CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 17, 2012 Meeting
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A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, May 17, 2012 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell
Supervisor Karen Abowd, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor John McKenna, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Neil Rombardo, District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

NOTE: A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the Clerk during the meeting are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 4. CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE (8:31:50) - Mayor Crowell called the meeting to order at 8:31 a.m. Mr. Glover called the roll; a quorum was present. Sue Musselman, of Capital Christian Center, provided the invocation. At Mayor Crowell's request, Gary Longaker led the pledge of allegiance.

5. PUBLIC COMMENTS AND DISCUSSION (8:33:59) - Mayor Crowell entertained public comment. (8:34:25) Mae B. Adams Trustee and Carson Nugget, Inc. President Steve Neighbors read a prepared statement into the record, a copy of which was submitted to the Clerk. Mr. Neighbors acknowledged that the Hop and Mae Adams Foundation would donate all land necessary for the library and the public plaza, as well as $5 million in cash to the Library Foundation for a parking garage. In response to a further question, Mr. Neighbors advised "nobody really knows the size of the parking garage ... Nobody knows how the community is going to respond to all the nightly entertainment, the community events in the plaza. ... We do know there's going to be a growth in use of the knowledge and discovery center with all its tools and all its capability for both businesses and education. We think it's going to be used throughout the day by citizens and school kids, throughout the evenings by the same. We're going to have the Nugget move over and squeeze over and do everything we can, but we don't want to kill the Nugget. At the same time, we want to create some parking for the Nugget. We think the Nugget deserves to have some parking. We think the downtown area will grow and be revitalized. We think our downtown neighbors need additional parking." Mr. Neighbors advised that "we don't understand the size of the garage so what we thought we would do ... is pay for the first phase of the garage, we would pay for the enhancements needed for it to go up and so we will pay for that first start of the garage. We believe the $5 million will cover that and, if not, it will be close and we'll figure it out. Mae will bear that burden of looking at that." Mayor Crowell noted the significance of the land and funding donation offer. He thanked Mr. Neighbors for his presentation.

Mr. Neighbors advised of "one other donation that people don't really understand. The Nugget has ... taken a lot of hit from misinformation and bad publicity. ... the industry tells us that we will take a 50 percent hit to our business to allow construction next to us. The Nugget management ... adopted "Community First" and they said we want to embrace this for the community. That really is a much bigger and unknown investment that the Nugget's making."

Mayor Crowell entertained additional public comment. (8:50:57) In reference to item 9-2(B), NNDA Commercial Real Estate Team Leader Brad Bonkowski discussed recent interest in the City's manufacturing sector. He expressed the opinion that "this money is really needed ... for us to be able to understand how we can do a better job of actually closing these deals and getting these companies here because they create a lot of jobs." He noted the importance of "hav[ing] the ability to better understand how to close these companies and to get them here and to stop losing out to our surrounding states [which] have the ability to offer economic incentives that we can't." Mayor Crowell expressed a willingness to meet with any interested manufacturer. He entertained additional public comment; however, none was forthcoming.

6. POSSIBLE ACTION ON APPROVAL OF MINUTES - April 19, 2012 (8:53:37) - **Supervisor Aldean** advised of non-substantive corrections and, **moved to approve the minutes, as amended. Supervisor Abowd seconded the motion. Motion carried 5-0.**

7. POSSIBLE ACTION ON ADOPTION OF AGENDA (8:54:06) - Mayor Crowell advised of a request to modify the agenda to address item 13 prior to item 11. He entertained additional modifications to the agenda and, when none were forthcoming, deemed the remainder of the agenda adopted. (2:47:20) At Mr. Rombardo's suggestion, Mayor Crowell entertained a motion to adopt the agenda. **Supervisor Walt moved to adopt the agenda, as amended. Supervisor McKenna seconded the motion. Motion carried 5-0.**

8. SPECIAL PRESENTATION OF A PROCLAMATION FOR "NATIONAL PUBLIC WORKS WEEK", MAY 20 - 26, 2012 (8:54:39) - Mayor Crowell invited Public Works Department Director Andy Burnham, Purchasing and Contracts Manager / American Public Works Association Northern Nevada Chapter Vice Chair Kim Belt, and Deputy Public Works Director Darren Schulz to join him at the podium. Mayor Crowell stepped from the dais to the podium, and read into the record the language of the Proclamation included in the agenda materials. He presented the Proclamation to Ms. Belt, who thanked Mayor Crowell and the Board of Supervisors for their support of public works professionals in northern Nevada in acknowledging this week.

Mayor *Pro Tem* Aldean entertained questions or comments of the other Board members. Mr. Burnham commended and expressed appreciation for the Public Works Department employees. Mayor *Pro Tem* Aldean commended the Public Works Department employees' hard work. She expressed appreciation for the pragmatism and solution-oriented nature of Public Works Department employees. The Board members, City staff, and citizens present applauded. Mayor Crowell returned to the dais.

9. CONSENT AGENDA (8:57:54) - Mayor Crowell entertained requests to hear items separate from the consent agenda. (8:58:29) Mayor Crowell reiterated the inquiry and, when no request was forthcoming, entertained a motion to adopt the consent agenda, as published. **Supervisor Aldean moved to adopt the consent agenda, consisting of one item from Finance, two items from Purchasing and Contracts, one item from Parks and Rec, Open Space, and one item from the City Manager's Office. Supervisor Walt seconded the motion.** Mayor Crowell noted a correction to the title of item 9-3, and called for a vote on the pending motion. **Motion carried 5-0.**

9-1. FINANCE DEPARTMENT - POSSIBLE ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY THROUGH MAY 8, 2012, PURSUANT TO NRS 251.030

9-2. PURCHASING AND CONTRACTS

9-2(A) POSSIBLE ACTION TO APPROVE THE AWARD OF CONTRACT NO. 1112-142, AMBULANCE BILLING SERVICES, TO WITTMAN ENTERPRISES, LLC, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, PURSUANT TO NRS CHAPTER 332, TO PROVIDE AMBULANCE BILLING SERVICES AT A RATE OF 4.75 PERCENT OF COLLECTIONS THROUGH JUNE 30, 2014, WITH THE OPTION TO RENEW FOR FIVE (5) ADDITIONAL ONE (1) YEAR PERIODS SUBJECT TO NEGOTIATION

9-2(B) POSSIBLE ACTION TO DETERMINE THAT CONTRACT NO. 1112-189 IS A CONTRACT FOR PROFESSIONAL SERVICES AND, THEREFORE, NOT SUITABLE FOR PUBLIC BIDDING, PURSUANT TO NRS 332.115, AND TO APPROVE CONTRACT NO. 1112-189, A REQUEST FOR PROFESSIONAL SERVICES TO BE PROVIDED BY NORTHERN NEVADA DEVELOPMENT AUTHORITY FOR AN AMOUNT NOT TO EXCEED THE COST OF $57,760.00 TO BE FUNDED FROM THE GRANT ACCOUNT FOR AGRICULTURE STUDY, AS APPROVED BY THE BOARD OF SUPERVISORS ON APRIL 19, 2012, AND AS PROVIDED IN FY 2011 / 2012

9-3. PARKS AND RECREATION DEPARTMENT, OPEN SPACE DIVISION - POSSIBLE ACTION TO AUTHORIZE STAFF TO EXECUTE A PROGRAMMATIC AGREEMENT BETWEEN THE SIERRA FRONT FIELD OFFICE OF THE CARSON CITY BUREAU OF LAND MANAGEMENT AND THE NEVADA STATE HISTORIC PRESERVATION OFFICE REGARDING THE CONVEYANCE TO CARSON CITY OF THE 5,482 ACRES OF PUBLIC LANDS, AS MANDATED BY THE OMNIBUS PUBLIC LANDS MANAGEMENT ACT OF 2009, AND 489 ACRES OF PRIVATE PROPERTY

9-4. CITY MANAGER - POSSIBLE ACTION TO RATIFY THE APPROVAL OF BILLS AND OTHER REQUESTS FOR PAYMENTS BY THE CITY MANAGER FOR THE PERIOD OF APRIL 10, 2012 THROUGH MAY 7, 2012

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

10. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (8:59:25) - None.

11. PUBLIC WORKS DEPARTMENT, BUILDING DIVISION - POSSIBLE ACTION TO ADOPT, ON SECOND READING, BILL NO. 150, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 15, BUILDINGS AND CONSTRUCTION, CHAPTER 15.05, BUILDING CODE, SECTION 15.05.020, ADOPTION AND ADMINISTRATION OF BUILDING AND CONSTRUCTION CODES, BY ADDING SECTIONS 109.3.5, ROOF NAIL INSPECTION, 109.37., INSULATION INSPECTION, 109.3.8, LATH AND GYPSUM BOARD INSPECTION, AND 109.3.10, ENERGY EFFICIENCY INSPECTIONS; REPEALING A PORTION FO SECTION 106.3, EXAMINATION OF DOCUMENTS, TO EXCLUDE CERTAIN ITEMS FROM THE PLAN REVIEW PROCESS; REPEALING THE ADOPTION OF THE 2006 INTERNATIONAL ENERGY CONSERVATION CODE, AND ADOPTING THE 2009 INTERNATIONAL ENERGY CONSERVATION CODE AND THE 2011 NORTHERN NEVADA AMENDMENTS; AND OTHER MATTERS PROPERLY RELATED THERETO (9:31:52) - Mayor Crowell introduced this item and, in response to a question, Building Official Kevin Gattis noted a corrected clerical error at page 2 of the ordinance. Mayor Crowell entertained public comment and, when none was forthcoming, Board member

comments. Mr. Gattis acknowledged the State mandate relative to the proposed ordinance. Mayor Crowell entertained a motion. **Supervisor Abowd moved to adopt, on second reading, Bill No. 105, an ordinance amending the Carson City Municipal Code, Title 15, Buildings and Construction, Chapter 15.05, Building Code, Section 15.05.020, Adoption and Administration of Building and Construction Codes, by adding Sections 109.3.5, Roof Nail Inspection, 109.3.7, Insulation Inspection, 109.3.8, Lath and Gypsum Board Inspection, and 109.3.10 Energy Efficiency Inspections; repealing a portion of Section 106.3, Examination of Documents, to exclude certain items from the plan review process; repealing the adoption of the 2006 International Energy Conservation Code, and adopting the 2009 International Energy Conservation Code and the 2011 Northern Nevada Amendments, and other matters properly related thereto, with the corrections as noted on the record; she noted the Ordinance No. as 2012-9. Supervisor Walt seconded the motion. Motion carried 3-2.** Mayor Crowell encouraged continued close coordination between the Building Division and the Builders Association of Western Nevada.

12. PARKS AND RECREATION DEPARTMENT, OPEN SPACE DIVISION - POSSIBLE ACTION TO ACCEPT THE ELMER H. ANDERSON, PROJECT OF THE YEAR AWARD FROM THE NEVADA PARKS AND RECREATION SOCIETY FOR THE CARSON CITY COMMUNITY VITALITY ACT, WHICH RESULTED IN THE 6,000-ACRE CARSON RIVER NATURE PARK (9:36:10) - Mayor Crowell introduced this item, and Parks and Recreation Department Director Roger Moellendorf introduced Open Space Property Manager Juan Guzman and Planning Division Director Lee Plemel. Mr. Moellendorf reviewed the agenda materials, and commended Mr. Plemel's involvement in development of the federal lands bill. Mr. Guzman narrated a PowerPoint presentation, copies of which were included in the agenda materials.

In response to a question, Mr. Guzman advised that the programmatic agreement approved as part of the consent agenda provides for the City to serve as the custodian of the property acquired as part of the federal lands bill. The programmatic agreement refers to a stewardship program to be administered by the State Historic Preservation Office "to be able to carry out those functions and suggests that we should enter into a yearly contract with them to help with that function." He provided additional clarification of the programmatic agreement provisions.

Supervisor Abowd thanked everyone involved for their "hard work and ... diligent efforts that made this award possible." In response to a question, Mr. Guzman and Mr. Moellendorf provided background information on the Elmer H. Anderson Award. Mayor Crowell entertained additional Board member comments and public comments. When none were forthcoming, he commended the staff. In response to a question, Mr. Guzman provided an update on the status of the land transfer. In response to a comment, he discussed the federal surveying process.

Mayor Crowell entertained additional comments or questions and, when none were forthcoming, a motion. **Supervisor Aldean moved to accept the Elmer H. Anderson Project of the Year Award from the Nevada Parks and Recreation Society for the Carson City Community Vitality Act which resulted in the 6,000-acre Carson River Nature Park. Supervisor Walt seconded the motion. Motion carried 5-0.** Mayor Crowell recessed the meeting at 10:05 a.m., and reconvened at 10:20 a.m.

13. PUBLIC WORKS DEPARTMENT, PLANNING AND ZONING DIVISION - PRESENTATION BY THE NEVADA RURAL HOUSING AUTHORITY ("NRHA") AND DISCUSSION ONLY REGARDING THE ACTIVITIES OF THE NRHA IN CARSON CITY (8:59:30) - Mayor Crowell introduced this item, and Planning Division Director Lee Plemel

reviewed the agenda materials. Mr. Plemel introduced Nevada Rural Housing Authority Executive Director Gary Longaker, Strategic Innovation Director Tom Stone, and Real Estate Consultant Jack White. (2:58:16) In reference to his experience as a county commissioner in the State of Colorado, Mr. Stone thanked the Board of Supervisors for their service. He provided background information and an update on the proposed Brown Street project. He responded to corresponding questions of clarification, and discussion ensued. Mr. Stone commended Congressman Amodei's Chief Legislative Counsel Candace Hance and Senator Heller's staff person, Ashley Kerrigan, on their "outstanding" assistance. Mayor Crowell offered to send a note of thanks. Mr. Stone noted the importance of continuing to work with the Congressional representatives in consideration of the need for an additional extension of time.

(9:10:13) At Mayor Crowell's request, J.L. White & Associates Principal Jack White introduced himself for the record and provided a brief background. Mr. Stone acknowledged having previously discussed the Brown Street project with Supervisor Abowd. Mr. Stone and Mr. White both acknowledged the continued possibility of developing apartments or townhouses with common green space. At Mayor Crowell's request, Mr. White described the location of the Brown Street parcel, and provided background information on the Brown Street Specific Plan Area and the CAHI bankruptcy. He reviewed the agenda materials, and responded to questions of clarification.

In response to a comment, Mr. White advised that NRHA is "here to clear up the process and try to address it. And, going forward, the answers that you're looking for, we're still seeking too. ... We think that within 60 days, we do have those answers and we have bought an extension out to the end of the year. We certainly appreciate the fact that that may have a different effect on your budget process and your commitment time. ... the process here is a real process." Mr. White assured the Board that NRHA "is making sure that what should have been done years ago is now being done right; that what will happen on this site ... if it can happen on this site and that is the first answer that we have to get to ... getting solution to the problem. ... the hope is to not have you have to pay back anything, allow it to stay in the site and see the project get developed. That's what everybody's really working toward here." Mr. Longaker assured the Board "we're just in the planning stages right now."

A brief discussion ensued, and Mr. White advised that the Home Consortium provided $20,000 in grant funding for NRHA "to actually do this work we're talking about doing right now. So that cost is being covered." In response to a question, Mr. White advised that the Planning Division "is working with us exceptionally well to help us figure building codes, zoning, height restrictions ... You're doing what you can be doing to help us figure out what can happen on this site. And once we get that answer, once we know that something can be built, we know the real time lines and where the source of funding for that will happen. It's not just saying, 'We think it can be built.' We're going to be coming back and saying, "Yes, this can happen. And here's the time line for it to happen.' With that, then how everybody in the Consortium comes together is key in the unity of going forward."

In response to a question, Mr. White explained that "the State is trying to figure out ... how they're going to handle reimbursement of [the $300,000]. They have their own legislative issues ... as to the use and application of that fund and it is creating some budget problems for them right now." Mr. Stone clarified that the federal government is requesting reimbursement from the State. In response to a further question, Mr. White advised that the reimbursement would translate to a reduced obligation on the City's part. Supervisor Aldean inquired as to research into similar situations throughout the country. Mr. Stone advised that HUD has "discretion as to how they want to handle it. ... it is not replicated exactly the same across the nation." He provided background information on his 2010 experience as the Montgomery, Alabama Housing Authority Real Estate Director. He expressed dismay over the federal government requiring

reimbursement from a "hard hit community like Carson City," and emphasized the NRHA's commitment to building communities. "And to build a community takes time and it takes involvement from a lot of different sectors." Mr. White expressed the opinion that "precedence has been set relative to lost public investment in the form of home funds, in the form of tax credits. All of them have been out there. We've seen them for years. We understand them. We know where to look for the answers." He expressed the opinion that HUD still has "that responsibility of looking into the community as to what those funds were designed to do, not just for the low income family but the stipulation of helping you build housing and, in this case, a very unique case, ... building up an area within a town and this was intended to be the first start of that."

Mayor Crowell entertained public comment and, when none was forthcoming, thanked the gentlemen for their attendance and presentation.

14. FINANCE DEPARTMENT

14(A) POSSIBLE ACTION REGARDING PRESENTATION, DISCUSSION, AND ACCEPTANCE OF THE ENTERPRISE RISK ASSESSMENT FOR CARSON CITY, PREPARED BY MOSS-ADAMS (10:20:50) - Mayor Crowell introduced this item, and introduced Carson City Audit Committee Chair Michael Bertrand and Moss-Adams, LLP Director of Policy and Planning Mark Steranka. (10:21:20) Mr. Bertrand provided background information on the purpose of the Carson City Audit Committee, and reviewed the agenda report.

(10:23:22) Mr. Steranka commended City management and staff on their cooperation and assistance through the risk assessment process. Mr. Steranka presented, in conjunction with displayed slides, the Discussion Draft of the Enterprise Risk Assessment, a copy of which was included in the agenda materials. In response to a question, he provided additional information relative to the risk assessment process. He acknowledged an assurance that the information and documentation presented as part of the risk assessment process were factual and provided the basis upon which to evaluate the risks. "... what's reflected in our report is totally our view, independent objective of any viewpoint of the City, although ... it's key for us to (a) provide the City an opportunity to verify facts. That's part of the protocols of the process. And then (b) make sure that we feel comfortable, as you've just mentioned, with the facts. And yes, we are." At Supervisor Walt's request, Mr. Steranka offered to make the survey questions available to the Board members.

Mr. Steranka presented, in conjunction with displayed slides, the Enterprise Risk Assessment Preliminary Recommendations for Performance Audits, as included in the agenda materials for item 14(B). In response to a question, Mr. Steranka advised that the Recommendations for Efficiency and Effectiveness Improvements, at Section 5, page 28, were not prioritized. He acknowledged that prioritization would be at the City's discretion. He responded to questions, and discussion ensued, regarding the Preliminary Recommendations for Performance Audits, the Recommendations for Revenue Enhancements and Expenditure Reductions, the City's Active Strategy process, and the relationship between the risk factors and the preliminary recommendations for performance audits.

(10:56:48) Fred Voltz inquired as to whether any consideration was given to "the duplication of library services ... in Carson City. There are four public libraries, none of which communicate with each other or are integrated in any way. They don't share management. They don't buy the materials together in bulk. They don't share circulation systems and, in addition, the school system has a library at each one of the eleven campuses." Mr. Steranka advised that "particular issue did not come up in the course of our interviews or the survey. What you just described, albeit there certainly sounds like there could be

duplication, would be a very common occurrence in a municipality where the schools have their own relative small libraries and you typically have a community library. ... The schools certainly were not within our purview." Mr. Voltz inquired as to whether consideration will be given to the duplication of library services "especially in light of City Center." Mayor Crowell acknowledged the importance of considering "everything we're doing in this community and we're trying to figure out right now where we're going. That's the step we're having right here. So, whether we go down that road or not ... we'll decide ..." Mr. Voltz encouraged the analysis "because it's been suggested now for two years and the City Library Director had no interest in even exploring it so perhaps an outside consultant would be the better place to do that. And we shouldn't be looking at fiefdoms or boundaries between governmental entities as a limiting factor to serving the public." Mayor Crowell advised that the Board has considered shared services, not only internally between the City and the School District but also with surrounding counties to gain efficiencies of scale. "That ... is on the forefront of all of our minds as we go forward."

Mr. Werner advised that, if the risk assessment is accepted, he will begin reviewing the lists at Sections V and VI to identify areas of responsibility and priorities. He advised that many of the City's department directors have already begun considering the recommendations. Supervisor McKenna advised that the Audit Committee is "early in the process of establishing itself. [Mr. Bertrand] and the three other citizen members have worked hard. They've spent a lot of time with the auditors. They've developed this process. They're feeling their way as to where we're going from no internal audit to internal audit. ... This thing is an evolving aspect of Carson City's ... citizen management." Supervisor McKenna thanked Mr. Bertrand and the Audit Committee for the "strain they've put themselves under."

Mr. Werner acknowledged a cost associated with some of the recommendations and that analysis, relative to prioritization, will be based on the cost / benefit ratio of implementation under the current economic circumstances. "... we'd obviously go for the low-hanging fruit; the stuff we can do internally without a lot of cost." Mr. Werner assured the Board that implementation of the recommendations will be done systematically in consideration of finances and efficiency.

Mayor Crowell entertained additional Board member and public comments. When none were forthcoming, he thanked Mr. Steranka for his presentation and for the work invested in the risk assessment. Mayor Crowell entertained a motion. **Supervisor Abowd moved to accept the Enterprise Risk Assessment Report for Carson City. Supervisor Aldean seconded the motion. Motion carried 5-0.**

14(B) DISCUSSION AND POSSIBLE ACTION TO CONSIDER THE AUDIT COMMITTEE'S RECOMMENDATIONS FOR INTERNAL AUDITS TO INCLUDE THE PUBLIC DEFENDER COST AND UTILIZATION STUDY AND THE COMMUNITY FACILITY COST RECOVERY ANALYSIS (11:04:16) - Mayor Crowell introduced this item, and thanked Mr. Bertrand for his Audit Committee service. Mr. Bertrand expressed appreciation for the opportunity to serve the City and discussed the Audit Committee's focus on performance auditing. He reviewed the agenda materials.

In response to a question, Mr. Steranka advised that the short-term projects listed in the agenda materials "were the ones that ... rose to the surface ..." He explained that Moss-Adams staff was not "all-encompassing in scoping" the tasks of the recommended audits. He acknowledged that, although the sports fields were not initially included as part of the recommended Community Facility Cost Recovery Analysis Audit, they could be. In response to a question, Mr. Werner explained that the ice rink facility received subsidization in terms of staff time. "There was no direct dollars paid out, but ... the amount of staff time and the amount of City time spent is a cost and ... that's ... the areas we'd look at there too."

Mr. Steranka acknowledged that the Moss-Adams, LLP model could conceptually be used to evaluate other functions. "... we will undoubtedly use certain assumptions, certain analyses of each of the facilities in terms of assessing them and each of those assessments will have commonalities. And absolutely the City can take our work and apply those to others and ... inherently that analysis would be transferable to other cities."

In response to a question, Mr. Werner advised that public defender contract negotiations must be concluded by March of 2013. He advised of an upcoming meeting with Nevada State Public Defender Diane Crow to discuss the same. Mayor Crowell expressed an interest in the Public Defender Cost and Utilization Study in consideration of the additional costs associated with an ineffective public defender system. In response to a further question, Mr. Werner reviewed the internal audit budget.

Mayor Crowell entertained public comment. (11:13:37) Lori Bagwell commended the Audit Committee for their work, and expressed support for pursuing the Public Defender Cost and Utilization Study and the Community Facility Cost Recovery Analysis audits. She expressed a preference for reserving funds to implement the results of the two audits.

(11:16:10) Andrea Engelman expressed agreement with Ms. Bagwell's comments, especially in consideration of the golf course.

In response to a question, Mr. Steranka expressed the belief that as Moss-Adams, LLP relationship continues with the City, other audit opportunities will be identified. "... this was a point-in-time look. We think it was fairly comprehensive. Did we identify everything? Of course not. ... No, there's no 'We really should be doing this and it's not in our report.' There's not that yet, but might something come up? Certainly. ... When they do, we'll have the opportunity to discuss those." Supervisor McKenna expressed the opinion that "this will only work as long as everyone, including you, feels comfortable bringing this to the Audit Committee, the Audit Committee ... feel[s] comfortable bringing it here, and if you don't feel comfortable with a response, then please out us to the newspaper." Mr. Bertrand discussed the possibility of establishing a public hot line.

Mayor Crowell entertained additional Board member and public comments. In response to Mr. Bertrand's comment, Supervisor Aldean acknowledged the importance of engaging the public. "But it can't come merely in the form of a complaint. There has to be validation and the person making the recommendation has to provide some of that validation because there are many people ... who just have a ... hot button ... for emotional reasons. But, obviously, we have to get past the emotion and do a good job quantifying these things." Mr. Bertrand assured the Board that the Audit Committee "will filter through all that ..."

Mayor Crowell entertained a motion. **Supervisor Aldean moved to accept the Audit Committee's recommendations for internal audits to include Public Defender Cost and Utilization Study and the Community Facility Cost Recovery Analysis. Supervisor Abowd seconded the motion. Motion carried 5-0.** Mayor Crowell thanked Mr. Bertrand and Mr. Steranka for their attendance and participation.

14(C) PUBLIC HEARING ON THE INTENT OF CARSON CITY, NEVADA TO ISSUE A MEDIUM-TERM OBLIGATION IN AN AMOUNT OF UP TO $1,100,000 TO FINANCE THE COST OF AMBULANCES, WHEELCHAIR VANS, AND IMPROVEMENTS AND EQUIPMENT FOR THE CITY LANDFILL; ALL PERSONS INTERESTED ARE HEREBY ADVISED THAT THE BOARD WILL HOLD A PUBLIC HEARING ON THE PROPOSAL FOR PUBLIC COMMENT (11:20:22) - Mayor Crowell introduced this item, and Finance Department Director Nick

Providenti reviewed the agenda materials. He responded to questions of clarification regarding the ambulance financing. He acknowledged that the wheelchair vans are relative to the recently-approved contract with Carson-Tahoe Hospital. He advised that the landfill improvements and equipment include a compactor, which estimated cost is $640,000.

(11:23:06) Mayor Crowell opened the public hearing and entertained public comment. (11:23:23) Ward 2 Supervisor candidate Maurice White inquired as to the wheelchair vans and the landfill compactor. In reference to his diesel mechanic experience, he expressed the opinion that the current landfill compactor could be rehabilitated for approximately $100,000. He requested the Board to "reassess what's actually going on here with this particular bond issue."

Public Works Department Director Andy Burnham advised that the equipment authorized for purchase at various trade shows included the landfill compactor as well as several other pieces of equipment. He further advised that a landfill compactor has not been available at any of the trade shows. "We still have that authorization, but we have not purchased one. And this is a new way to finance how we would purchase that rather than reduce the general fund by the $600,000 that it costs." Mr. Burnham assured the Board, "We do go through all of our equipment and look at whether or not it should be rehabilitated. In fact, the City Manager has asked that of us on many occasions before going down this path. We provide him a report related to that on the ... reconstruction of those and look at the cost benefit of reconstructing versus buying new and, in this instance, we chose the latter ... because the cost of reconstruction made no sense financially." Mr. Burnham offered to make the report available to the Board members, and advised that an analysis is conducted for all large pieces of equipment.

In response to a question, Mr. Providenti explained that the bond proceeds will reimburse the cost of the wheelchair vans because the ambulance fund is subsidized by the general fund. "So it would either be a general fund subsidy to help pay back the wheelchair vans or we could use the capital nickel to help pay back the wheelchair vans." In response to a further question, Mr. Providenti advised that the hospital could fund the capital costs of the wheelchair vans, "but then we would just have to subsidize the ambulance fund more by the general fund. So, basically, what we're saying is we want to go ahead and use part of that property tax nickel to help pay back the wheelchair vans instead of subsidizing the ambulance fund to help pay back. ... what's going to happen is that they're going to make more money in the ambulance fund so there'll be less of a general fund subsidy. If the ambulance fund had to pay back ..., then we would just have to subsidize it anyway from the general fund." In response to a further question, Mr. Werner clarified that the fee charged covers the cost of the wheelchair vans. "Where we're paying it from ... is just the mechanics of what fund we're paying it out of, but as we get funding from the hospital, that cost does cover the payment for the vans." Mr. Werner acknowledged that the City doesn't have the capital to purchase the equipment to fulfill the obligations of the contract with Carson-Tahoe Regional Medical Center. "We're paying this out. We're going to have an annual payment and then we're going to be receiving payments from the hospital that covers this annual payment. ... but we're taking it out of the capital fund to make this happen. ... the cost of the [wheelchair vans] is covered with the contract. This is just the funding mechanism."

Mayor Crowell entertained additional public comment. (11:29:08) Lori Bagwell inquired as to whether the capital account would be reimbursed the cost of the ambulance purchase. Mr. Werner advised that the decision would need to be made on an annual basis relative to the needs. "Right now, the nickel comes into the capital account and if it looks like it matches our needs and we're only using a portion of that, then it may be better spent to use this money ... somewhere in the general fund because we're using general fund monies to offset the ambulance account. ... if we can put it back in the capital account, that's obviously

where we'd want to do it, but it'll depend on how our financials look at the time. ... we are getting reimbursed from the hospital, under the contract, for this cost." Mr. Providenti confirmed that the decision will be made every budget year. Ms. Bagwell "caution[ed] to match ... expenditures and ... revenues to the proper sources whenever possible that you do your cost recoveries. It kind of falls right in line with what we just discussed ... that you're matching services that people are paying for to the right place whenever possible." Ms. Bagwell expressed understanding for "the payment of expenditures from accounts that are possible and have the funding source to accommodate that." She "caution[ed] ... to ... not dilute the processes where the public can't tell what's happening. It's difficult to read the budget and actually ascertain a cost center because it's convoluted. It doesn't match up. It's a general revenue sitting over here but its expenditure is somewhere else."

Mayor Crowell entertained additional public comment and, when none was forthcoming, closed the public hearing.

14(D) POSSIBLE ACTION TO ADOPT A RESOLUTION AUTHORIZING A MEDIUM-TERM OBLIGATION IN AN AMOUNT OF UP TO $1,100,000 TO FINANCE THE COST OF AMBULANCES, WHEELCHAIR VANS, AND IMPROVEMENTS AND EQUIPMENT FOR THE CITY LANDFILL; AND PROVIDING THE EFFECTIVE DATE THEREOF (11:32:31) - Mayor Crowell introduced this item, and Mr. Providenti reviewed the agenda materials. He referenced the public hearing, and advised of anticipating the interest rate to be in the 2 to 2.5 percent range and the debt service payments, over five years, to be in the approximate amount of $233,500.00 per year. He advised of the possibility of refundings, and related details of a recent conversation with John Peterson, of JNA Consulting. He responded to corresponding questions of clarification, and a brief discussion ensued.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to adopt Resolution No. 2012-R-9, a resolution authorizing a medium-term obligation in an amount up to $1.1 million to finance the cost of ambulances, wheelchair vans, and improvements and equipment for the City landfill, and providing the effective date thereof. Supervisor McKenna seconded the motion. Motion carried 5-0.**

15. CITY MANAGER - DISCUSSION AND POSSIBLE ACTION ON ELEMENTS TO THE FY 2012 - 2013 BUDGET, INCLUDING POSSIBLE ACTION BY THE BOARD OF SUPERVISORS TO DONATE A PORTION OF THEIR PAY TO THE CITY OR OTHER NON-PROFIT ORGANIZATION; PRESENTATION ON THE MECHANICS OF ESTABLISHING THE CITY'S OPERATING TAX RATE, INCLUDING THE GENERAL FORMULAS AND FORMULA FOR MAKE-UP REVENUES; AND A DISCUSSION ON OPTIONS TO FUND MERIT SALARY INCREASES (11:35:52) - Mayor Crowell introduced this item. Mr. Werner provided background information and reviewed the agenda materials. Supervisor Aldean provided background information on the Board of Supervisors donating a portion of their pay to the City or another non-profit organization. She discussed the importance of "leading by example" in consideration of the current economic times, and recommended that each of the Board members contribute back to the City "five percent of what we earn." She expressed a preference that the donation not be allocated to another non-profit organization. "The point of this exercise is to give that money back to the City so it can be used for operating expenses."

In consideration of the Board-established Arts and Culture Commission "which has no funding mechanism whatsoever, is not a non-profit," Supervisor Abowd expressed a preference for the donation to be allocated to "a pot of monies that can be awarded back to this community for the arts."

Mayor Crowell entertained a motion. **Supervisor McKenna moved that each Supervisor and the Mayor donate five percent of their annual salary to the City, and discuss with the City Manager where they would like that money expended.** Supervisor Aldean recommended that the mechanism for the donation should be left up to the individual Board member. Supervisor McKenna agreed "it's whatever the party wishes to do." **Supervisor Walt seconded the motion.** Supervisor McKenna clarified his motion in that "it has no effect in law. It is a voluntary motion ... because only the legislature can make us do this." Supervisor McKenna agreed with the importance of leading by example. "However they get it, whenever they get it, whether they get it or not is between the City Manager and the individual supervisor." In response to a question, Supervisor McKenna suggested that since the motion has "no effect in law, it's however many times you wish to do it ..." Mayor Crowell called for a vote on the pending motion; **motion carried 5-0.** In the spirit of leading by example, Mr. Werner advised that the unclassified employees "have given back two percent of what we were getting. And all employees, basically, not only have they not had increases from merit and salary ... for the last couple years, but they've also then contributed back any increases that they've received ... Everybody's kind of given some back. It's not quite as obvious as you folks just did, but ... the unclassified contribution of the two percent was about $250,000."

Upon advice of Ms. Scully, Mayor Crowell entertained public comment. (11:43:55) Andrea Engelman expressed support for Supervisor Aldean's recommendation that the Board of Supervisors' salary donation should be allocated to the City's general fund.

(11:44:22) Lori Bagwell thanked the Board members and City staff, and discussed the importance of restoring the City's ending fund balance. She expressed understanding for the community's arts and culture, and urged the Board to "do it in a money-saving way to restore our ending fund balances." She expressed concern over the lack of emergency funding, and reiterated her appreciation.

Mayor Crowell entertained additional public comment; however, none was forthcoming. In response to a question, Finance Department Director Nick Providenti advised that "in most cases, whenever there's a PERS increase, the employee and the employer share that amount. There's some units that have bargained that we would pick up a hundred percent up to a certain amount and then, after that, we'd share. So, basically, for all the general employees and the unclassified employees, if there's an increase of one percent in PERS, then the City pays half and our salary gets reduced by that half percent. For the public safety folks, ... it depends on the contract. ... we pay a hundred percent of up to a certain amount and then, anything above that amount, it's split by the employee and by the employer." Mr. Providenti advised that PERS increases have been implemented every other year. He reviewed the associated figures, and anticipates an additional increase will be implemented in 2013. Mr. Werner estimated that "take home pay has been reduced, over the last couple years, by ... two percent."

Mr. Providenti discussed negotiations relative to medical insurance benefits. Mr. Werner recommended that merit increases be absorbed within each department's budget, "but then we'd also ... only transfer out the seven percent for medical costs that were in there because that, again, was something that the employee groups ... did to help reduce the cost. The net result is ... almost a wash." In response to a question, Mr. Werner reviewed the criteria for merit increases. In response to a further question, Mr. Providenti advised that approximately $285,000 was budgeted for merit increases from the general fund.

Mayor Crowell entertained public comment. (11:52:59) Andrea Engelman stated, "Forty percent of the voters in Carson City are public employees who pay into PERS. They have the same raises, the same cuts as the City employees do. They have ... quite a bit less take home money because they're on furloughs and they've had pay cuts and, yet, you want them to pay higher property taxes in order to give merit increases."

Mayor Crowell explained the City Manager's direction to City department heads to reduce their budgets by the amount of any merit increases to be given. Ms. Engelman expressed the hope that budget cuts would translate to a reduced property tax increase. In reference to previous comments, Mayor Crowell discussed the importance of beginning to replenish the City's stabilization fund and ending fund balance. He committed to considering the proposed property tax increase in consideration of budget reductions. He expressed the opinion that "the value of adding to our ending fund balance and our stabilization fund to protect public services is more critical than trying to find a way where you can cut half a percent off the property tax because that's not going to make a big difference to people out there either. ... we're in a position where we're trying to cut the budget as best we can. We're trying to protect the ending fund balance." Ms. Engelman expressed the hope that more budget reductions can be identified.

(11:56:59) Ward 2 Supervisor candidate Brad Bonkowski advised of having "run some quick calculations and, when you look at the cost of the benefits packages for the employees, meaning pensions and health insurance contributions, it looks like it comes in around $0.19 or $0.20 on every dollar of revenue that Carson City collects from property tax and sales tax. When you add in ... employee salaries, that number jumps up to between $0.75 and $0.80 of every dollar of revenue that we can take in from property tax and sales tax." He suggested that the numbers indicate "an unsustainable system ... at some point. We can't continue to bear that kind of expense and stay financially solvent." He expressed the opinion that "it's going to take a combination of continued cuts of revenue increases, as long as they're temporary and defined, and economic recovery. So, the solution isn't going to be one thing and ... you're on the right track. Keeping the salaries and benefit packages stable or reducing them from year to year is critical. It sounds like that's the track that you're on."

Mayor Crowell advised that the figures are "not unusual to the municipal system. ... the School Board is in the same boat, probably even worse, because the School District ... wages are probably 85 to 88 percent of their operating budget." Mr. Providenti advised, "It's the same with the City ... It's always been 75 to 85 percent salaries and benefits. We're a service organization. The issue is ... if you can't increase the revenues, then ... it's not sustainable. That's the balancing act. That's the problem that we've had the last three or four years is that we weren't growing so we had to cut and now we're at the point where we could cut if you wanted us to cut but service levels would definitely be affected. We have the ability to increase these revenues where it doesn't appear if we increase these revenues now, there probably won't be much else to do." Mr. Werner provided additional clarification.

(12:01:20) Lori Bagwell inquired as to whether all employee groups will be contributing more toward their health insurance benefits. Mr. Providenti explained that the actual health insurance benefit is "100 percent paid by the City ... There are subsidies for dependents ..., but what's happening is that the City is paying less for insurance because we basically reduced our benefit amounts so we're paying less. We increased deductibles, we increased co-pays and that's the entire City. It's the same insurance for everyone. ... we reduced the benefits to everybody in order to keep the costs down. We negotiated our insurance benefits with St. Mary's to increase our co-pays, increase deductibles. That's what we did to keep the costs of the insurance down." Mr. Providenti acknowledged that any City employee may have more exposure in paying their own medical insurance benefits. In response to a comment, he advised that the State doesn't have collective bargaining units. "We have contracts with the employees associations that say their insurance won't change. So if their insurance didn't change, then that would mean an 18 percent increase based on the current level of insurance that we have. So ... we asked them to come to the table saying, 'We need to keep this cost at 7 percent,' and they agreed." Ms. Bagwell expressed appreciation that the employees associations were willing to have the insurance benefits reduced.

Mr. Werner expressed appreciation for the cooperation and assistance of the City's six bargaining units. In consideration of merit increases, Supervisor McKenna discussed the importance of retaining "good people. ... you have to look at this whole thing as operating a business and what is the best over the long run. Short-term changes are going to cost you a lot of money." He suggested that the philosophy needs to change. "The employees are very, very valuable to the City because the citizens want services. We want an ambulance there in five minutes. We want the ambulance attendants to know what to do ... and ... rapidly." He expressed support for a property tax increase "for one year ... not for two." He provided background information on the City's economic history over the last five years. "We can live this way for a little while but if we want a City that will attract outsiders to come here with economic development ... we need to stay the course and realize that this is just a temporary, one-year increase in the property tax and, if it doesn't work out that way, then ... drastic cuts in service come next year." He advised that he is not ready for drastic cuts in service this year.

Supervisor Abowd commended Supervisor McKenna's comments. In reference to previous comments, Supervisor Abowd commended the City employees, and discussed methods by which to retain good employees. She agreed that she is not ready to consider drastic cuts in services. "This is a one-year reset in terms of property tax." She advised that she is paying business and personal property taxes, and recognized the value. "... unless we put value in our community and unless we invest in our community, we're not going to get the return on investment."

Supervisor Walt noted the importance of remembering the cuts made over the past five years. "... we decreased by 82 positions, 15 percent in FY 2007 / 2008. ... we didn't hire and we asked those City employees to please continue to do the work that you've been doing plus the work that we've just cut the position to as well. And then decrease of 19 percent in public safety, 28 in general government, and 41 percent in cultural and recreational functions. What we've done is we've ... taken an office that used to have five employees and now we've decreased it to two or three and we've asked those employees to step up and still continue to do the work that they were doing back in 2008 plus the work of another employee because that employee is no longer there. But, yet again, we're not going to give you any COLA increases and then we're going to question whether or not we should give you a merit increase because you're a new employee." Supervisor Walt discussed decreases in Parks and Recreation Department services, due to budget cuts, which have, in turn, been transferred to volunteer groups. She expressed concern that volunteer organizations may not be able to continue operating as efficiently "if we continue to cut services from the City." She commended the comments of Supervisors McKenna and Abowd. "... we have to look at what we've done already as a City and what our employees are doing to make sure that services ... aren't getting cut. ... they're making a huge difference and they need to be commended for doing so."

In consideration of Supervisor McKenna's request that the property tax increase sunset after one year, Mr. Werner reviewed elements of the Tax Code which require the property tax rate to be established annually. "... there's mechanisms in there that basically reset the tax rate every year ... The Department of Taxation may come up with the same rate but it's still up to the Board to determine whether or not they want to go there." At Mr. Werner's request, Mr. Providenti provided an explanation, in conjunction with displayed slides, of the allowed ad valorem revenue base and the allowed ad valorem revenue calculation, as outlined in the agenda materials. He provided historic information on the current tax rates.

Supervisor McKenna expressed no opposition to increasing the property tax rate for one year, and expressed opposition "with not being able to tell people this is a mandatory, no way that it's going to fail, one-year increase and it's going back to $1.1974 next year." He inquired as to the method by which to go about doing that. Mr. Providenti reiterated that the Board will have to make the decision next year, and

extensive discussion followed. Mr. Werner discussed the importance of considering expenses and the performance measures to begin identifying "trends ..., things that should give us advance notice that we've got something going awry ... The whole goal of tying in performance measures with budget, with all the ... things we're talking about is to give you the advance notice that something's going awry or something's going well or there's an area out there that you can decide whether or not you even want to provide that anymore, but you're making knowledgeable choices and it's not just, at the spur of the moment, having to make a cut that maybe impacts the wrong service level. ... my goal is to try to get you those tools and that's what I've been pushing so hard for on these performance measures ... to give you the tools to be able to sit down and look at what is the direction of City services, what are the direction of costs, how does this all tie together, and then you can make informed choices about the expense side, the revenue side ... It takes time ..."

Supervisor Abowd noted one purpose of the internal audit is "to help point us in a direction where expenses can be reduced. It doesn't help us this year but it helps us next year hopefully. So that would be one way that we could hopefully be able to reduce costs and lower this property tax issue. The other is the sales tax revenue. If that improves, we can drop this. So it's a balancing act ..." Mr. Werner acknowledged that the Board will make the decision again next year. He discussed the importance of continuing to identify efficiencies.

Supervisor Aldean suggested "the best we can do is, when we pass the budget, to make our intentions known. There's still a hiring freeze in place. ... if we can find the grant money, we can fund positions." Supervisor Aldean expressed concern over the Health and Human Services Department which "do[es] a phenomenal job with the resources they have, but ... nearly half of their positions are grant funded. ... we are extraordinarily vulnerable. We have, based on our ending fund balance, enough money to support ourselves for one month basically ... We're in a very tenuous position and ... the best we can do is to keep the hiring freeze in place when we adopt this new budget, ... keep an eagle eye on trends to the best of our ability, and to make it known to the public ... there will be a reset next year that hopefully will reflect a lower rate." Mr. Werner advised of an informal policy that "if we end up with extra money ..., it has to go in certain areas. It has to go into ending fund balance in the general fund, it has to go to the stabilization fund, it has to go to capital. Those things have to occur before we start looking at any kind of restoration of bodies, any kind of restoration of ... programs ... we've already eliminated." Supervisor McKenna suggested that one of the areas to which extra funding should be allocated is property tax reduction. Discussion followed regarding the ending fund balance and stabilization fund benchmarks.

Mayor Crowell entertained public comment. (12:46:23) Bill Richards expressed opposition to property tax increases, but noted "we can't have the services that people expect, demand, want without paying for them. Carson City has enjoyed one of the lowest ... property tax bases in the entire country for years. We can't continue to provide the level of services that people want and not pay for it. And we're not frivolously spending our money." Deputy Richards advised that he hasn't had a raise in seven years, and that "every year [he] lose[s] money, either in PERS increases or insurance increases." He agreed with earlier comments relative to retaining senior staff. "How do you retain a senior person that keeps your liability at a lower level because we know what to do and you hire somebody in at a lower rate of pay. They're a liability." Deputy Richards expressed appreciation for the Board's "tough position, but at some point, people have to say ... if we want the services, we have to be willing to pay for them." He discussed the importance of fostering new industry in consideration of the State "pushdowns," and advised that the bargaining unit he represents is always considering improved efficiencies. In response to a comment, he reiterated concerns relative to the safety of deputies in consideration of decreases in personnel.

(12:50:17) Bob Schreihans thanked the Board for their kind words in consideration of the City employees. He acknowledged the Board's "hard spot," and advised that the decisions made "affect us and also the quality of service that we do provide for the citizens of this community." He assured the Board that the Fire Department will continue to do the best with the available resources.

(12:50:55) Ward 2 Supervisor Candidate Brad Bonkowski advised that Carson City is not built out "on the commercial / industrial side. We actually have several hundred acres of available industrial land in Carson City that can be developed which would raise our property tax revenues without a tax increase in the rate." He suggested "a huge window of opportunity if we can focus on economic development and bring industry to Carson City. We have the land to develop. We can increase revenues there. Industrial jobs, primary jobs create ... jobs which sell houses which fill our retail store fronts and ... our office properties that are vacant." He requested the Board to be mindful "throughout this process in the next several years, one of our main focuses, as the City, should be economic development in the industrial sector. That could be a wonderful solution to a large part of our problems moving forward."

Mayor Crowell entertained additional public comment; however, none was forthcoming. In reference to a recently-published letter to the editor of the *Nevada Appeal*, Supervisor Aldean advised that the City's former economic development director was laid off. The current position is grant funded. Supervisor Aldean advised that the City "has no right to put a 'for rent' sign in the window of a privately-owned establishment. There are certain practical limitations to what we can do." Supervisor Aldean expressed the opinion that the City has always had an economic development focus. In consideration of decreased travel budgets, she noted that the limited economic development staff is not "flying back to the headquarters of major corporations to try to persuade them to look at Carson City as an investment." Supervisor Aldean noted the importance of considering the City's practical limitations and relying, to a large extent, on the private sector professionals to help the City through the crisis. Discussion followed, and Mayor Crowell advised that the number of inquiries received by the Northern Nevada Development Authority has substantially increased.

Discussion took place regarding additional action; however, consensus of the Board was that no further action was necessary. Mr. Providenti advised that the Board will take action on the final budget at their Monday, May 21st meeting.

16. BOARD OF SUPERVISORS NON-ACTION ITEMS:

STATUS REVIEW OF PROJECTS; CAPITAL PROJECTS STATUS REPORT (12:57:31) - Mayor Crowell introduced this item and, in response to a question, Public Works Department Director Andy Burnham advised of nothing new to report.

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (4:03:15) - Supervisor Abowd announced The Greenhouse Project Yard and Plant Sale scheduled for Saturday, May 19th, from 8:00 a.m. to 12:00 p.m., at The Greenhouse site. Supervisor McKenna announced the special meeting of the Board scheduled for Monday, May 21st at 9:00 a.m. Mayor Crowell entertained additional Board member comments; however, none were forthcoming.

STAFF COMMENTS AND STATUS REPORT (4:04:10) - Mr. Rombardo advised that Chief Deputy District Attorney Randy Munn was conferred with the James Barley Award, "the most distinguished lawyer in Nevada for public law." The Board members, City staff, and citizens present applauded. Mr. Rombardo advised of having presented the award earlier in the day.

RECESS AND RECONVENE BOARD OF SUPERVISORS (12:57:48) - Mayor Crowell recessed the meeting at 12:57 p.m., and reconvened at 2:03 p.m.

17. CITY MANAGER

17(A) DISCUSSION AND POSSIBLE ACTION TO DIRECT THE CITY MANAGER TO BRING AN ACTION ITEM TO THE BOARD FOR THE PLACEMENT OF A BALLOT QUESTION TO FINANCE THE DESIGN, DEVELOPMENT, CONSTRUCTION, AND ACQUISITION OF A NEW KNOWLEDGE AND DISCOVERY CENTER (LIBRARY) AND PUBLIC PLAZA, ON PROPERTY TO BE DONATED TO THE CITY BY THE MAE B. AND HOP ADAMS TRUST, AND TO INCREASE SALES TAX BY 1/4 PERCENT FOR FUNDING THE NEW KNOWLEDGE AND DISCOVERY CENTER AND PUBLIC PLAZA (2:04:15) - Mayor Crowell introduced this item. Mr. Werner provided background information and reviewed the agenda materials. In response to a question, he discussed the thought process associated with developing a ballot question in conjunction with the no-debt proposal. "... when we first started talking about the no-debt proposal, we had met with our financial advisors and ... they advised us that it's legal to look at ... a lease purchase for constructing a library." "When we looked at the private / public partnership with P3, the relationship where you have private monies come in and build a facility and then an entity then can lease that facility at the end of the time period and ends up owning it, that's where we kind of started with the whole project three years ago. Since then, though, ... the economy took that out of the equation. There was nobody there that would really come forward to look at the private portion of the project that would help fund the public side of it and so that became really a public project with very little, if any, private portion to it and so it kind of shifted how we had to approach that." Advice from the financial advisors and bond counsel was "essentially, if you can identify revenue streams that you're not committing, but ... can be used to fund this and then you treat it like an installment purchase plan [with] an annual appropriation clause, ... that doesn't create debt." Mr. Werner related details of meetings with banking institution representatives, and advised that no further general fund debt can be incurred "without a vote of the people. ... And if it's going to go to a vote of the people for a little bit, ... then maybe it makes more sense to go ahead and go for the full 1/4 -cent sales tax increase that's by statute, earmarked for the library and those kinds of things. And, if the people vote for it, ... then it actually would fund the project and we'd move forward. But it would be debt at that point."

Mr. Werner acknowledged that the proposal developed last September with payments starting in 2016 is not financeable at a reasonable rate. "The problem is, we can't get a definitive answer to that until we actually have a project that we're ready to go forward on ... and then submit it to underwriters for financing." Mr. Werner further acknowledged that the rationale for considering the 1/4-cent, requiring a vote of the people, was also because use of the funds will be for capital improvements as well as maintenance. He further acknowledged the possibility of constructing the public portion of the knowledge and discovery center and the plaza with public funds and, as a completely separate project, a parking garage financed by private capital. He clarified "it would be a downsized parking structure. ... Altogether, ... the land that we would take up from the ... trust would eliminate their parking for future expansion which, basically, would be their death knell. You've got to have parking. So this way, it looks like you could do the portion of it with private funding to get it started and maybe, ultimately, it all would be private funding. ... our public portion would only be through the sales tax." In response to a further question, Mr. Werner

advised that construction cost estimates are "really good" right now. "We just got updates last week because we've been working with an architect that's really got into the details. He's done a very good job of costing everything out for our local area. So the numbers that we now have for the plaza and the library, we feel very comfortable with." Mr. Werner acknowledged, based on the most recent cost estimates, the 1/4-cent sales tax will fund construction of the knowledge and discovery library and the plaza with no requirement for the public to participate in construction of the parking garage.

Carson Nugget, Inc. President and Mae B. Adams Trustee Steve Neighbors acknowledged that the Hop and Mae Adams Foundation will donate to the Library Foundation whatever property is required for construction of the knowledge and discovery center and plaza project. In response to a further question, he advised that the Mae B. Adams Trust will "deal with the parking garage ... up front." In response to a further question, he advised that the Mae B. Adams Trust is "not interested in building a garage for the Nugget. The Nugget's not interested in building a garage for itself. The Nugget doesn't need parking; it doesn't want a garage. It wants to figure out how to make that up to its customer base if they do take off surface parking and put them on a garage and they'll deal with that is the word I've heard from Nugget management. So Mae will make a donation to the Library Foundation and we will begin building and constructing a sized-down garage; couple stories instead of the six stories. There's been a lot of dispute over the real size of the parking garage. Our perspective is we believe there needs to be a garage there. We aren't really interested in building a garage, but we believe that the project really can't go forward without a garage. Therefore, we have committed to build a smaller garage, build in that smaller garage a substantial foundation so additional floors can be put on it if needed. Nobody can tell us what kind of demand we're really going to need. We're going to have public transportation to and from the site. We're going to have school kids, we believe, being bussed to and from the site so there's a lot of public transportation that's going to happen. We believe there's going to be a lot of night activities on the plaza for the community. We have no idea how to measure that. ... Mae believes there's going to be a big increase in use of the knowledge and discovery center due to the tools that we're bringing there. It's not really a library, from Mae's perspective. It's a toolbox for education and for economic diversity. So, we believe it's going to be far more used. And I don't care who we talk to, everybody's guessing so we said, 'Let's just take it off the table.' Mae will deal with the preliminary garage so that we can then deed this land over and we can begin building the knowledge and discovery center and the plaza. So, we'll do it up front subject to the approval that you guys are going to do that. Otherwise, the Nugget and Mae doesn't want a garage."

In response to a further question, Mr. Neighbors expressed reluctance regarding the increase in sales tax. "At the same time, who are we to meddle in City affairs and City finances. We believe this is ... a slam-dunk, absolute ... gift to the City. The City will embrace this and love it. We just are concerned about putting additional sales tax on. And, at the same time, we understand the prudence that Larry has been looking at. He's questioning the ability of the Library Foundation to raise money based on ... He's got some concerns and I understand them and I think he's being very prudent about it." Mr. Neighbors expressed a desire to visit with Mr. Werner "a little bit more and see about some other alternatives before we actually have to put the final wording on the ballot. I'm not trying to delay anything. I'm saying I think we can do that while whatever you guys are doing what you're doing."

In consideration of the history of the project, Mayor Crowell suggested it should have been introduced as more of a concept than a project. "Since then, ... we've ... been trying to find ways where we can deal with the economy in our City, deal with the tremendous benefit that the Mae B. Adams Trust is giving us ... ... our instructions, from the beginning, were try and do this without creating debt." Mayor Crowell discussed the importance of knowing a definite project before going to a ballot question that includes the 1/4-cent

sales tax. Mr. Werner advised that "interestingly, the numbers really haven't changed from what we started with. We were always talking about $1.8 million, $1.9 million. It's always been that number and, coincidentally, that's about the same amount of the number that got passed down to us from the state on pass-down services that we've had to absorb. And so, when were talking about this ... a year ago, and we said we could do it with the existing revenue stream, we meant it. But, at the time, we didn't know what the legislature was going to do on some of these things and so this City's had to absorb a lot of costs from the State pass-downs. Essentially, those same dollars could have been used to fund this project assuming that we could have gotten the financing then." Mr. Werner assured the Board that "the 1/4-cent would cover the cost." He acknowledged that the knowledge and discovery center and the plaza is "doable as a public works project."

In reference to a recent newspaper article, Mr. Neighbors discussed the reasons for the public process associated with the project, from the beginning, to tie into the existing citywide master plan. "That's why this has been a long time process. The second thing that I also have to take blame for is I believed that I could bring in a private developer and we could all interview a private developer and he would bring in some private development of whatever he wanted and we would figure out how to help him and he, in turn, would help the public side. So we weren't trying to participate in any profit on the private developer. And we did that, but what happened is it was really going to be a California developer and a California contractor and a California architect and they were going to bring in California work and they were ... putting ... local fronts on that. And we took issue with this. Mae's objective is to create economic impact to Carson City, positive economic impact to Carson City. So, the City and myself interviewed P3. They weren't willing to bend on those issues. They were willing to put on a front. We decided that we thought we could deal with this ... internally, make it simple, ... put the City in control of it, not deal with P3 and private developers, pull all the private development side out of it and simply focus on the public side of it. And so, in our minds, the public side was the garage, the plaza, and the knowledge and discovery center. And ... you've given me a tough team to negotiate with and, ultimately, they want the parking garage backed by the Nugget and Mae and so we acquiesced because we think this project is critical for the downtown area as well as the community of Carson City."

In response to a question, Mr. Neighbors advised that "we've been open to whatever the public side wants so it's been a moving target on what size of area, footprint for the knowledge and discovery, what size of plaza. They've moved it around some and we're okay. Whatever they want, we will deed that over subject to the City going forward with that. And we will also commit to dealing with ... a stripped-down garage. We can handle the garage as long as it's not the ... big, giant garage. And then if, as we believe, ... we'll go ahead and put in the basics of what we think we need. We'll pay for the cost to build a foundation so that we can go up and, if we're right and there is a demand for all this, then we can deal with it, whether it's with business improvement districts. Somehow, we'll just go deal with it and what a problem to deal with. That's a problem I want to deal with."

Mayor Crowell acknowledged the "substantial donation of cash and property that the Mae B. Adams [Trust] is making." In response to a further question, Mr. Neighbors expressed uncertainty "how to take land out and put it under construction and not have parking for us somehow. So, I think we've got to build the parking garage first and I'm willing to bite the bullet first as long as I get an ... irrevocable commitment from the City they're going to do the public portion because that's why we're stepping up and doing the garage. We don't want to do it otherwise." Mr. Neighbors acknowledged that the knowledge and discovery center and plaza construction will not begin until the parking garage is mostly built. Mr. Neighbors advised that he "would begin the plans on the garage now and ... would do it if ... there wasn't a tax increase because I absolutely know it'll pass. ... The problem is, ... I'm still wrestling with the tax

increase. We all are. Nobody wants to do it, but I understand it and so I will set aside the money, I will set aside the land. I will get all the paperwork. ... Once we get a yes, we will immediately start construction on the garage."

Supervisor McKenna expressed no desire to get into a "big discussion as to the pros and cons of this thing ... Is it going on the ballot? Is it not going on the ballot? That's the question that needs to be answered. Do we want a sales tax increase? Do we not want a sales tax increase? Or do we want to just suggest to staff that they tell us how they want to finance it which is probably a more traditional way instead of us directing a 1/4-cent sales tax. The other question ... is what does the Library want? We haven't ever heard from the Library as to what they want on the ballot, what are they willing to work for, do they even know exactly what they want to work for." Supervisor McKenna expressed concern "we're getting way ahead of ourselves here. The question today is whether or not ... we direct the City Manager to bring us back a question, it goes on the ballot or do we not?"

Mayor Crowell entertained public comment. (2:37:42) Bruce Kittess advised of having prepared written comments "last night based on what [he] knew last night, but then this morning ... read the paper and then ... heard more today." He took "issue with the cover page to the agenda item," and expressed the opinion "it is disingenuous to imply that the failure to secure private funds is due wholly or partially to the petition for a vote." He expressed the further opinion "the project was in trouble at the December 10th meeting. The claims made and the time table for completion were amateurish, at best. Supervisor Livermore was the first to call for a public vote at that meeting, December 10, 2009. He was ignored. Many others have written and pleaded for a vote and so the petition should have been no surprise. We've seen a passing parade of consultants. The public didn't choose them and the public didn't change them. We've heard speech after speech and read article after article, even as late as this morning. It's *ad nauseam*." Mr. Kittess advised of having "kept close tabs on the project and several months passed from P3's February 17, 2011 presentation before we even knew that P3, the Nugget's chosen developer, had been dismissed. At the August 8, 2011 advisory meeting and again at your meeting on September 15th, we heard the new HK Architects presentation. So, when Dr. Paslov says, 'It's been vetted,' it was a new project and it wasn't vetted ... At that H&K presentation was a $4 million auditorium added to the library. That was brand new. That wasn't discussed the two years prior. The parking structure increased $5,000 per space since P3, a fairly knowledgeable company, just seven months earlier. It went up ... a couple million dollars in seven months. Four and a half months passed since that September meeting and there was no progress report from our City Manager, from the architect, from the fund raisers, until the petition proponents had had enough and, in February, started the petition. ... in September, it was a $24 million project. That's a cash price; that doesn't include the finance costs. Then we just read it was $28 million when the parking structure had been deleted and the land is donated so it went up $4 million cash price, not including financing. If you propose a bond issue, will that meet the Mayor's wish to be able to walk away from it? If you decide to put the ballot measure on, we'll finally get all of the facts, the latest complete plan, the whole truth and nothing but the truth and it'll be memorialized in writing."

(2:42:16) In reference to a meeting held "toward the end of last year," Gil Yanuck advised of having heard comments that "we're not going to have a sales increase. We're going to pay for this because we just raised the fees at the City dump. That's where we're going to get the money to pay this. And, all of a sudden, that's forgotten it seems like because the City needs the money for operating the City rather than funding its share of this knowledge center project." Mayor Crowell expressed understanding, and explained the landfill fees were not to be allocated until 2016. "That's when the first lease payments would be made." Mayor Crowell acknowledged that landfill fees were increased, and advised they were to be used for the Recology Center. "And then we thought that maybe a higher priority was the City Center. In the

meantime, what's happened is that the economy has taken a further dive or never come back up like we expected it. So those landfill fees are being used for general fund." Mayor Crowell advised of having had no qualms over walking away from the project if the funding wasn't going to be available in 2016. Discussion followed, and Mr. Yanuck expressed concern that the project seems to have changed several times. He expressed support for the concept, and concern that it hasn't yet been tied down. In response to a question, Mayor Crowell explained that the $21 million "was there on a no-debt proposal. If we're going to ... build it as a public works project, the $5 million is going to be used for development of a parking garage." In response to a further question, Mayor Crowell advised that the parking garage will be constructed with private funding. He responded to additional questions of clarification, and expressed concern over the ballot question. He expressed the belief that it "is insufficient to alert people to what's really going on because it speaks in generalities." Mr. Yanuck discussed the importance of distilling the project into a comprehensive question.

(2:55:37) Jim Bagwell assumed that the "1/4-cent question is going to be on the ballot. With that in mind, how much it will bring in ... is a little bit nebulous because we're in a down economy. If the economy improves, it's going to bring in a lot more." "If this 1/4-cent sales tax raises ... $1 million a year right now ... and our economy gets a lot better and it jumps to $1.5 million, since I'm so sure it's going to be on the ballot, [he] ... asked that all of the money that's generated by this go toward paying the debt down. Ms. Jones had indicated that she could operate this facility without any new people, without any more money and so ... we ought to tie this thing down real firmly when it comes to money. And, when we pay that debt off, unlike other communities and even ours, on occasion, when it's time to sunset the 1/4-cent, let's sunset it and be done with it. ... And I think we need to have some real hard rules ... in place if we do this and the public supports it that ties it down to where we're not going to be, thirty years from now, still paying 1/4-cent and it's going into the general fund to be used for operations and then, at the end of that thirty years, all of a sudden we're in crisis mode again for our kids. ... Whatever we do, it's got to be fiscally responsible." He expressed concern over apparent "sleights of hand," and expressed concern "this will continue to evolve if our economy gets better ..." He requested to "tie it down specifically."

In response to a question, Mr. Werner advised that, if the 1/4-cent sales tax increase passes, it can be used for construction and operations for the project. He acknowledged that accuracy of Mr. Bagwell's statement in that, once the debt is paid if the 1/4-cent sales tax does not sunset, it continues to generate sales tax. At that point, though you still have to use it for the project, "it could go for thirty years."

(3:02:30) Ward 2 Supervisor candidate Dennis Johnson thanked the Board of Supervisors and the Library Board for "at least getting this to this point to have a discussion about a ballot issue." He related citizen comments received as he gathered signatures for the petition. He respectfully suggested "that you, in fact, do define something very clear; exactly what it is, what's going to get paid for, and who's going to run the show. The big question marks are what have offended so many people out there." In response to a question, Mayor Crowell provided background information on the reason the 1/8-cent sales tax increase was removed from consideration. Mr. Johnson discussed concerns relative to the economy, and Mayor Crowell discussed his preference for the no-debt proposal. In consideration of the deed offered by Mr. Neighbors, Mr. Johnson expressed concern over environmental assessments. Supervisor Aldean expressed a preference to escrow the $5 million with a title company "because eventually the land is going to have to transfer from the Mae Adams Foundation to the City ... And, as part of that escrow process, ... we would do at least a phase one [environmental assessment] if not a phase two depending upon prior uses." Supervisor Aldean suggested that the deed would be handled like a standard land transaction. In response

to a comment, she reiterated the suggestion to escrow the $5 million with a third party. In reference to comments made at a December 2009 meeting, Mr. Johnson expressed support for the concept and for providing for the ballot question.

(3:09:36) Don Thayer urged the Board to "put something specific on the ballot."

(3:10:21) Ward 2 Supervisor candidate Maurice White expressed the opinion "this project is simply inappropriate. It interferes with private business and it duplicates facilities that already exist in this community. ... We had quite a discussion this morning about the difficulties this community is having meeting its legal obligations in the budget. Now you are proposing to create more debt. I find that to be very inappropriate."

(3:11:24) Carol Howell inquired as to whether the Board will be bound by the results of the ballot question. Following discussion, Supervisor Aldean suggested Ms. Howell's question was relative to the imposition of a 1/4-cent sales tax. "If people vote against it, the question is whether or not they're voting against the imposition of that 1/4-cent sales tax or voting against the project in any iteration." Ms. Howell acknowledged the accuracy of Supervisor Aldean's interpretation. Supervisor Aldean acknowledged the associated ambiguity. "If the wording of the current petition, if that makes its way onto the ballot as a question and it says no public funding shall be used on the City Center project without a vote of the people and it fails, but the 1/4-cent fails as well, then, what they're saying is, we don't like what you're proposing as a funding mechanism but ... we don't dislike the project." Ms. Howell expressed concern that a similar situation to the V&T Railway reconstruction will be created. "The people voted against it. The Board went ahead with it." Mayor Crowell clarified that the V&T Railway reconstruction project was an advisory question. He assured Ms. Howell that "[he's] not going down that road." Discussion followed regarding the possible outcome of the ballot question. Supervisor Aldean expressed the opinion that "it's a lot more complex than just a simple public works project. We've done a myriad of those and very successfully. Our new jail complex is an example of that." Supervisor Aldean expressed the further opinion, "There is an attempt ... to simplify this in such a way that people understand what the project is and, as people have testified previously, 'we need a lot of specificity.' There was a lot of specificity in ... Question #18; list of projects. ... we need to follow that example."

Mr. Rombardo acknowledged that sufficient signatures on the initiative petition brings it to the Board of Supervisors for consideration of an ordinance. In response to a series of questions, he suggested that the issue is "whether or not the vote of the 1/4-cent sales tax really has to do with the project. Because some people may say, 'Don't tax me, but I want to go forward with the project.'" In response to a further question, he expressed the opinion that the initiative petition is not supplanted by the 1/4-cent sales tax question being placed on the ballot. He offered to research the matter further.

(3:18:13) Mr. Kittess expressed the opinion "the petitioners only want to do it once. Their initiative would live. You could have a 1/4 percent, it's voted down and then you'd come back with another one or you come up with some other idea. The petition, it doesn't get approved without a vote of the people whatever your plan is."

(3:18:47) Lori Bagwell suggested "that [the Board] would potentially be directing staff to come up with a ballot question and maybe you would let [Mr. Werner] and his staff work with the petition group for us to jointly develop that question so that there can be one, good, solid question on the ballot that we all agree with and we work together as the team to develop that." Mayor Crowell expressed support for the suggestion, and Mr. Werner expressed no opposition.

(3:20:22) Ward 4 Supervisor candidate Amy Clemens expressed appreciation for the discussion. In response to a question, Mr. Glover explained the process associated with serving on the committee to write in favor and against the ballot question. He discussed the importance of timing relative to getting the question on the November ballot. He advised that the application to serve will be available on the Clerk's Office website. "But we need the question first to know whether you're in favor or in opposition to that."

(3:22:22) Former Supervisor and current Library Board of Trustees member Robin Williamson advised that the Library Board of Trustees voted unanimously to request the Board of Supervisors to put the issue of the knowledge and discovery center on the ballot. The Library Foundation also voted in favor of putting this issue on the ballot. Ms. Williamson read prepared remarks from Library Director Sara Jones into the record, and advised that "we, of the community, look forward to working with the Board of Supervisors in getting a successful outcome of any ballot issue so that we can move forward with this wonderful investment in our community and our downtown." In response to a question, Ms. Williamson advised that the issue of the knowledge and discovery center "means the building that we talked about and the plaza." In response to a further question, she advised there was no formal vote relative to the funding source. She acknowledged the desire for operation and maintenance funds, and suggested that the Board can direct the City Manager to bring forward proposals. Supervisor McKenna expressed a desire to "refine this thing down to where we could have something to present to people so they wouldn't rehash what happened in the past or ask questions as to what's going to happen in the future. We would have a nice proposal that says, we are going to do x, y, and z, but not p, q, and r, and do you vote yes or do you vote no. It's time to stop ... defining what this thing is and put a solid proposal out there." Ms. Williamson expressed understanding and sympathy for the time constraints associated with the ballot question. She expressed certainty that "if we don't do some kind of civic investment in our downtown, our tax revenues will continue to decline because we need to do something that shows ... we're proud of Carson City, we believe we're the capital city, and we're going to put some capital in our city to make this a better place. And all of the groups that are supporting the Library are ready to have a busy summer to forward that idea."

(3:26:08) Richard Schneider expressed the opinion that "timing is of the essence." "We've got a quandary that we're probably around 3,500 signatures now is that, once it's filed, we can't withdraw it ... That would be very complicated to blend those two things but if there was something that, between the 12th and the 23rd, that could agree on. ... whatever we're going to do, if it's going to be a group effort, it has to be accomplished between the 12th and the 23rd."

(3:27:26) Dan Leck expressed agreement "with all the statements here," and expressed concern over "the detail." He expressed the belief that "most of what has been discussed today has been in generalities. When we're talking about the 1/4-cent increase in the sales tax and how much money that's going to generate, the problem that I see is I, as a voter, do not know what that's going to be applied ... towards. For example, on the agenda item, ... the items listed for this time slot was basically all the information that was approved ... in the August 2011 meeting. There's nothing of any of the changes. Mr. Werner spoke earlier about cost revisions on the library, on the fountain. Now, we've been told that the parking garages have been eliminated, that they're going to be built by private funds. I'd like to see the specific costs that Mr. Werner was talking about, the changes that have been made with what the anticipated 1/4-cent revenue is. Those specifics have not been provided and I ... find it difficult that you're going to make a decision on this without knowing those."

(3:29:58) Thomas Gibbons congratulated "all those who've made an effort to try to bring this to clarity," and expressed support for Mr. Leck's comments. He suggested that "at least ... going forth with the petition has reduced some of the potential risk and liability to the potential taxpayers, whether they be through sales

tax ..." He expressed appreciation "this has nothing to do with the property tax because I would be very opposed to it at this time ..." He discussed the importance of "something for the downtown, ... of explaining the breakout on the financing." He expressed the opinion that "those that have spoken from the petitioners' standpoint ... to be concerned about how we're going to pay for this is important." He acknowledged the time constraint, and expressed appreciation for the Board's involvement.

(3:32:14) Library Board of Trustees President Sandy Foley provided background information on her involvement in reviewing the project. She discussed the theme of the book *Something of Value* to not "tear something down without having something of value to put in its place." She expressed the firm belief "that we have a project that will provide something of value to this community and, if we don't do it," she expressed concern "this community is going to be stagnant at best." She proposed "that we, as the Library Board of Trustees, meet with ... the Board of Supervisors and come up with as specific, as thorough a language as we can come up with for the initiative that goes on the ballot and that we do this sooner rather than later."

(3:34:26) Jim Bagwell suggested that if the Board of Supervisors and the Library Board of Trustees write the question, "you're going to find people like myself being skeptical and probably against it right up front." He expressed support for his wife's recommendation "in that you include everyone because that's the only way you're going to bring all the different factions together."

Mayor Crowell suggested that staff draft the question and then invite some stakeholders to review it. "The trick is to write a question that's fair to both sides so that people have a good question in front of them that's not slanted one way or the other. The slant can come in the ballot explanation." Mayor Crowell entertained additional public comment and, when none was forthcoming, additional comments or questions of the Board members.

Supervisor Abowd expressed appreciation for the civil discussion from all sides, and agreement with Mayor Crowell that the ballot question needs to be written fairly. She reminded everyone of "the underlying thing that we are all struggling with and dealing with in terms of this community. Carson City has a 12 to 13 percent unemployment rate which does not count the underemployed and those who no longer qualify for unemployment. How does this trickle-down effect work? Well, speaking from the food and beverage industry, sales tax was down 32 percent. Those funds are not there for people to spend and those sales tax dollars are seriously crippling our community. Brad Bonkowski mentioned today ... the fact that we have available industrial property and that will be the source of growth for Carson City. He's right. But, as Steve [Neighbors] has so eloquently put many a time, the knowledge and discovery center provides the toolbox to provide a skilled workforce. That's how we attract business here. That's what will help turn our community around." Supervisor Abowd encouraged the Board to "go forward for the 1/4-cent sales tax ... to fund this because ... it's a regional and a local problem. And it needs to be funded that way, not simply on the backs of our citizens but on a broader scope." She embraced having all sides work together on a fair question "because I don't want to see this issue divide the community anymore."

Mayor Crowell allowed additional public comment. (3:39:09) Ron Orvis expressed amazement over "people in government think[ing] they're smarter than the market." He suggested that if "a competent analyst" had been hired "at the very start of this project, they would have told you not one part of this project made any sense at all. ... And time has borne that out. There's no private money going to touch this project. No way. Not the Nugget's part of it. The Library Board can't raise the money and, quite honestly, I can't believe you're even going to ask us to vote to increase taxes to pay for this."

Mayor Crowell entertained additional Board comments and, when none were forthcoming, a motion. **Supervisor Aldean moved to direct the City Manager to convene a committee of interested parties to draft a ballot question to be brought before the Board for placement on the ballot to finance the design, development, and construction of the new knowledge and discovery center and public plaza, on property to be donated to the City by the Mae B. and Hop Adams Trust, and to increase the sales tax by 1/4 percent for the funding of the knowledge and discovery center and public plaza. Supervisor McKenna seconded the motion.** Mayor Crowell entertained discussion on the motion. Supervisor McKenna expressed uncertainty with regard to whether the 1/4-cent sales tax is too restrictive. He advised he would not "put it on there if he were making that motion simply because it's directive; it leads you down one path when other paths may open up. When you go in for a discussion with people, it's nice to not have a whole lot of walls around you so you can go wherever the discussion takes you. But, then again, obviously, if there's anything in this town that needs to be fleshed out and to become firm, it's this project, this discussion, so let's leave the 1/4-cent in." Mayor Crowell entertained disclosures of the Board members. Mayor Crowell disclosed that he has one brother who is a member of the Friends of the Library and serves on the Library Foundation Board. He advised of having informed the Ethics Commission which approved Mayor Crowell's participation in discussion and action. He further disclosed that he owns property in the downtown redevelopment area. This has also been determined, by the Ethics Commission, to be no conflict. Supervisor Abowd disclosed she owns property in the downtown redevelopment district, and that she served as a member of the Downtown Consortium. The Ethics Commission has determine no conflict with Supervisor's Abowd's participation in discussion and action relative to the subject item. Supervisor Abowd further disclosed that The Greenhouse Project recently received a gift from the Mae B. Adams Trust, but that she does not personally benefit. Mayor Crowell entertained additional disclosures. Supervisor Aldean disclosed that her company owns property in redevelopment area number two. Mayor Crowell entertained additional disclosures and additional discussion on the pending motion. When none was forthcoming, he called for a vote on the pending motion. **Motion carried 5-0.** Mayor Crowell recessed the meeting at 3:44 p.m. and reconvened at 4:02 p.m.

17(B) PRESENTATION OF THE CARSON CITY QUARTERLY BUSINESS REVIEW FOR THE PERIOD ENDING MARCH 31, 2012 - Deferred.

17(C) UPDATE AND STATUS REPORT ON 2011 / 2012 INITIATIVES - Deferred.

17(D) POSSIBLE ACTION TO APPROVE THE REVISED CARSON CITY PERFORMANCE SCORECARD - Deferred.

17(E) POSSIBLE ACTION TO APPROVE THE 2012 / 2013 INITIATIVES TO SUPPORT THE CARSON CITY STRATEGIC PLAN - Deferred.

18. PUBLIC COMMENT (4:02:47) - Mayor Crowell entertained public comment; however, none was forthcoming.

19. ACTION TO ADJOURN (4:04:53) - A motion was made, seconded, and carried unanimously to adjourn the meeting at 4:04 p.m.

The Minutes of the May 17, 2012 Carson City Board of Supervisors meeting are so approved this 21st day of June, 2012.

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ROBERT L. CROWELL, Mayor

ATTEST:

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ALAN GLOVER, Clerk - Recorder