) - Mr. Homann distributed the transportation critical path plan to the Board and Clerk. The program will be implemented on July 1. Additional funding has been provided by NDOT. These funds are from a one-shot NDOT source.

Paratransit Representative Mark Reynolds thanked the Board for giving his firm an opportunity to provide transit services to Carson City. Community-wide, Federal and State support for the program was noted. He thanked Ormsby ARC, its Executive Director Mary Winkler, and her Board; Senior Center Executive Director Jamie Lee and her Board; Friends In Service Helping Executive Director Monte Fast and Reed Robins; and City staff for

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their support, hard-work, and dedication to the program. The program had been designed to commence on a small scale and grow as demand increases. Its funding recognizes the need to be cost conscious. The fare structure, hours of operation, weekend service, and marketing program were described. Monthly operating reports and quarterly financial reports will be provided. Concern was expressed about the ability to meet increased demand once marketing commences. Current operational costs are \$6 per ride even though the maximum collection rate for that ride is only \$4. The City's General Fund has subsidized the difference. Increased efficiency in the ridership may reduce the subsidy. His Bremerton office is committed to dedicating adequate computer programming and staffing to provide the necessary financial support for an efficient program. Discussion indicated the current program is demand driven, from door-to-door and on a reservation basis.

Finance Director Mary Walker explained her memo on the need to renegotiate the contract concerning the federal guidelines, the maintenance guidelines and responsibility for that maintenance. She recommended using the \$15,000 of one-shot funding that the Board had granted during the budget process for vehicle maintenance. She also questioned whether the City could meet the service level established within the contract with the funding which had been provided. Paratransit had responded with four options. She recommended the Board adopt Option 4 which complied with the service level as described by Mr. Reynolds. Advantages of this program and a comparison to that provided by Ormsby ARC and the Senior Center were provided. NDOT and her staff had reviewed the funding for Option 4 and felt that the proposed service level would be fiscally feasible. She thanked NDOT for its support. Additional transit funding from NDOT grants will be available next year. She urged the Board to re-evaluate the Ormsby ARC contract. Reasons for this request and service options were explained and should be explored if funding becomes a problem in six months. Reasons for recommending monthly financial reviews by City staff and Paratransit were discussed. Mr. Reynolds felt that current efficiencies should allow the service to expand to 62,680 rides. This growth could be provided without additional funding from Carson City. Mr. Berkich explained the negotiation timeframe and reasons Ms. Walker and External Auditor Kuckenmeister were brought in in May. Supervisor Bennett expressed her desire to have Ms. Walker involved in the beginning of such contracts.

Board comments commended NDOT Representative Sandy McGrew on her active involvement and support for the program over the years. Ms. McGrew read NDOT's letter of commitment for the \$20,510 grant into the record. The amended agreement is to be forwarded to Mr. Berkich's office in approximately two weeks. Comments also indicated that until the City obtains MPO status, additional funding may not be available. Ms. McGrew indicated that when the City obtains its MPO status, it will be the only entity in the 50 to 200,000 population group and have little or no competition for funding. Lake Tahoe MPO status restricts its funding requests to planning only items. Operational funding is not available for it.

(2-1440.5) Paul Gallagher explained his employment with the State of Nevada and his involvement with public hearings on disability issues. The number one comment he hears at these hearings is the need for public transit in Carson City. His agency is also waiting for Carson City to reach the 50,000 population, obtain its MPO status, and the additional funding. He felt that Carson City will find that it has more ridership than estimated as the same as Reno had experienced. He also urged the Board to expand the service periods specifically for individuals with disabilities. He suggested that a mechanism for filling the 24-hour reservation "blank spots" which occur when unscheduled problems arise be developed. Problems with such a program were acknowledged but such a program could provide additional efficiencies. The Board thanked him for his advice.

Additional public comments were solicited. It was explained for former Mayor Harold Jacobsen that Carson City will stand alone in the MPO status for populations between 50,000 and 200,000 as the entire population of the county must be counted. Also, in response to Mr. Jacobsen's questions, Ms. McGrew explained that Sparks and Henderson are part of the Washoe County/Clark/Las Vegas MPOs which are over 200,000 in population.

Mr. Gallagher also asked that denied ridership and their timeframes also be tracked along with the ridership provided and service levels. This information should be used for future planning. Mayor Masayko felt that this statistical information would be tracked. Additional comments were solicited but none given.

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Supervisor Smith discussed a potential motion with Ms. Walker. Supervisor Smith then moved that the Board of Supervisors approve Contract No. 9798-271 with Paratransit Services for Public Transportation Services. Mayor Masayko seconded the motion. Following a request for an amendment, Supervisor Smith amended his motion to reflect direction to staff for a minimum of quarterly reports. Mayor Masayko concurred. Following additional discussion Supervisor Smith again amended the motion to include the selection of Option 4. Mayor Masayko again concurred. The motion was voted and carried 5-0. Mayor Masayko commended all of the participants on their efforts to establish a working program which will commence July 1.

14. PERSONNEL MANAGER - Judie Fisher - ACTION TO FILL THREE VACANCIES ON THE CONVENTION AND VISITORS' BUREAU BOARD (2-1614.5) - Discussion noted the requirements for each category and Mr. Mason's withdrawal. Mr. Quilici had submitted a letter. Mr. Eeds' letter had not been received. Mrs. Wolf had indicated via telephone that she was interested but would be unable to attend the meeting. cursory interviews were conducted with Mr. Millard and Mr. Carney. Mayor Masayko thanked each of the applicants for applying. Supervisor Smith moved that the Board of Supervisors appoint Dwight Millard from the Hotel/Motel Category and Robert Carney from the Business Category to two complete year terms on the Convention and Visitors Bureau. Supervisor Bennett seconded the motion. Motion carried 5-0.

Supervisor Bennett moved to reappoint Don Quilici to the Citizen-At-Large position and briefly explained her support. Supervisor Plank seconded the motion. Supervisor Smith acknowledged the service Mrs. Wolf provides on the Regional Transportation Commission and expressed his support for Mr. Quilici's appointment. Motion carried 5-0. Mayor Masayko requested Ms. Fisher send Mr. Eeds and Mrs. Wolf's letters of appreciation for offering to serve.

15. DISTRICT ATTORNEY - Deputy District Attorney Mark Forsberg - DISCUSSION AND ACTION TO APPROVE THE GROUND LEASE BETWEEN CARSON CITY AND BAR-ONE ENTERPRISES, INC., CONSISTENT WITH RESOLUTION 1995-R-61, A RESOLUTION DECLARING CARSON CITY'S INTENT TO LEASE DESIGNATED PORTIONS OF THE CARSON CITY FAIRGROUNDS/FUJI PARK FOR THE PURPOSES OF CONSTRUCTION OF AN EVENTS CENTER AND OTHER MATTERS PROPERLY RELATED THERETO (2-1795.5) - Mr. Forsberg felt the proposed lease complied with the Resolution of Intent. The maximum gaming area will be restricted to not more than 11.9 percent of the building area. The clause indicating that if the City imposes additional revenue taxes, the rent amount is to be reduced by a like amount was explained. Ms. Walker's suggestion that Bar-One provide audited financial statements, the penalty for any discrepancy in the audited financial statements over five percent, and the definition of gross revenue were explained and included in the lease. He also explained that the Board's approval of the lease would be the beginning of the process as the Park Master Plan must be amended, the zoning changed, Special Use Permits and building plans approved prior to construction. All of these items will be considered by the Board. Bar-One is required to provide binding financial commitments to the Board for approval prior to December 31, 1998. Denial of any of these issues could kill the project. There is no guarantee that they will be approved as denial could occur if it is based on reasonable justification for that action. Board options on the lease were explained. He urged the Board to consider the entire lease as a packet and avoid focusing on one or two specific paragraphs/items. Reasons for this request were described.

Internal Auditor Gary Kulikowski explained his review of the lease. He had not been a participating member of the team although he had attended some of the meetings. He then explained NRS 361.157 which exempts the real property/buildings from taxation but allows a business-for-profit to be taxed. This information may be used in evaluation of the fairness of the lease as compared with other business establishments in the community.

(2-2125.5) Assessor Kit Weaver expanded further on this Statute and its exemptions. Mr. Forsberg felt the question was mute as Bar-One had agreed to pay all taxes and for this purpose would consider itself the property owners. Bar-One was to be asked about this representation.

(2-2180.5) George Keele explained his role and introduced Bar-One Enterprises President Donald Barone, Vice

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President Carrie Barone, and Counsellor Kevin Mirch. He indicated that all of Mr. Forsberg's representations were correct. He noted the number of different renditions and lease drafts which had been negotiated. The City's negotiating team had been very effective on the City's behalf in the negotiations as Bar-One had rested on a majority if not all of the points raised. The team was professional, conscientious, and courteous throughout the negotiations. Various draft provisions were described to illustrate the efforts made to assure that the lease is in full compliance with the Resolution of Intent. He urged the Board to avoid negotiations during the meeting. He felt that the staff and Board had been aware of the plan to have gaming at the site from the very beginning. He described the reasons for this feeling, the efforts to obtain financing based on this element, and justification for restricting the gaming area.

Supervisor Smith then explained his feeling that he had been "hoodwinked" due to the difference between the original and current proposals and the difference in the magnitude of the gaming element. He did not feel that any gaming component had ever been discussed at any of the meetings he had attended. There were footnotes on spread sheets and vague references in small amounts of various paragraphs. He had been shown by Ms. Barone designs which had included some slot machines by a window overlooking the arena floor. It was his understanding from their discussion that there were to be some bar poker machines and some other slot machines. His recollection of Ms. Barone's comments had been: "You know this is Nevada. We are going to be having people coming from out of the area. We would like to be able to have some of the things that we have to offer for these folks while they are there participating or watching events, and so on and so forth." He thought there were to be 15 to 20 machines in the entire place. Maybe, this had been unreasonable and not what had been proposed. He would not have had a real problem with this situation as it would have provided an ancillary revenue source. He had never had in his "wildest dreams" had a concept of over 800 slot machines. This is more than the largest slot operation in Carson City. He admitted to being frustrated as he had supported the proposal due to the attractions and win-win potential which could have occurred. The current proposal is not in keeping with the Fuji Park Master Plan.

A brief exchange occurred between Mr. Keele and Supervisor Smith about another area in the RFP where gaming revenue may have been indicated.

Supervisor Plank then explained his original March 1997 involvement with the project and Ms. Barone which had included a brief discussion about gaming. No other comments had been made since that time. Last week the business plan had been provided with gaming being between 200 and 800 machines and five tables. This was shocking. His review of the Resolution of Intent indicated it could have been added as "other amenities and improvements offered by the bidder". After careful consideration, however, he felt this section did not include gaming. The bid response, however, had included gaming activities under this section. He, too, felt that the actual number of machines would be insignificant and similar to that encountered at a grocery store. Only after the final draft was presented did he become aware of the fact that the project was to be a casino. At one meeting he had briefly been given a copy of the business plan which was taken back by Ms. Barone. He felt that he had been misled. The current status was similar to "arranging the chairs on the Titanic" and suggested the ship be put to port and redesigned. Mr. Keele felt that a business plan with the 200 to 500 machines had been in the Board's hands more than two weeks ago.

(2-2295.5) Supervisor Bennett felt that both the Board and staff should have stopped the process when the gaming element had originally been detected. This would have allowed time to determine whether gaming on public land was a valid use. Staff had not stopped the process as it felt that the Board had already made the policy decision. It is unfortunate that so much time and effort had been expended on all sides to negotiate something which she felt had a significant and fundamental flaw due to the lack of a policy decision on allowing gaming to occur on public property. It was not permitted when the golf course lease was considered. Staff should have been aware of this and brought the matter forward. Today, the policy decision should be decided. Mr. Keele agreed that the issue is a policy decision and that it was unfortunate it had not been considered. Supervisor Bennett indicated that all of the participants shared in this responsibility.

Mayor Masayko indicated that the original RFP had included a mention of gaming which would be subject to the

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approval of Carson City and other regulatory agencies. At the same time there had been a representation that Bar-One would "post-haste" go forward with negotiations on a contract. Discussion had then decided to have Bar-One establish the financing. This was the status of the situation when he had joined the Board. The original business plan had included spread sheets and reference to approximately 100 machines. In 1997 the City received an indication that there were others interested in the park. Only then did any activity occur and the demand for financial commitments was made. Finally in late 1997 the negotiations began in earnest. He agreed that there had been a mention of gaming in the plans, however, it was never clear as to the amount and magnitude. He had always been aware that it was there. He only recently learned the meaning of the term "unlimited gaming". He did not feel that it was reasonable for the community to understand this term. It will be as big a shock to the community as it had been to him to learn the magnitude of the gaming element as the perception had always been that it would be in a small reception/lounge area.

Mr. Keele agreed that financing was sought in 1997 and that there had been a delay in securing it. He felt that a show cause order had been issued when the State Fair Board had expressed an interest in using the park. During the discussion with the State Fair Board about its plan, every effort was made to discourage Ms. Barone from going forward. Reasons the State Fair Board proposal purportedly was dropped were noted. Ms. Barone's financial search was then described. Reasons he felt that the Board could at this date deny a lease to Bar-One were explained. The time to have made the policy decision was before the RFP was requested and accepted.

(2-3166.5) Carrie Barone briefly explained her involvement with the project and experience as a developer. She had presented her dream to the Board who had encouraged her to proceed. She had finally pulled it all together and now the Board appeared to be saying that it could not be done. Construction would take approximately one year. The community would then begin to reap the benefits of her ancillary efforts. The 11.9 percent of the facility could not be considered a major component. A letter from another developer and his successful venture(s) elsewhere were noted to illustrate the benefits which her plan could provide. This individual's health had deteriorated and would not allow him to attend the meeting to defend the project. His letter of support was read into the record. It urged the Board to approve the project and allow the community to reap the benefits created. Ms. Barone then explained the personal and real property taxes which would be generated by the project and compared those figures with other Carson City gaming establishments by use of a graph. She emphasized her intent to make a profit and that the City was not giving her a handout. She would not profit from any of the current park users. A letter to those users was read into the record and distributed to the Board and Clerk. (A copy is in the file.) Benefits which the facility would provide to the City/community were then listed. No funding from any governmental entity had been requested. Her bid had included gaming activities. She had not known at that time and does not at this time know the actual number of machines which will be provided. She felt that her tax base and impact factors provide a fair playing field for other gaming competitors. She then submitted a second letter to the Board and Clerk indicating that the park would remain intact. (A copy is in the file.)

(3-0015.5) Counsellor Kevin Mirch briefly explained his involvement with the lease and experience in the financial field. He questioned the issue under consideration by the Board as gaming is part of every day life in Nevada and why the 800 slot machines posed a problem. The majority of the individuals in the audience will be future competitors. The pressure their presence creates should be ignored. The economic impact 800 machines will create should be included in the discussion.

Supervisor Smith explained his job is to represent the residents of the community and not to educate Mr. Mirch. The issue is not the same as if the 800 slot machines were on private property. The issue is the leasing of public property and the usage of that property. He "loved" the project and all of the things it would do for the community. His problem is the fact that it will take between 400 and 800 slot machines to make it feasible. Supervisor Bennett echoed his comments as this is also her issue--the validity of whether gaming is an appropriate and valid use of public land along with all of the consequences created by this use.

(3-0125.5) Pete Livermore displayed a copy of the Carson City Fairgrounds Master Plan, also known as Fuji Park, which contained his name as the Parks and Recreation Commission Chairperson. His involvement with Ms. Barone was then described. The Commission's original support for the project had sent the proposal to the Board

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for consideration. His consideration of the lease is from a user's prospective. It creates a concern for him as the users must employ all of Bar-One's security, maintenance, engineers, clean-up staff, etc. These services have been provided by the users in the past and may make it too expensive for the users to accept the offer to use the park for 15 free days without charge. He felt that the project is not the same as envisioned in 1995. He suggested/questioned whether the revenue source had become too important during the negotiations and sight was lost of the original concept. He did not feel that the proposal was the best use for the park nor would it be beneficial to the public. He urged the Board not to sell its "soul for 30 pieces of silver".

(3-0200.5) David Piel read a prepared statement indicating his feeling that the proposal would exploit property which had been given to the community. The individual who had dedicated the property would never have agreed to the gaming component. Mr. Peele questioned whether the area was appropriate for the proposed use and suggested that the lease was a "shoot first, judge later" approach. Examples were cited in Bar-One's suggested lease to support this feeling. He questioned how the Board could contract the removal of a historical site from the public for 50 years. Bar-One's master plan asks the City to conform to its master plan rather than Bar-One's compliance with the City's master plan. Any contract binding the community for 50 years should be considered by the electorate. The proposal is bad for the heart of Carson City and should be rejected. The Board's energy should be directed toward restoring the downtown area and provide tax abatement to individuals who give something to the City.

Former Mayor Harold Jacobsen explained his involvement in politics and efforts break two different leases--one for a University of Nevada, Reno, farm and one on Mills Park. He stressed that such projects are not easy to reverse. When he first joined the Board of Supervisors energies were being spent to obtain additional parks. Messages now being sent to the public conflicted as one wished to maintain open space while the other leases a "loved" and enjoyed public park. He urged the Board to reject the lease.

Former Parks and Recreation Commissioner Jay Meierdierck had also participated in the development of the Fairgrounds Master Plan. He questioned when the site became a "former" park. The original concept had been to lease only a portion of the park. Today's implications indicate the entire park will be taken over. To his knowledge, gaming is not allowed in any federal, state, county, city, special district, or homeowners' association park with the exception of Lake Mead's marinas. Examples supporting his contention were provided. The proposal is not a part of the approved master plan. Uses envisioned in that master plan were noted. Bar-One's original concept had supported those uses and was not a casino. Question 18 had included funding for the fairgrounds. He questioned whether these funds should be spent to support private enterprise. None of the public hearings on the proposal had included the proposed magnitude of gaming as is now indicated. The cap on the amount of space to be used for gaming will not work as experienced at Lake Tahoe. The lease will force automatic approval of the special use permit, etc. Public hearings on the lease have not been held to date. The project has become a casino with ancillary uses. He urged the Board to not take action on the contract.

(3-0390.5) Mr. Lipparelli indicated that the portion of Fuji Park which would be leased is the same as that identified within the Resolution of Intent.

Alan Rogers described his involvement in the process. He had originally been concerned about the entities involved with the proposal to lease the fairgrounds to the State Fair Board as he felt that the City had been left out of the negotiations. His concern with the community's loss of a City owned resource was explained and illustrated by citing the agreement on the use of the Pony Express Pavilion which is managed six months of the year by the Convention and Visitors Bureau. This proposal will develop a \$40 million facility over which the City will have no control and the community will not be able to use. It may become a rubber ball and be bounced back and forth when applications are submitted for various permits. He urged the Board to resolve this political "rubber ball" situation prior to approval. He also questioned whether the public would be willing to accept the proposal. He then voiced his concern about the Pony Express Pavilion's signage and the mixing of youth and alcoholic beverage advertisements. If the City could not afford to finance the project, then it should not be developed.

Nugget General Manager Brian Smith explained his original involvement with the project and Ms. Barone. At that

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meeting Ms. Barone had allegedly indicated that there would be an adult lounge with a "few slot machines". The machines were to be in the lounge area only. He questioned the location of a lounge with 800 slot machines.

BREAK: A four minute recess was declared at 4:12 p.m. The entire Board was present when Mayor Masayko reconvened the session at 4:16 p.m., constituting a quorum.

(3-0495.5) Chamber of Commerce Executive Vice President Larry Osborne supported an event center at Fuji Park and some of the features included in the proposal but opposed a full blown casino. He urged the Board to level the playing field, expressed support for Ms. Walker's concerns, and questioned the type of taxes which would be paid.

The Board Members indicated they had received Ellen Nelson's letter. She then read her questions into the record concern who had knowledge of the casino plans, when they became aware of the proposal, why others were not consulted, why the public was not informed, whether the City Charter allowed such an enterprise, and if there will be slot machines in other public buildings. She also voiced her opposition to the length of the lease.

Andrew McKenzie voiced his opposition to the lease based on the philosophical question about using a public park for this purpose; the legal ability of the Board to enter into such a lengthy lease and ramifications of such a lease; and the economic considerations which a good landowner should evaluate before a lease is granted. He agreed that the community needed an events center and admired the innovative approach used to attempt to obtain same. Such private-public programs are beneficial in many cases. When they are developed for profit, problems arise as the City then becomes a competitor. He encouraged the Board to level the playing field. He questioned whether the Board could use the land for this purpose as many dedicated public parks have restrictions on them. The rodeo sets on land that was obtained under a Federal patent and must be used as designed in a management plan written by the City and BLM. The NRS does not contemplate a public entity having gaming licenses. Licensing questions related to this issue were noted. The lease did not include a contingency program if the lease is terminated or the gaming license is not obtained. The lease indicates that the property is properly leased for gaming and that the City will help the lessee obtain all of the permits and licenses necessary to develop the plan. The lease period of 50 year with two - ten year options should be reconsidered. The rent is always paid in the arrears and only after events begin to occur, which is an unknown date. Rent requirements for other private property were noted and compared to the base rent provisions. Justification for advancing any lease payments; accepting only 15 days of free usage; waiver of complaints; the naming rights and loss of the name "Fuji Park"; competition rights; the lack of a bond provision and fiduciary documents in the beginning; allowing the lease to be pledged to any unknown lenders for capital with which to build or operate; assignment and/or subleasing without City consent; and warranties were questioned. The agreement is premature and should be denied. Mr. Forsberg indicated several times during his comments that various items had been addressed in the final document.

(3-0935.5) William Mally, as a private citizen, voiced his feeling that the concept was a bad idea and urged the Board to deny it.

Loretta Marston, a member of the Karson Kruzers and the Fairgrounds Coalition of Users, indicated the Bar-One letter had just been received. She explained the meeting(s) which had been held on the concept and the difference between that concept and the one now proposed which restricted the users to 15 days and all usage during construction. The economic impact created by the users was described. The need for an event center had motivated the original support, however, due to the discrepancy between the original concept and the current proposal, she urged the Board to deny the contract. In response to Supervisor Bennett's question, she explained her opposition to having gaming on public property and, specifically, in a public park.

Discussion between Mr. Livermore and Supervisor Bennett also indicated the facilities which had been constructed with Park Bond monies. Additional public comments were solicited but none given.

(3-1065.5) Mr. McKenzie then explained for Mr. Keele that he represented several businesses in the community including gaming, restaurant, and automotive dealers. Mr. Keele insisted that these businesses be identified as mandated by Statute. Mr. McKenzie then indicated that he represented the Ormsby House, Carson Station, Pinion

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Plaza, Cactus Jacks, Horseshoe Club, Slot World, Michael Hohl Cadillac and Subaru-Honda, and Adele's Restaurant.

Mr. Keele apologized for the lack of public participation in the negotiation process if it had been his responsibility to have invited them to participate/attend. Support for the negotiation team as established was expressed. These negotiations had included the items which Mr. McKenzie had raised. Mayor Masayko pointed out that there had been six to eight public hearings which the public could have attended and all of the information under discussion had been made public.

Mr. Keele then indicated that there are many public-private leases for event centers. There is no competitive advantage to the proposal. Fuji Park will remain unchanged and retain its name. Bar-One will assume responsibility for management of the park. There is no plan to pave the entire park. A title report has been obtained. The patent has been reviewed and the bond issues have been considered. The City and Board will not be required to obtain a gaming license. The contract requires Bar-One to commence rent payments prior to receiving the special use permit, etc. This is a risk which they are willing to take as the permits, zoning, etc., could be denied. Gaming has always been a component. The City had obtained a commitment to commence the rent payments well before the first event occurs. This is an interesting provision and one that he had not seen before. Advance payments equate to insurance. Dust and noise complaints had been included as a protection due to the problems events such as rodeos, etc., create. Just because the City had not been sued to date as a result of these activities does not mean that it will not occur in the future. The Sheriff's Office could still cite the user if the noise, dust, etc., are beyond the normal level found at such events. Reasons for the noncompetition clause were noted and does not prohibit the City from constructing another facility so long as it is not identical.

(3-1302.5) Mr. Forsberg reiterated his statements that the majority of Mr. McKenzie's concerns had been addressed in the lease. The purpose of the advancement clause was as Mr. Keele had indicated. Permits are mandated and not guaranteed. It is not a "legal primrose path". Discussion between Messrs. Keele and Forsberg and Supervisor Bennett explored the legal meaning of Section 20.01 regarding the City's cooperation in obtaining permits and licenses. Mr. Forsberg felt that the City had not contracted away its police powers. Mayor Masayko also pointed out that the permits could be denied if reasonable findings are made. Mr. Keele provided an example of how this works.

BREAK: An eight minute recess was declared at 5:10 p.m. The entire Board was present when the meeting was reconvened at 5:18 p.m., constituting a quorum.

Mr. Keele explained the reasons for wishing to make a unilateral representation that Bar-One wished to change Section 5.01.D relating to authorized uses in the last sentence of the first paragraph on Page 14 to read: "The unrestricted gaming activities referred to in this Section 5.01.D shall occupy not more than two point nine seven five percent (2.975 percent) of the gross floor area of the Event Center." and that there be additional language that the City will consider future requests to increase that. This is a 75 percent reduction in the area. Supervisor Smith then indicated that his concern had not been with the percentage the building but rather the entire size of the gaming operation. He then asked if Bar-One was willing to represent that they would build and operate the facility with a maximum of 15 gaming machines included in the facility. Mr. Keele responded with a no.

(3-1478.5) Supervisor Smith then moved that, based on the inability of staff and Bar-One to present an acceptable lease, the proposal be rejected. Supervisor Bennett seconded the motion.

Mr. Lipparelli then requested that the record contain a statement of the legal structure under which the discussion had occurred. A few years ago when the idea of leasing Fuji Park came along, the Board was confined to the legal process for leasing public property. This process included advertising the intent to lease the property. This advertisement specified the minimum terms including the minimum rent. This provides notice of what will occur including the Board's solicitation and evaluation of the proposals, and intent to select the highest conforming proposal. After which the negotiation process occurs. At the time that the resolution of intent had been issued

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there had been a lot of unknowns and everyone was aware that there were a lot of unknowns. There was an unknown about what the facility would look like and the proposal said to the bidders, "you show us what you are going to build". There was an unknown about what the lease would look like and the resolution of intent said, "you have to go and negotiate the lease and the final version of the lease has to be approved by the Board of Supervisors". There was an unknown about the title. An issue which Mr. McKenzie raised and Mr. Keele responded to. The resolution of intent said that the proposers had to conform to all the deed restrictions that may exist out there. There was an unknown about the land use issues and the resolution of intent said the proposers had to go out and get all necessary permits, licenses, and meet all of the State, Federal and local laws. So, everyone knew in the beginning that there were a lot of unknowns and that they had to work themselves out in the process of the negotiations. The Board of Supervisors could have conducted those negotiations by having this item on the agenda every week for the last five years and could have conducted the process as has started to occur here. The inadvisability of that process is obvious from both stand points. So, a negotiating team had the job of taking its best shot at producing a lease that it thought the Board of Supervisors could support. That is the process which has been occurring and that is what is before the Board right now. From the standpoint of the legal structure and the standpoint of the resolution of intent, what the Board of Supervisors has to decide is what Mr. Forsberg said in the beginning of this section of the meeting. You can approve the lease the way it is. You can reject the lease because you cannot agree with some of the terms that have been negotiated. You can defer action on it and direct the staff to go back and renegotiate certain provisions that are unacceptable. This is where the Board is now. The decision point is whether the lease that has been proposed to you by the negotiating team is acceptable to the Board of Supervisors and whether it conforms to the terms of the resolution of intent. These are the comments that he should have stated prior to the motion.

(3-1555.5) Supervisor Smith indicated that Supervisor Plank's comments earlier in the discussion supported his motion as well as created the reasons for his suggestion of 15 machines. There may be an assumption on the part of some of the people in the room that merely because staff, "the City's negotiating team and the folks and representatives from Bar-One" had reached mutual agreement that this proceeding was little more than a rubber stamp. We, the Board, are the folks who make the decision. We are the folks who are charged with making the final decision and we are the folks who bear the responsibility and the brunt of public criticism or acclaim, depending upon how the decision goes. It is a falsehood to assume that simply because those two groups reached a conclusion, that this group here should automatically say, "well, gee, we have no where to hide, you guys like it all, so we have to like it all". He said when Supervisor Plank, and this in the response to the proposal which came back, brought up the issue about gaming activities approved by Carson City and State regulatory authorities with the restaurant and lounge uses, that was right out of that proposal. That is word for word right out of that proposal. "Restaurant and lounge uses" to him, in his opinion, is 15 gaming machines and less. He could appreciate if it is totally unreasonable for them to build a facility of this size and magnitude with that type of gaming ancillary income. He could appreciate that. What he was saying is that that was what his understanding had been all along. Those types of uses to be used in conjunction with the facility and the events that were to be put on and so on and so forth. That is something he could agree to. This issue of building a casino to fuel and drive the revenue to be able to make all of the other things possible may flat be the only way to do it. He did not know. But he was not amenable to it. He was not agreeable to it and, therefore, that was why he made the motion that the two sides have had the inability to present us with a satisfactory lease.

Mayor Masayko queried Mr. Lipparelli concerning the actions which the Board could take--to reject the lease which would mean that the lease is not acceptable. There could be some things which are acceptable in it but there are some very critical things in it that are not acceptable. That does not mean that the Board would vacate the bid award. He did not know what Supervisor Smith had in mind. Does the motion mean to vacate the bid award by rejecting the lease? Perhaps Mr. Forsberg understands this. He felt that there were differing messages being sent with different approaches by indicating that it is very seriously flawed. We have not vacated the request for proposals and it is back in Bar-One's court. If what had been heard during the Board meeting, if Bar-One wishes to come forward with a modified lease to get through the policy issues and reach a major decision point. This would still be in the ball game. Is this correct?

Mr. Lipparelli felt that Mayor Masayko was correct. The resolution of intent said two things about the final

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process. First, in Paragraph G, "The failure of the City and the highest bidder to successfully negotiate a written lease consistent with the terms of this resolution permits the City to vacate the award of the right to lease to the highest bidder or to any party". The other provision which is in the resolution of intent, which is, again, what is governing this whole process, is the rule that the City set forth and that everyone has known from the beginning. Paragraph I says "The final lease, after it is successfully negotiated between the highest bidder and the City staff and the District Attorney, shall be subject to approval by the Board of Supervisors". Again, it harkens back to what he had said a little while ago, which is that everyone knew that the Board of Supervisors was not the negotiating team but it, as Supervisor Smith pointed out, is the one which must finally approve the lease. So, the Mayor was correct. And, suggested as one additional piece of advice, that if the Board is inclined to determine that the teams have not successfully negotiated a written lease, to provide notice to the parties, to the Barones and Bar-One, to state those items with which agreement cannot occur. If it is the gaming element, it is not difficult to articulate that the Board can't agree with the gaming component of the proposed lease. That at least provides them notice as to what the point of disagreement is. He felt that this is inherent in the motion but not necessarily stated.

Mayor Masayko indicated that he would leave this to Supervisor Smith. He felt that the advice given by Mr. Lipparelli is the legal ground which says that the findings have been made so that the motion can go forward and be voted upon. If the motion prevails, then another motion could be offered to vacate the award and we will not have to revisit it again. Supervisor Smith pointed out that the agenda does not allow the Board to determine whether to vacate the award unless it could be included under the term "and other matters properly related thereto". He questioned whether the issue should be agendized for consideration at another meeting. Mr. Lipparelli supported the latter action. He felt that the agenda had contemplated the approval of the lease. If the lease cannot be approved today and the Board has a will to vacate the award, this should be done after duly noticing. Mayor Masayko agreed.

Supervisor Plank suggested the motion include insertion of "due to the gaming component" or similar terminology. This would allow for subsequent negotiation if the parties so desire. If they don't, then it would be a dead issue. **Supervisor Smith indicated a willingness to amend the motion to reflect the fact that the reason he personally is rejecting/deeming it an unacceptable lease is due to the gaming component. Supervisor Bennett concurred. Supervisor Smith then restated the motion as being based on the inability of staff and Bar-One to present an acceptable lease, that the proposal be rejected and that his amendment is to state due to the gaming component of the lease. Supervisor Bennett concurred.**

Supervisor Tatro then stated that he had been supportive of the project from the beginning and that he had not understood the reasons the project had been stalled or why deadlines needed to be put into place and why it had to be brought to a head. It seemed to him as if the Board had created some artificial timeframes along the way. Through those he had pushed for a resolution to the entire matter. That may have helped bring things to forward. Today we have a document that is nearly acceptable except for one paragraph. He had had a picture of what the events center would be like. It could be something truly outstanding for the community which has a great economical engine for Carson City. It could make a big difference in a lot of areas in the community and give us a resource that we would not be able to develop on our own. When he had read the paper the other day about the possibility of 800 slot machines, it took him by surprise. He had been given a document more than a year ago to review that contained the information that would have, had he closely read that document, would have known that this was a possibility. We were given that document to look at. The five of us passed it around and then sent it back. He did not believe that the Board had kept a copy of it. He had not given that document the kind of review that he would give a document of that magnitude were it time for the Board to have taken action upon it. He takes the responsibility of being on the Board of Supervisors very seriously and when the Board is given a document, he makes every effort to review it and try to understand it so that he is comfortable with and familiar with what is there. If he took that level of detail to all of the documents which are provided to the Board but not used as a bases for a Board decision during a Board meeting, he could spend 168 hours a week reading and researching those documents. He did not catch this element. The only thing that he could remember about gaming in any previous documents provided by Bar-One is the number 110 slot machines which is in one of the versions of the business proposal--this is not what the document had been called but what he called it. It talked about 110 machines. This did not scare him a lot. He remembered the number but it did not make a big impact on him as it was something

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he was fairly comfortable with because he thought that maybe that was a small enough number that it is truly there to enhance the total experience of the events center and not as a primary function of the facility. When you get to 800 slot machines, in his opinion, the primary function really changes. You are not talking about rodeos any more. Rodeos are something we do there but they would not be the main event when you get into those kinds of numbers. As an employment of the Department of Transportation, he was aware of there being several discussions about the project and its impact on the Bypass/State Highways along the way. So, he obtained copies of various documents used for the traffic studies to determine what he had missed. One document that was provided as a basis for the traffic study indicated that gaming was not a major part of the proposal. Gaming was mentioned as was gaming revenues--a copy of which he could not locate at this instant. He wished to read two sentences from it. He had provided the full document to Mr. Berkich with a request that full copies be provided to the other Board Members, therefore, he did not have a full copy of the report. Mr. Berkich had copied a page which was not the one relevant to him. Upon finding the copy, the following statement was read" "A center the size of the Barones' will make Carson City a designation point for tourists and will provide, which is underscored, a significant financial benefit to the City and the County in which it is located. Private businesses and governmental entities will benefit from increased revenues and tax collections. The center itself will generate a variety of taxes, property taxes, business license fees from gross revenue, sales taxes from retail sales including food and beverages and liquor taxes, in addition increased tourism will mean a high occupancy rate in area hotels and motels which not only benefits local businesses but also generates additional room tax revenue. Tourists will visit local casinos thereby boasting gaming revenues and gaming license collections." The date on this document is 1995. He had received a copy of this document from the Department of Transportation along with the traffic study. He then reviewed the traffic study to determine whether it considered the casino or whether he had just been asleep at the switch. The traffic study looked completely at events and how to handle large throngs of people who are going to be exiting and entering at the same time. He was telling the Board/public all of this because he felt that the project had enormous potential benefit to Carson City and it does not bother him that this project could give someone a profit. This is the purpose for entering into the lease proposition in the first place. This is why Pete Livermore as the Parks and Recreation Commission had recommended the RFP to the Board--because of the potential it had. This document, absent one sentence in one paragraph, comes up with something that he felt would benefit Carson City. He felt the issue was gaming but he did not know if 2.975 percent is the number that is really small enough considering the size of the arena to accomplish what it is that is needed. When he thought about 110 slot machines, he had not had any concerns as he thought that they would not be big enough to drive people to make that site their designation or to make gaming the primary activity at that location. He did not know what the Board would do although he had a pretty good idea. He felt that the Board should consider if something can be worked out later. Mayor Masayko felt that the Board could represent that the door is still open. The Barones are hearing what is on the record from the Board of Supervisors. He then indicated an intent to ask for a roll call vote.

Supervisor Bennett then requested that there be entered into the record a quote from a memo to the Board of Supervisors from Mary Walker that summarizes a lot of her feeling about this, which is stated very succinctly and what the community, and not just the members present, but what has been very interesting about the entire process which is who the Board had heard from in the last week. It is understandable that the Board would hear from the gaming interests as they have vested interests of their own to protect. She had been getting phone calls from people who she has not talked to in ten years. Folks are stopping her in the grocery store or at a meeting or a place such as church or when she is out and around about. Folks with whom she works at the hospital. When these folks call her and say, "This isn't right. Gaming should not be at Fuji Park. The events center is wrong.". What she had been hearing is something from a much, much deeper level of the community which she felt was summarized in the final two sentences which Mary Walker had so succinctly put forward when she finally had reviewed the document. "My belief is that if Bar-One can't build and operate the facility without a casino, then don't build it. The intent was to have an events center not another casino located on a City park." Her vote would reflect this feeling and is made on behalf of the people whom she represented from both the private and public sectors as well as the commercial sector.

Mayor Masayko then indicated that the vote would be taken by roll call so that each Board Member could indicate his/her rationale and concerns behind the vote. **The motion to reject the lease based on the inability of staff**

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and Bar-One to present an acceptable lease due to the gaming component was voted by roll call with the following result: Plank - Yes; Tatro - with the understanding that this is not the vacation of the award--whatever the document had been called--and that this does not close the door, I agree that we do not have an acceptable lease today--Yes; Bennett - Yes; Smith - Yes; and Mayor Masayko - I am going to vote Yes but I have a couple of other issues beyond the issues which Supervisor Smith put on the record and I feel that it is fair to tell you folks that. If I get out voted--I just want to give you a fair shot. I have had dozens of phone calls a day like Supervisor Bennett. Here are just the letters from yesterday. People who have no vested interest in the business or even sports and recreation in this community are stopping and talking to me about the perception and the image that this particular type of linkage to gaming--not casino--but to gaming and the public park land facility with the City have in their minds and they, by and large, in fact not just by and large but overwhelmingly they think that this is a bad link. I don't know if 15 slot machines is the right number. That may be too small for you folks to make a business plan but I can tell you that there are a lot of folks in town that say, "I think it ought to be none". And, I have to tell you, I am absolutely overwhelmed by that because I read the report of 110. I read it and I said, gee, if people have a real problem with that, I guess they are going to tell me about it. They did not until the last couple of days and believe me I have heard from them. I think, Mr. Keele, you know, as you answered the RFP, you indicated--it does indicate that approval needs to come from Carson City and the Gaming Control Board for gaming. And I think all along this ties back into my story before, until you reach this Board, the policymakers, you know, you don't have approval for a particular level of gaming. You may represent what your plans are, but until we decide and hear about the public policy issue and it is framed by the citizens that gaming on a city park and recreation facility, it is something that they are very, very concerned about. You know, someone said today, you know, one of the most valuable items in this discussion, and I forget what it was about, but I will say something to you also, one of our most valuable items here in Carson City is our image and our reputation that if we make a public policy on this issue for the Bar-One contract and the events center in relation to gaming and City park and recreation property, I do not know that that is the right context and I don't know what people read out of that. Item number two is the perception that there is a partnership connection to the facility, or to the contractor or to Bar-One and the use of Carson City's land and other concessions create unfair advantage--I am not sure what that is and Mr. McKenzie went off in several directions talking about that--to other businesses--I am not sure that that is true or not but I will say to you that gaming makes that perception come true. So, with that I will add my voice--Yes and make this unanimous but I think you needed to hear some of my comments and some of my concerns as I listen to people of Carson City. By the way the project per say is a great project. I would love/like to see it happen but it can't happen with that level of gaming. Motion carried unanimously.

Supervisor Smith then moved that the Board of Supervisors direct staff to prepare an agenda item for the Board's consideration to vacate the proposal. Supervisor Bennett seconded the motion. Supervisor Smith then explained that, although other individuals may not agree for various reasons, that as a realist there had been three years to pursue the course of action and the way that it was going so far--which are two things. One, it is an absolute waste of the Barone's money--of course, it is their money and they can do what they want but--and he thought it was a waste of our time. He had not seen anything productive move out of it from his viewpoint with the gaming proposal, with the entire thing. Honestly, he did not feel that it could be done without the gaming. This may be the fatal flaw. Of course, it is certainly up to them to say whether they can or they cannot. But to pursue this any further is just, as he had stated, a waste of their money and a waste of our time.

Supervisor Bennett indicated she concurred in principal with his remarks, however, there is another issue involved in her opinion and that is the need to bring the matter to a close--to stop the entire process. Take time and look at, as Mr. Lipparelli had stated, all the unknowns. We have learned a lot. You just don't go into this kind of a process without a whole lot of knowns before you start down this path. Part of that knowledge is to prepare ourselves well before we even get into this process. We need to stop. She agreed with all of the speakers who have said that there is a potential for something really terrific and very positive for the community. She hoped that the City had learned a great deal from this process. If we go back and decided to do it again, we will be a whole lot wiser and a whole lot better informed about the approach, what our expectations are, what the expectations of the community are, and then, if we decide we are going to include gaming, to submit that proposal to other gaming interests so we

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have a complete and thorough understanding of the implications of all of this and whatever that means. This is the reason for her second. They are slightly different reasons than Supervisor Smith's. But we need to stop it and get out of it and take a very, very deep breath and decide at some future date how we should proceed and ask the Parks and Recreation Commission what they think is right. The only place she had been in recent times where there had been a longer discussion by as esteemed individuals is at the TRPA meetings. Today the Board had set the record.

Mr. Keele then indicated that he had consulted with counsel and if Supervisor Smith is prepared to renew his motion for 15 machines, Bar-One is prepared to accept it. He agreed that Mr. Lipparelli would have to advise the Board on the process to reconsider the first motion. Both Supervisors Smith and Bennett indicated their concern with this negotiation process.

Supervisor Plank requested clarification of the motion on the floor. Supervisor Smith indicated that the motion is to agendize for the next meeting consideration of whether to leave the bid award open, close it, or under what conditions it should be left open. Supervisor Plank felt that this was an appropriate motion as it will provide sufficient time to think about the matter and reach a conclusion.

Mr. Lipparelli then indicated that the motion on the floor would agendize the bid award for future consideration on abandoning the award. Mr. Keele's invitation to reconsider the first motion is resolved by, although he was unsure whether the process would stay purely within the Roberts Rules of Order, the Board's tradition and experience had been that if the Board wishes to reconsider the rejection of the lease which it had just decided, someone on the prevailing side must move to reconsider that rejection and then for the Board to entertain a new lease containing the 15 item limitation which Mr. Keele invites you to do. This is up to the Board of Supervisors and up to the members who voted, which in this instance was all of the members. Therefore, one must propose that the item be reconsidered. He felt that Supervisor Plank had indicated that he was not adverse to that but it should take some time for the people to sleep on and consider the issues. The answer is that someone must move to reconsider if you want to do that. Mayor Masayko indicated that as the presiding officer and in his view, their representations which had been made today could come back at the next meeting if they wish to attempt to revive the contract. The Board will then make a decision on it. Just because it is agendized, does not mean that the Board has decided to not consider a scaled back proposal. That would be on the table then. He then polled the Board to determine whether a motion to reconsider was desired. Supervisor Smith indicated that at this point No. His reasons were that to do this in a span of 30 minutes when they had gone from 800 machines to somewhere between 200 and 100 and then down to 15 and tell me that something is not a little "fishy", he was sorry but he was not buying it. To tell him two or three days ago that this project does not pencil with anything under 400 some machines and then to go down to 15 like that and to just expect me to say, "Okay. Let's do it now." He was sorry. He needed a little more. The discussion is about a possible 70 year lease. He will not live that long let alone be on the Board at that time. He wanted to hear a little bit more about it. Again, the other motion leaves the possibility open of doing a vacation or pursuing a contract in another manner or something like that. The Board has not closing the door. We have agendized it to bring it back if the motion passes. He wanted to hear that. If he had made a motion that said he could live with 15, he could understand their frustration with saying, "Well, Geez, we just agreed to it. What is the problem?" But, come on, 800 down to something less than 200, which he assumed the 2.97 percent of the deal is, and then to go to 15 and just expect the Board to do it. He was not that big of a---. Mayor Masayko noted that he was not the only one involved in the process and again requested a motion to reconsider. None was made.

Mr. Lipparelli indicated his intent to correct the record slightly. Supervisor Smith had never made a motion to accept the lease with a 15 machine limitation. Supervisor Smith agreed. Mr. Lipparelli noted that Supervisor Smith had inquired whether Bar-One would be interested in one. Mayor Masayko also indicated for clarification that he had not recognized a motion from Supervisor Smith where 15 machines had been included.

Mayor Masayko then indicated that he intended to set the agenda for reconsideration of the bid award for one of the July meetings. The motion to reconsider the bid award was then voted and carried 4-1 with Supervisor Tatro voting Naye.

BREAK: A five minute recess was declared at 6 p.m. A quorum of the Board was present when Mayor Masayko

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reconvened the meeting at 6:05 p.m. Supervisor Smith was absent.

10. NEVADA DEPARTMENT OF TRANSPORTATION - Assistant Director Susan Martinovich - DISCUSSION AND ACTION ON THE NEVADA DEPARTMENT OF TRANSPORTATION'S PROPOSED PROJECTS FOR FISCAL YEARS 1999-2001 AND LONG RANGE LIST OF PROJECTS FOR CARSON CITY (3-2995.5) - Mayor Masayko apologized to NDOT for the delay and explained Supervisor Smith and Mr. Berkich's absences. Ms. Martinovich explained NDOT Director Tom Stephens absence, her delay in attending the meeting, and introduced her staff members. A revised listing of the projects was distributed to the Board and Clerk. (A copy is in the file.) Ms. Martinovich reviewed the status of last year's projects which included Highway 50, the Bypass, Airport Road, Carson Street beautification, the Hot Springs/Long Street/395 signal modifications, the V&T Bicycle project, State Route 28, Kings Street-Winnie Lane, and the College Parkway and Hot Springs Road intersection. Comments thanked her for the monthly Bypass report. Supervisor Bennett thanked her and her staff for their participation in the TEAM Tahoe efforts for the Highway 28 improvements. This program, however, has become stalled. She asked that Ms. Martinovich and her staff keep her informed and assist in resolving the problem(s). Ms. Martinovich then reviewed the revised project list and requested Board action on the list. Discussion ensued on the Bypass funding. Mayor Masayko indicated that he would provide a copy of the Bypass status report to Steve Bilyeu. Ms. Martinovich explained her list of individuals to whom she sends copies of the same report. Mayor Masayko also indicated that the report would be available at City Hall. Additional comments were solicited but none given. Supervisor Bennett moved that the Board of Supervisors accept the Nevada Department of Transportation's proposed project for fiscal year 99/2001 and long range list of projects for Carson City. Supervisor Plank seconded the motion. Motion carried 4-0. Mayor Masayko thanked Ms. Martinovich for the report.

There being no other matters for consideration, Supervisor Bennett moved to adjourn. Mayor Masayko seconded the motion. Motion carried unanimously and Mayor Masayko adjourned the meeting at 6:28 p.m

The Minutes of the June 18, 1998, Carson City Board of Supervisors meeting

1998. ARE SO APPROVED ON _____ 11/5 _____,

_____/s/_____

Ray Masayko, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder