

CARSON CITY BOARD OF SUPERVISORS
Minutes of the June 7, 2001, Meeting
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, June 7, 2001, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko Jon Plank Robin Williamson Pete Livermore Richard S. Staub	Mayor Supervisor, Ward 2 Supervisor, Ward 1 Supervisor, Ward 3 Supervisor, Ward 4
STAFF PRESENT:	John Berkich Alan Glover Al Kramer Steve Kastens Mark Forsberg Bill Callahan Cheryl Adams Raymont Saylo Tony Baker Katherine McLaughlin (B.O.S. 6/7/01 Tape 1-0001)	City Manager Clerk-Recorder Treasurer Parks and Recreation Director Chief Deputy District Attorney Undersheriff Deputy Purchasing Director Sergeant Safety/Loss Control Tech. Recording Secretary

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

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

CITIZENS COMMENTS (1-0018) - Vivian Kuhn, a member of the Concerned Citizens to Save Fuji Park and Fairgrounds, indicated that the group had met with City Manager Berkich. He had promised that any Board of Supervisors meetings regarding the park and fairgrounds would be held in the evening. She asked if the Board would uphold this promise. She then asked if the Board was any closer to agendaizing the issue. Dave Morgan on his "Manager's Report" had indicated that Clear Creek could not be moved. She felt that this meant that the creek and park are now safe. This leaves the focus on the fairgrounds. She asked if this is an accurate statement. Mayor Masayko indicated that the process was moving toward deliberation. A meeting may be held within the next 60 days to finalize the matter. He agreed that the meeting should be during the evening. He could not comment on Mr. Morgan's statements.

Mike Heinz, representing Silver Dollar Car Classic, indicated that the event is on track. It is attracting vehicles from five different western states. Attendance figures were up. The Silver Dollar Car Classic is working with RSVP Executive Director Janice Ayres and will be bring the fireworks to Carson City at Mills Park. Bob Cashell and the Gaming Commission were also participating in the event. This will be the event's seventh year. It will be larger than before. He thanked the Board for waiving the fees. Mayor Masayko encouraged him to wait for the discussion and action on this item. Additional comments were solicited but none given.

1. APPROVAL OF MINUTES - March 15, 2001 (1-0070) - Supervisor Plank moved to approve the Minutes of the Carson City Board of Supervisors meeting of March 15, 2001. Supervisor Livermore seconded the motion. Motion carried 5-0.

2. AGENDA MODIFICATIONS (1-0088) - None.

LIQUOR AND ENTERTAINMENT BOARD (1-0090) - Mayor Masayko recessed the Board of Supervisors session and immediately reconvened the meeting as the Liquor and Entertainment Board. The entire Board was present including Under-sheriff William Callahan, constituting a quorum.

3. TREASURER - Al Kramer

A. ACTION ON AN ASSEMBLY PERMIT WITH WAIVER OF THE \$25 APPLICATION FEE AND \$100 PERMIT FEE FOR ADVOCATES TO END DOMESTIC VIOLENCE, PROMOTER OF TASTE OF DOWNTOWN (1-0094) - Advocates Executive Director Lisa Lee explained that this would be the eighth annual event. It will be held on Saturday, June 18, 2001, between 5:30 p.m. and 8:30 p.m. with music until 12 midnight. Member Williamson moved to approve an assembly permit with waiver of the \$25 application fee and the \$100 permit fee for Advocates to End Domestic Violence, promoter of Taste of Downtown; fiscal impact is \$125; and the liquor fees are not being waived. Following discussion Member Williamson amended her motion to include the fiscal impact includes a waiver of the application fee and permit fees. Chairperson Masayko asked that the record show that the liquor fees were not being waived. Member Plank seconded the motion. Ms. Lee then explained the locations where tickets could be obtained. Tickets are going fast. The public was invited to participate in the event although those without tickets could not participate in tasting the special dishes. The motion to approve the permit with a waiver of the fees was voted and carried 6-0.

B. ACTION ON AN ASSEMBLY PERMIT WITH WAIVER OF THE \$25 APPLICATION FEE AND THE \$100 PERMIT FEE FOR SILVER DOLLAR CAR CLASSICS (1-0148) - Mike Heinz reiterated his previous comments concerning the event and described the plans for a street dance, fireworks, and drive-in movie. He again thanked the Board for the fee waiver. The event is the weekend before the Reno "Hot August Nights". Cruise nights start yesterday. Judie Fisher explained the turnout for cruise nights. They are held on Tuesdays except for the week of Silver Car Classic when it is on Thursday. Member Livermore moved to approve an assembly permit with waiver of the \$25 application fee and the \$100 permit fee for Silver Dollar Car Classics under Carson City Municipal Code 4.28.030 and .050; fiscal impact is an \$80 liquor fee, \$20.90 promoter fee daily, plus a \$2.10 booth per day fee. Supervisor Plank seconded the motion. Motion carried 6-0.

C. ACTION ON A DINING ROOM WITH FULL BAR LIQUOR LICENSE FOR JOSE SANCHEZ, DOING BUSINESS AS EL AGUILA REAL, LOCATED AT 2495 NORTH CARSON STREET (1-0201) - Jose Sanchez assured the Board that he would understand the liquor laws and adequately train his employees in them. Member Callahan noted the favorable Sheriff's Investigative Report. Discussion indicated the dining room is open for business. The liquor sales can commence today. Member Williamson thanked him for staying in Carson City as he had relocated his business from another location in Carson City. Member Williamson moved to approve a dining room with full bar liquor license for Jose Sanchez, doing business as El Aquila Real located at 2495 North Carson Street, under Carson City Municipal Code 4.13 and that the fiscal impact is \$1,000 original new fee, \$500 investigative fee, and \$200 per quarter. Member Livermore seconded the motion. Motion carried 6-0.

BOARD OF SUPERVISORS (1-2054) - There being no other matters for consideration as the Liquor and Entertainment Board, Mayor Masayko adjourned the Liquor and Entertainment Board and immediately reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum.

4. CONSENT AGENDA (1-0260)

4-1. TREASURER - ACTION ON TREASURER'S REPORT FOR THE MONTH OF APRIL 2001

4-2. JUSTICE COURT - ACTION ON THE APPROVAL TO EXTEND THE AGREEMENT FOR COURT CONSULTING SERVICES BETWEEN THE CARSON CITY JUSTICE AND MUNICIPAL

COURTS AND RESOURCE MANAGEMENT, INC., A NEVADA CORPORATION FOR CONSULTING AND PROJECT IMPLEMENTATION SERVICES AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO

4-3. FINANCE - ACTION ON RATIFICATION OF THE EXPENDITURE APPROVAL LISTINGS FOR THE MONTH OF APRIL 2001

4-4. DEVELOPMENT SERVICES - CONTRACTS - ACTION ON REQUEST FOR FINAL PAYMENT FOR GOVERNORS FIELD TEE BALL PARKING LOT PROJECT ON CONTRACT NO. 2000-107 AS SUBMITTED BY DEVELOPMENT SERVICES TO PARAGON ASSOCIATES, INC., P. O. BOX 20130, CARSON CITY, NEVADA 89701, FOR A FINAL PAYMENT AMOUNT OF \$6,033 AND ACCEPT THE CONTRACT SUMMARY AS PRESENTED

4-5. PURCHASING AND CONTRACTS

A. ACTION ON A RESOLUTION AUTHORIZING THE BOARD OF SUPERVISORS TO DETERMINE THAT A 1979 FORD VAN, VIN NO. E15HHEF3452, HAS REACHED THE END OF ITS USEFUL LIFE AND IS THEREBY DONATED TO THE ORMSBY ARC; A NON-PROFIT ORGANIZATION CREATED FOR CHARITABLE PURPOSES AS SET FORTH IN NEVADA REVISED STATUTES 372.3261

B. ACTION ON A RESOLUTION AUTHORIZING THE BOARD OF SUPERVISORS TO DETERMINE THAT MISCELLANEOUS COMPUTER EQUIPMENT, A ZENITH TELEVISION RECEIVER, CRAFTSMAN TOOL BOXES, AND A CURTIS MATHIS TELEVISION HAVE REACHED THE END OF THEIR USEFUL LIVES AND ARE THEREBY DONATED TO AMERICAN RED CROSS; A NON-PROFIT ORGANIZATION CREATED FOR CHARITABLE PURPOSES AS SET FORTH IN NEVADA REVISED STATUTES 372.3261

C. ACTION ON A RESOLUTION AUTHORIZING THE BOARD OF SUPERVISORS TO DETERMINE THAT THE ATTACHED LIST OF 108 PIECES OF MISCELLANEOUS COMPUTER EQUIPMENT AND OTHER MISCELLANEOUS PROPERTY HAVE REACHED THE END OF THEIR USEFUL LIVES AND ARE THEREBY DONATED TO COMPUTER CORPS; A NON-PROFIT ORGANIZATION CREATED FOR CHARITABLE PURPOSES AS SET FORTH IN NEVADA REVISED STATUTES 372.3261

D. ACTION ON A RESOLUTION AUTHORIZING THE BOARD OF SUPERVISORS TO DETERMINE THAT A POLAROID CAMERA, A BUHL OVERHEAD PROJECTOR, AND A PANASONIC VCR HAVE REACHED THE END OF THEIR USEFUL LIVES AND ARE THEREBY DONATED TO FIRST BAPTIST CHURCH OF CARSON CITY; A NON-PROFIT ORGANIZATION CREATED FOR RELIGIOUS PURPOSES AS SET FORTH IN NEVADA REVISED STATUTES 372.3261

E. ACTION ON CONTRACT NO. 0102-002 WITH FORENSIC PATHOLOGY SERVICES, A DIVISION OF SIERRA PATHOLOGY ASSOCIATES, INC., TO PROVIDE FORENSIC PATHOLOGY AUTOPSY SERVICES FOR THE SHERIFF'S DEPARTMENT THROUGH JUNE 30, 2002, FOR A NOT TO EXCEED COST OF \$43,600

F. ACTION ON CONTRACT NO. 0102-007 WITH CDS OF NEVADA, INC., TO BE THE FISCAL YEAR 2001-2002 WORKERS' COMPENSATION CLAIMS ADMINISTRATOR AND TO PROVIDE MANAGED CARE SERVICES THROUGH JUNE 30, 2002 AT A BASE FEE FOR WORKERS COMPENSATION CLAIMS ADMINISTRATOR OF \$16,200 FOR THE FIRST 85 CLAIMS AND AN ADDITIONAL \$190 FOR EACH AND EVERY CLAIM OVER THE INITIAL 85 AND A FEE OF \$165 PER CLAIM FILED FOR MANAGED CARE SERVICES

4-6. COMMUNITY DEVELOPMENT

A. ACTION ON U-97/98-49A - A REQUEST FROM DEBRA SISCO, REPRESENTING THE CAPITAL CHRISTIAN CENTER, TO WAIVE THE SPECIAL USE PERMIT APPLICATION FEES IN ACCORD WITH CARSON CITY MUNICIPAL CODE SECTION 18.02.039

B. ACTION ON H-00/01-15 - A REQUEST FROM DAREN SELBY, PROPERTY OWNER AND APPLICANT, FOR HISTORICAL TAX DEFERMENT ON PROPERTY LOCATED AT 709 SOUTH MINNESOTA STREET, APN 3-106-03 - Supervisor Staub pulled Item 4-5. F. regarding Contract 0102-007 with CDS of Nevada, Inc. for discussion. Supervisor Livermore moved for approval of the Consent Agenda items as presented with the exception of Item 4-5. F. regarding Contract 0102-007 and to reflect action on

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Resolution Numbers 2001-R-25, 2001-R-26, 2001-R-27, and 2001-R-28 as presented. Supervisor Williamson seconded the motion. Motion carried 5-0.

4-5. F. Risk and Safety Control Technician Tony Baker indicated the annual claims history is under the proposed 85 claims. Finance Director David Heath indicated that this is the first year that the City has used managed care. Managed care provides a 15 percent discount for medical services. CDS has a nurse and physician on staff who will review the claim and determine if managed care is warranted. They contact the City before managed care is implemented. CDS has been providing the service. The City is self-insured at this time.

CDS of Nevada Representative Don James explained the firm's role as the administrator over the City's insurance claims and the proposed role over managed care. The treating physician is the individual in charge of the case if managed care is not provided. There is a third party administrator and a claims adjuster involved with unmanaged claims, however, they do not have as much direct control over the medical course of the plan. The providers are many of the same providers for both services but the ones under managed care have been scrutinized and are familiar with occupational medical requirements including the amount of paperwork. The easiest difference to understand between the two programs is the discounted network as it eliminates the need for a second opinion. Legislative acts which implemented and revised the program were explained. Mr. James felt that his agency's network is broad enough to provide timely access to care.

Supervisor Staub then explained his review of the contract which had discovered a number of errors in referencing paragraphs that do not apply to the paragraph referenced and his questions regarding rights of recourse. He requested a continuance to allow him time to resolve some of these issues. Mayor Masayko suggested that the District Attorney's office be included in the discussions. Supervisor Williamson supported his request to continue the matter due to her concern about the affiliation with St. Mary's and a desire to have the employees have access to Carson City physicians and not drive to another community. Mr. James felt that a copy of the directory would satisfy her concern. Mayor Masayko urged Supervisors Williamson and Staub to work with staff on their issues and that the item be reagendaized on the Consent Agenda at the next meeting. He also suggested that a list of providers be included with that packet. Mr. Heath agreed. Supervisor Staub moved to defer action on Consent Agenda Item 4-5. F. to allow time for members of the Board to meet with the District Attorney, Finance, and Risk Management staff to refine the contract between the City and CDS of Nevada, Inc. Supervisor Livermore seconded the motion. Motion carried 5-0.

5. BOARD OF SUPERVISORS

A. MAYOR MASAYKO AND SUPERVISOR WILLIAMSON - ACTION ON MEMO OF UNDERSTANDING BETWEEN CARSON CITY, STATE OF NEVADA COMMISSION ON TOURISM, NEVADA BUILDING AND GROUNDS TO SUPPORT THE CARSON CITY CARILLON AND CLOCK COMMITTEE IN ITS EFFORTS TO MAINTAIN AND OPERATE THE CLOCK AND CARILLON IN THE LAXALT BUILDING LOCATED AT 401 NORTH CARSON STREET IN CARSON CITY, NEVADA (1-0543) - Discussion reviewed the history of the carillon and clock repairs and its operation. Reasons for having the operation and verbal agreement spelled out in writing were provided. The District Attorney's office had reviewed the agreement. The agreement does not commit the City to any financial obligations now or in the future. The repairs and the operation have been done with volunteers and donations. Donations will be sought if repairs are required in the future. The music can be heard inside the Laxalt Building which is a concern to the State and its employees who work in the building. Supervisor Williamson moved to approve the Memorandum of Understanding between Carson City, the State of Nevada Tourism Commission, and the Nevada Buildings and Grounds Association to support the Carson City Carillon and Clock Committee. Following a suggested amendment, Supervisor Williamson amended the motion to include and authorize Supervisor Williamson to sign as the Carson City representative. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. DISCUSSION ON LEGISLATIVE MATTERS (1-0646) - Mayor Masayko reviewed the status of the Nevada Association of Counties (NACO) sponsored bills. AB 606 - the elected officials salary bill has been

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added to the list of bills which will be reconsidered during the special session that is to be called by Governor Guinn. The annual adjustment had been removed. The longevity provision had remained. AB 94 - the readjustment of Clerk fees may also come back as it was approved during the daylight savings time/standard time hour. Legal advise may prevail on it. Tri-County Railway legislative packet was successful overall except for those bills requiring funding. Mr. Berkich indicated that Ms. Walker had been tentatively scheduled to make a comprehensive legislative presentation at the next meeting. Mayor Masayko asked that any bills headed to the special session be discussed at this time so that they could handled appropriately. Consensus indicated that none needed discussion/action on at this time. Mayor Masayko asked that if the other Board members with questions concerning NACO's Legislative Bulletin No. 12 to either contact him or Mr. Hatfield. He then explained AB 92 authorizing County Commissioners to enact ordinances dealing with health, safety and welfare issues. Taxation issues will be raised during the next session. Reapportionment must be undertaken by the Supervisors. This cannot occur until the Legislature finalizes its districts. AB 377 - disproportionate share had passed and will require additional work in two years. Board comments thanked Mr. Berkich, City staff, NACO, its staff, Mary Walker, her staff, and the Legislators who had worked on the City's behalf for their efforts and dedication. Supervisor Livermore highlighted the Hospital's legislative issues that had been signed by the Governor - disproportionate share, the chief of staff being a voting member on the Board of Trustees, physicians' ownership of hospitals. The certificate of need was pulled for constitutional reasons. Supervisor Livermore asked that the appointment of the chief of staff to the Board of Trustees be agendized for the next meeting as the Trustees had unanimously approved the appointment. Mr. Berkich limned an intent to hold a thank you luncheon for the Legislators and the City's delegation.

Clerk-Recorder Alan Glover explained that as the City is now considered a county with a population of over 50,000, the Board is required to appoint committees to establish the pros and cons for ballot questions. A list of bills his office had tracked that Ms. Walker had not tracked will be submitted to the City Manager for inclusion in the report.

Mr. Berkich explained a bill which would have expanded/restricted the Open Meeting Laws that will be included in the comprehensive report by Ms. Walker. Mayor Masayko noted that the third criteria in that bill dealt with the intent to circumvent the law. He felt that the Board would have to monitor the presentations and actions regarding serial meetings. Comments noted that the Legislature is not required to follow the Open Meeting Law. No formal action was required or taken.

D. STAFF COMMENTS AND STATUS REPORTS (1-0895) - Mr. Berkich distributed a memo from Carson-Tahoe Hospital Administrator Ed Epperson to the Board. (A copy was not given to the Clerk.) It purportedly summarized the status of the discussions between Hospital staff and City staff regarding the proposed conversion to a non-profit organization including: the hospital's value; indigent care, disproportionate share (DSH), and the actual agreement itself. The Hospital is also working on establishment of the two boards or committees which will operate the facility. Solicitations will be sent to the community later in the month for individuals to serve on these boards or committees. The by-laws, administrative policies, and articles of incorporation have been drafted. They will be filed with the Secretary of State on June 15. The IRS tax exempt status will be filed shortly thereafter. The hospital's valuation should be forwarded to the City by the Hospital's consultant soon. The City has its own valuation consultant from Dallas, Texas, who will review it. The City also has an accounting firm who will look at the indigent care issue to be sure that the final number is one that has been reviewed and independently developed. The District Attorney's office has associated with a legal firm to assist with drafting the final documents. Chris Thompson has also been retained to assist with the DSH issue. SB 377's two year limit requires reconsideration during the next legislative session. Mr. Waters and Mr. Pavlakis have developed the transfer agreement and will present it to the Board at the first meeting in July. The PERS employee issue has been solved by leasing the employees from the Mount Grant Hospital in Hawthorne.

Mayor Masayko noted that July 5th may be the target date for the transfer agreement, however, all of the issues must be resolved to the Board's satisfaction in order for it to be signed. This is to include his need for an on-going indigent care agreement. Mr. Berkich acknowledged his concern and indicated that indigent care is one issue that

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the City is also concerned about and could be considered the "watershed issue". Mayor Masayko reminded the Board of the discussion at the last meeting with Mr. Hatfield regarding long-term care issues for indigents. Since that time Elko County has also asked for assistance. The fund had been increased from \$300,000 to \$500,000, however, this may not be adequate. Due to the cost of long-term care, even if the maximum tax is levied, there will be little left for indigent medical care. Discussion indicated that the caseload for indigent care has increased dramatically and will continue to grow throughout the State. Mayor Masayko referenced a Wall Street Journal article advising individuals of how to move assets to qualify for Medicaid. He asked Mr. Berkich to circulate a copy of this article to the Board and to add it to the legislative study agenda. Mr. Berkich agreed and stressed the importance to address the tax structure and long-term care in the next legislative session.

Supervisor Livermore reminded the Board of the census figures which indicated Carson City is ranked number one with the most indigent nursing home residents. This trend can only worsen as the baby boomers age. He, too, felt that the tax structure needed revision. He was not surprised to find that other Counties were having difficulty meeting their long-term care costs. One or two other Counties may be following Elko. He thanked Mr. Berkich for hiring the three consultants. The Hospital had always felt that the City should hire consultants to assist in the decision-making. This was the reason that the Hospital had made funds available. He was not sure that the agreement would be signed on July 5th, however, the agreement should be discussed and agendaized for that meeting as it will provide an opportunity for the Boards to meet and discuss the agreement to ensure that the direction is appropriate and the terms are understandable. No formal action was required or taken.

C. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-1166) - Supervisor reports included the following meetings/activities:

Supervisor Plank - his involvement with his former employer regarding a review of RFPs for a project; Park and Recreation Commission; TRPA Governing Board; Farm Days at Fuji Park; Supervisor Staub and RTC staff on transit issues; Open Space Manager Juan Guzman, Parks and Recreation Director Steve Kastens, Parks Planner Verne Krahn, and the Architect regarding open space and the monument for the Moffett property; Mayor Masayko, Andrew Burnham, and Dr. Parker at the eastern portal; Park Superintendent Scott Fahrenbruch at the Carson Sertoma Club; TRPA Local Government Committee; Supervisor Williamson, the City Manager and others regarding replacement locations for the fairgrounds; Mayor Masayko at the Vietnam Veterans Reflections Award Banquet; and an equipment "rodeo" at the Pony Express Pavilion. Supervisor Williamson - Carson River Advisory Committee's canoe trip down the Carson River; Carson Community Access and Nevada Appeal Community Awards luncheon; a "Leading Effective Meetings" workshop; Mayor Masayko and the Cooperative Extension's Farm Days at Fuji Park; Wild West Tour; Clear Creek and its health; Supervisor Livermore and Mr. Berkich on a Carson Water Subconservancy District and the U.S. Forest Service field trip on Highway 50 erosion issues; Carson High School Biology Class presentations on Carson River and the Ambrose Carson Nature Area and River Walk; Western Nevada Development District Executive Board; tree planting for Speaker Emeritus Joe Dini; Redevelopment District projects; Redevelopment Authority Citizens Committee; and "Lessons on Leadership" presentation. Supervisor Staub - Airport Open House; Supervisor Livermore, Undersheriff Callahan, and Lt. Saylo regarding the liquor licensing process and investigation program; Supervisor Plank, Development Engineering Director Andrew Burnham, and Street Operations Manager John Flansberg and two individuals from Washoe County RTC regarding PRIDE, its future and their offer to assist the City in developing its transit system; Mayor Masayko at the Builders Association of Western Nevada's golf tournament; Tom Metcalf regarding the status of the Sierra Room renovations; and an interview with Dave Morgan. Supervisor Livermore and Mayor Masayko's reports were deferred until 11:30 p.m. (At 12:30 p.m. they were again deferred until 3:30 p.m. At 5:30 p.m. they were deferred until the next meeting.)

Announcements included a meeting regarding the One Stop Shop; the June 15 "One Region" summit; the June 26 the walking tour along the freeway that was scheduled for 6 p.m.; Carson High School's graduation on Saturday.

Supervisor Plank also explained the feedback he had received that developers are trying to get Washoe and Douglas Counties to follow Carson City's lead on the One Stop Shop. He then thanked Chief Building Official

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Herrington for attending the Nevada TRPA Governing Board meeting for him and Mr. Herrington and Community Development Director Walter Sullivan for handling a complaint he had received regarding construction at "some funny hours" north of the Hospital on Mountain Street.

BREAK: A recess was declared at 10:05 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:12 a.m., constituting a quorum.

6. FINANCE - Director David Heath - ORDINANCE - SECOND READING - ACTION TO APPROVE BILL NO. 108 - AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, DESIGNATED BY THE SHORT TITLE "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2001," FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING CERTAIN PUBLIC PROJECTS; AUTHORIZING AND DIRECTING THAT THE CITY SHALL EFFECT SUCH PROJECTS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO (1-1558) -

Mr. Heath indicated the Senior Citizens Center expansion project will cost \$1.8 million and require a 17 year repayment plan. Redevelopment needs \$2.1 million and the Landfill needs \$900,000 for equipment. The proposal to refund some bonds may not occur as interest

rates have not moved enough to warrant the expenses. Not all of the Redevelopment bonds are eligible for refunding at this time. Mayor Masayko stated for the record that he had not received any public comment on the bill. Bond Counsellor Jennifer Stern explained the public hearing process and a legislative bill which had modified the hearing process for bonds. This change mandates a second hearing when the interest rate, the actual loan amount, and the loan terms are established. The Board and the Redevelopment Authority will also have to adopt a loan agreement between the City and Redevelopment. Mayor Masayko then opened the public hearing portion and called for comments. None were given. The public hearing was then closed. Supervisor Williamson then moved to adopt Ordinance No. 2001-7 on second reading, AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, DESIGNATED BY THE SHORT TITLE "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2001," FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING CERTAIN PUBLIC PROJECTS; AUTHORIZING AND DIRECTING THAT THE CITY SHALL EFFECT SUCH PROJECTS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO. Supervisor Plank seconded the motion. Comments were solicited but none given. The motion was voted and carried 5-0.

7. CARSON CITY COMMUNITY TRANSPORTATION - STATUS REPORT ON TRANSIT OPERATIONS (1-1687) - General Manager Marc Reynolds used the overhead project to display slides illustrating his report. (A copy is in the file.) Discussion explored the reasons for the fluctuation in disabled ridership; the PRIDE ridership; the operational hours and the impact it has on the average passengers per hour graph; and the lack of complaints regarding the operation. Mr. Reynolds explained the need to have a Carson City representative assigned to the Northwestern Nevada Regional Transit Coalition. He then summarized the Public Transit Advisory Committee's activities.

Finance Director David Heath felt that the operation would come in at budget unless the grant proceeds and the PRIDE reimbursements are not received in a timely manner. This may require a short-term loan from the General Fund. He hoped to report to the Board at the next meeting about the status of the account. Mr. Berkich explained that staff is working on a contract extension for Paratransit for the following year. Next year he proposed to seek bids as part of the MPO process.

Mr. Reynolds then explained the vehicle condition report. The mileage for some of the vehicles was felt to be rather extreme. NDOT is replacing only one vehicle a year. This means that the entire fleet is replaced only once every eight years. This is not adequate with the mileage required for the vehicles. He hoped that the MPO could provide additional funds for capital acquisition. Mayor Masayko agreed that the \$300,000 could be used for either capital acquisition or subsidized rides. The City may lose some of the funds from 5310 but, hopefully, there are other resources available to replace that loss. Discussion explained the vehicle maintenance schedule. Board comments complimented Mr. Reynolds and Matt Konze on the service. Discussion explained the customer relations desk at the Senior Center. Public comments were solicited but none given. No formal action was required or taken.

REDEVELOPMENT AUTHORITY (1-2020) - Mayor Masayko then recessed the Board of Supervisors session and passed the gavel to Chairperson Williamson who immediately reconvened the session as the Redevelopment Authority. For Minutes of the Redevelopment Authority, see its folder.

BOARD OF SUPERVISORS (1-2258) - Following adjournment of the Redevelopment Authority, Mayor Masayko reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

8. REDEVELOPMENT DIRECTOR - Rob Joiner - ACTION REGARDING A RECOMMENDATION FROM THE REDEVELOPMENT AUTHORITY CITIZENS COMMITTEE TO REGULATE WITH APPROPRIATE CONTROL DEVICES THE PARKING OF VEHICLES ON WEST TELEGRAPH STREET BETWEEN NORTH CURRY STREET AND NEVADA STREET ON A TWO HOUR BASIS

PURSUANT TO CARSON CITY MUNICIPAL CODE SECTION 10.24.210 EXCEPTING FROM THE TWO HOUR PARKING REGULATION THE EXISTING LOADING ZONE (1-2260) - Supervisor Williamson moved to approve the regulation parking of vehicles with appropriate traffic controls on West Telegraph Street between North Curry and North Nevada Street on a two hour basis pursuant to Carson City Municipal Code Section 10.24.210 excepting therefrom the existing loading zone. Supervisor Plank seconded the motion. Motion carried 5-0.

9. NEVADA DEPARTMENT OF TRANSPORTATION - Director Thomas Stephens - **ACTION ON APPROVAL OF THE NEVADA DEPARTMENT OF TRANSPORTATION'S PROPOSED PROJECTS FOR FISCAL YEARS 2002-2004 AND LONG RANGE LIST OF PROJECTS FOR CARSON CITY (1-2278)** - Discussion between Mr. Stephens and the Board included the status of Phase 1B for the freeway, its budget of \$115,000,000, the schedule for acquiring property from Mrs. Lompa, the impact failure to acquire the property will have on the freeway schedule, and challenges facing the southern terminus; the bridge scheduled for replacement--Deer Run Road or Brunswick Canyon--which Mr. Stephens agreed to discuss with Mr. Berkich; the reasons for listing Phase 2 for the freeway; cooperative support for the City's funding request from Congress; reasons enhancement funds had not been sought for the freeway; the restriping plan for South Carson Street and thanked Coy Peacock for his effort to keep the City apprised about this program; the term "long range element" and the request that a date be added to Phase 2 of the freeway; and the Las Vegas' beltway program and its funding source. Mr. Stephens introduced his staff members who were present. Federal Highways Administration Representative John Price was also in attendance. Mr. Stephens also explained his turnover rate and noted the impact it has had on his workload and projects. Assistance provided by the Legislature to address the turnover was noted. Board comments thanked Mr. Stephens for the cooperation experienced with his staff and for assigning Mr. Gallegos to the freeway. Public comments were solicited but none given. Handouts were given to the Board and Clerk. (A copy is in the file--Nevada map, Nevada Centerline and NDOT News newsletters, and NDOT booklet Facts and Figures January 2001. Supervisor Plank moved for approval of the Department of Transportation's proposed projects for the fiscal year 2002 to 2004 and the long-range list for the projects for Carson City. Supervisor Williamson seconded the motion. Motion carried 5-0.

10. PARKS AND RECREATION DIRECTOR - Steve Kastens

A. ACTION TO APPROVE AND SWEAR-IN MR. STEVE JOHNSON OF JOHNSON PERKINS AND ASSOCIATES, INC., AS THE APPRAISER FOR CARSON CITY WITH REGARD TO THE APPRAISAL OF PROPERTY OWNED BY THE BERNHARD FAMILY TRUST TO BE PURCHASED BY CARSON CITY FOR THE PURPOSE OF OPEN SPACE (1-2900) - Steve Johnson, Chief Deputy District Attorney Mark Forsberg - Discussion indicated that the report is to be submitted with the following item. Public comments were solicited but none given. Mr. Johnson's background was included in the packet. Supervisor Plank moved to approve the swearing-in of Mr. Steve Johnson of Johnson-Perkins as Associates, Inc., as the appraiser for Carson City with regard to the appraisal of property owned by the Bernhard Family Trust to be purchased by Carson City for purpose of Open Space. Supervisor Williamson seconded the motion. Supervisor Plank continued his motion to include the fiscal impact of \$8500. Supervisor Williamson concurred. Reasons for requiring the swearing-in were noted. Discussion noted that the swearing-in had not been required for other appraisers but may be in the future. It was felt that Carson City is the only public entity in the State that is doing the swearing-in. The motion was voted and carried 5-0. Mayor Masayko then swore in Mr. Johnson.

B. ACTION TO APPROVE THE FEE SIMPLE PURCHASE OF TWO ALEXANDER BERNHARDT PROPERTIES LOCATED AT CARSON RIVER ROAD, HIDDEN MEADOWS ESTATE UNIT NO. 3, TOTALING 61.5 ACRES, APNS 10-072-08 AND 09, FOR A NOT TO EXCEED APPRAISED FAIR MARKET VALUE (1-3020) - Open Space Manager Juan Guzman, BLM Associate Field Manager and Acting Field Manager Elaine Briggs, Open Space Advisory Committee Chairperson Steve Hartman, Steve Johnson - Chairperson Hartman explained the Committee's review of the site and desire to have it. As Mr. Bernhardt had indicated a willingness to sell the property to the Committee/BLM, BLM District Manager John Singlaub

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requested the Committee attempt to acquire the property. The acquisition is in line with the Committee's purpose. Funding for the acquisition is available. The water tank must be constructed on the site due to the community needs. Future mitigation measures will address its impact on the aesthetics.

Board comments questioned the reasons BLM had waited so long to voice its desire to have the property and its timing. The Board's decision approving the tentative and final subdivision maps for the site had been made at a public hearing. Chairperson Hartman explained the Committee's criteria to work with willing sellers and urgency in the acquisition. The Committee had previously supported acquisition of a parcel in the vicinity of this site due to the hillside view. The Prison Hill and Mexican Ditch areas had also been discussed. He acknowledged the concern and indicated the Committee's desire to have been involved earlier in the process. Although the Open Space goals remain, the financial impact due to the map approvals needed to be considered in the appraisal. If negotiations had occurred earlier in the process, the price may have been less and other incentives could not be considered at this late date as Mr. Bernard has ready begun construction. Incentives had been used on the Moffett and Silver Oak parcels. The aesthetic value would have been lost if more work had occurred on the hillside. Mayor Masayko also pointed out for the record that the site is on the east side of Prison Hill. Ninety-five percent of the Carson City residents never see that side of the hill unless they are on Carson River Road. Other reasons for BLM's desire to have the hillside and the criteria evaluated by the Committee in reaching a supportive conclusion were noted. The Committee does not have condemnation powers. A willing seller and buyer are required. The water tank issue had increased the property value from \$875,000 to \$1 million. The acquisition price does not provide information regarding ownership and cost sharing for the tank. Mr. Guzman indicated that the water tank may be constructed further north and closer to the subdivision than the original site. It will cost more for Mr. Bernhardt to move the tank to the proposed site than the original site. Board comments indicated that Mr. Singlaub's letter does not indicate that BLM will guarantee reimbursement to Open Space for the acquisition. Open Space was still willing to commit the funding and await the funding return by BLM even though it may take a long time based on the Silver Saddle experience. Supervisor Livermore explained his understanding of BLM's decision making process which may take several years. He was also concerned about the impact of the acquisition on the Committee's ability to consider other sites. The parcel had been placed on top of the list of desired properties due to the urgency created by the development potential.

Supervisor Williamson pointed out and thanked Mr. Bernhardt for his cooperation and support of other Open Space projects. Her support for the Committee's decision was explained. BLM's reimbursement of the acquisition funds will allow the Committee to take on other local projects. She also pointed out that there are other ways the Committee may get the funds back from BLM besides in cash. Chairperson Hartman pointed out that Mr. Bernhardt's cooperation on other Open Space sites leads him to believe that it had been a lack of communication and not an effort to obtain more funding. He agreed that the Committee should enter acquisition discussions earlier in the process.

Supervisor Staub voiced his support for the acquisition although he was concerned about the timing of the decision to sell and the driving force behind the acquisition--open space or BLM. Open Space had not considered the parcel as the tentative map had already been approved. The Committee had also been involved with acquisition of other parcels. The lack of a full-time staff person may have played a role in overlooking the site. Reasons BLM became involved at the last minute were limned. Chairperson Hartman indicated there are a lot of other parcels which need to be acquired posthaste. Examples were provided by Mr. Guzman. Supervisor Staub expressed his concern that the Open Space Committee is comfortable with the acquisition as BLM may never have the funds to reimburse the Committee. Chairperson Hartman indicated that the Committee understood his concern and would have acquired it regardless of BLM's involvement. The Committee will work with BLM and attempt to be reimbursed although repayment may not be in cash.

Supervisor Plank disclosed his discussion with Mr. Bernhardt about the sale. If condemnation had been used, Mr. Bernhardt would have received a tax benefit. He may be eligible for one if BLM expresses its desire to have the property. Mr. Guzman indicated that on advice from the City's legal counsel, this avenue had been abandoned. Chairperson Hartman supported his comments regarding not pursuing this avenue. Comments also pointed out that if Mr. Bernhardt had developed the property, he may have made more money than working with the

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Committee and BLM. Mayor Masayko expressed for the record his feeling that the calculations related to the tax laws were different from those presented by Mr. Johnson. Supervisor Livermore felt that BLM had not actively attempted to acquire the property due to its belief that Mr. Bernhardt would never complete the entire project. He suggested that the Committee discuss with BLM other "similar surprises" and the Committee's sensitivity calculations. He objected to "bailing BLM out of projects". He emphasized previous statements that the developer was "not having the City". The acquisition does fit within the criteria given to the electorate regarding Question 18. Chairperson Hartman explained discussions between the Committee and BLM regarding BLM properties in the community. He agreed with the desire to begin the acquisition process earlier than had occurred in this case. Board comments urged the Committee and Mr. Guzman to use whatever resources it has to obtain reimbursement from BLM.

Ms. Briggs acknowledged the intent to add the property to the list for funding under the Southern Nevada Public Land Management Act during its next funding cycle. The City's participation and cooperation will help bring the property to the top of the list. It meets the required criteria for consideration. Mayor Masayko agreed to send written support explaining the "handshake agreement" even though the urgency will be removed by the time the funding cycle is reached. Ms. Briggs indicated that there is no guarantee that funding will be obtained and noted the other funding requests. Mayor Masayko pointed out that some of these parcels are owned by individuals who are not willing sellers. They should be advised that we are interested if they change their minds. Supervisor Plank pointed out that the funds would have generated interest income if they had not been spent. BLM should reimburse these lost funds, particularly if it takes a long time for the reimbursement to occur.

Discussion between Mayor Masayko and Mr. Johnson indicated that the property's estimated value without the tank would be \$15,000 to \$20,000 per acre. The tank makes the value \$30,000 per acre. Mayor Masayko then expressed his feeling that the 30 homes proposed for the property will be constructed elsewhere in the community. The tax loss should not be allowed as the building rights will be transferred out of the County. Mr. Johnson agreed that this may be possible in the short term. He also agreed that they would not be transferred "ultimately". Mayor Masayko then described his calculations regarding the loss in ad valorem taxes over a 50 year period--an estimated \$1.1 million. Mr. Johnson felt that this was close to his calculations of \$1.074 million for a 50 year period. Mayor Masayko expressed his desire to have this information made a part of the record as this is a big impact to the City and its revenue needs. The acquisition should have occurred prior to the tentative map stage. The loss of homes does create an ultimate impact on the community and its revenue stream. Discussion then pointed out the impact Open Space's acquisition would have on the value of the property. Mr. Johnson agreed that the subdivision map and zoning should remain on the property until BLM acquires it. He also pointed out that the water tank will service a wide area and its financial impact on the value of those sites. Mr. Guzman explained his contact with the Assessor's office indicated that the highest and best use are considered in his appraisal process. Mr. Johnson pointed out that it may be possible with the decreasing amount of developable property in the community and the continued high market demand for sites that the property may increase in value. Discussion indicated that the City could not dispose of the property once Open Space funds have acquired it. Mr. Johnson felt that the ownership should not influence the property value. Mayor Masayko felt that this issue is one that could not be considered as agendaized. He directed staff to not act to remove the land use designation or remove the final map until after BLM has acted. Mr. Hartman expressed his feeling that the appraisal must be based on highest and best use of the property. The zoning and use designations are functions of the master plan. The Committee and the community want the property regardless of these factors. A redevelopment effort will commence once the land for new development becomes too expensive or difficult to acquire. This redevelopment will force a change in the community's life style. Mayor Masayko thanked Mr. Hartman and Mr. Johnson for their input. He then thanked Mr. Bernhardt for his flexibility and willingness to work with the community in its best interest. Comments had noted his interest, support of the community, willingness to look beyond the box, and patience throughout the process. Public comments were solicited but none given.

(2-0854) Supervisor Williamson moved to approve the fee simple purchase of two Alexander Bernhard properties located at Carson River Road, Hidden Meadows Estate Unit No. 3, totaling 61.5 acres, Assessor's Parcel Numbers 10-072-08 and 09, for a not to exceed appraised fair market value; the fiscal impact is up to \$1 million plus miscellaneous closing and transfer costs; and the funding source is the Quality of Life Initiation Open Space.

Supervisor Plank seconded the motion. Mayor Masayko noted that this would be the City's offer and that an offer had not been made. The Board was working from the appraisal which becomes the Board's offer. Supervisor Livermore indicated his understanding of the testimony which had been given during the discussion was that BLM is going to make Carson City whole at a later date. Although he was not suggesting an amendment to the motion, he questioned whether this is the Board's understanding. He did not wish to amend the motion. Mayor Masayko subscribed to his comments and noted that there is no way that the Board can cause this to occur. He would have questioned whomever the BLM representatives may have been had they been present in an effort to obtain a commitment regarding this. Supervisor Williamson indicated that she would not amend the motion but felt that the Board should direct City staff and the Open Space Committee to continue to work with BLM to make the City whole again. This could be through a trade, a check, or whatever. They should understand that we helped them out and will expect them to help us out. Mayor Masayko also felt that the process regarding the expectations from BLM should be conducted in public so the public will know what BLM's responses are. BLM should be held accountable to the public and follow through on its word. He also indicated that he would vote in favor of the motion but, again, it would be done reluctantly. Another request like this one would not occur with his vote. This is a rough start and should be given one chance. The second one should be a little further ahead than this one had been. Supervisor Staub indicated that he agreed with both Mayor Masayko's and Supervisor Livermore's comments. The motion to approve the fee simple purchase of 61.5 acres from Al Bernard for property located at Carson River Road, Hidden Meadows Estate Unit No. 3, APNS 10-072-08 and 09, for the not to exceed appraised fair market value was voted and carried 5-0.

11. BOARD OF SUPERVISORS - CONTINUATION OF NON-ACTION ITEMS (2-0917) - Deferred until 3:30 p.m.

BREAK: A lunch recess was declared at 12:30 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:38 p.m., constituting a quorum.

12. PERSONNEL AND HUMAN RESOURCES

A. ACTION TO RENEW MEDICAL, RX, AND VISION PLANS WITH HOMETOWN HEALTH PLAN, AND ACTION TO RENEW DENTAL, LIFE AND AD&D BENEFITS WITH STANDARD INSURANCE COMPANY (2-0925) - Personnel Manager Judie Fisher, Consultant Katherine Crispel, Employee Benefits Coordinator Gayle McCulloch, City Manager John Berkich, Allan Christianson - Ms. Crispel's role was described. The insurance team's composition and role were limned. The tight insurance market and the City's high loss and claims experience were described. The insurance group is 550 employees plus the 120 retirees. The impact of medical inflation on the premium, the alternatives, the catastrophic insurance coverage costs, the lack of quotes for medical coverage, HHP's membership loss, St. Mary's program, the original renewal rates, and the successful efforts to reduce the rates were delineated. Discussion suggested that the cafeteria plan be "unbundled" in the future to provide choices. The team will commence work on next year's program in July. The insurance coverage will cost the City approximately \$3 million for employees only and a \$25 subsidy for each retiree. The average cost per employee is \$1250. The insurance premium part of the Human Resource Department's budget was questioned. The insurance rate had increased almost 50 percent during the last two years. Ms. Crispel felt that the HHP rates next year, if the City's claims "settle down", would be in the trend area and not jump so much.

Supervisor Livermore explained the Hospital's insurance program and questioned the reasons it had not been contacted regarding its program or to seek assistance in reviewing the options. He also expressed his hope that the premiums could be retained within the City and not sent to Washoe County. He hoped that the Hospital's program could be considered next year. Ms. Crispel indicated that this is possible as the suggested coverage is for only one year and that significant changes may be made in the program next year.

Supervisor Staub expressed his feeling that all options should have been analyzed and that RFPs should have been

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issued. He also asked that the figures and comparisons be included in the packet and not just the percentages. Supervisor Staub found the premium and coverage to be "ridiculous" and repeatedly stressed his need for more comprehensive information than had been provided by the staff report. Ms. Crispel explained the review conducted by the committee. Discussion indicated that the per employee cost is \$319, the dependent coverage for one under PPO is \$148.89, the dependent coverage for two or more is \$306.64, and that the employee cost for all of the coverage is \$496 per month. Supervisor Staub suggested that programs for other States, private and public entities, be researched. Other entities have developed their own group plans. Other insurance programs need to be analyzed beyond the use of a single entity insurance package. Ms. Crispel indicated that the analysis done in previous years had proven however, had not been done this year. Last year this effort had been unsuccessful. Mayor Masayko pointed out that the group which the City may wish to join may refuse to allow the City in due to its high risk experience. Discussion indicated that last year's premium had increased by 30 percent. Supervisor Staub felt that it was time the City became imaginative in its insurance coverage program. Mayor Masayko suggested that the Board establish the funding level and leave the allocation of those funds and the insurance program to the staff. This program may require the employees to pay a portion of the premium. Mr. Berkich noted that the insurance program is an important issue with the employees. The contracts do not spell out the coverage level which allows the City to be flexible regarding the type of program offered. The effort had always been to retain the insurance level. Erosion of benefits is beginning to occur. He had repeatedly emphasized to the insurance team that the City will not be able to continue maintaining the current benefit level and subsidy. The team has been challenged to develop alternatives or locate other programs. The groups the City would like to join have little interest in the City due to its experience rate. Self insurance is continuing to be explored. As the experience rate improves, the opportunity to join other programs may be possible. A meeting has been scheduled with Mr. Epperson regarding the Hospital's plan. The NACO insurance pool has yet to develop a health program. Mayor Masayko reiterated the Board's position that it could not continue to sustain the current coverage with its high cost. Changes must be made. Mr. Berkich explained the employees desire to maintain their purchasing power with an ever spiralling cost-of-living and reiterated his comments to find another method of providing the coverage. Mayor Masayko indicated that if he had known about the Hospital's coverage he would have included it in the transfer agreement discussion. Supervisor Livermore indicated that the Hospital has been self-insured for three years and would be willing to discuss the program at any time. Mayor Masayko asked him to present the insurance question to the Hospital. Supervisor Williamson expressed her feeling that the Hospital's demographics were similar to the City's and that its program should be included. She acknowledged that the City could not afford to do everything for everyone. She did not wish to have anyone experience the lack of adequate coverage. The employees should feel that there is adequate coverage if a disaster should strike. Mayor Masayko pointed out that coverage limits are included in most plans. The current plan includes a \$500,000 annual limit. The current costs are included in the budget which may have impacted funding levels for other items. Ms. Crispel agreed that a better method needed to be found.

Allan Christianson pointed out that the cost of everything is always going up. This includes insurance for all types of coverage. His personal experience in the field was used to describe his knowledge of HHP's original coverage program which had accepted all comers. Three years later the firm had paid for this decision. HHP then claimed that Carson City had a higher cost-of-living ratio, refused to serve some firms, and increased the rates by 30 percent. He recommended self-funding once the catastrophic incidents are removed. He suggested that the deductibles be increased and the benefits decreased. Mayor Masayko pointed out that managed care is another insurance method which employees do not like to hear. Discussion between Mr. Christianson and Supervisor Staub indicated that Mr. Christianson also had firms paying \$500 per employee. The age of the work force impacts the coverage costs. Carson City's work force is older, therefore, the premium is more. Very few firms in the private industry subsidize their retired employees' coverage.

Ms. Fisher indicated that the average age of Carson City residents is 48. Her personal experience on the team had been quite educational. One of the things she had learned is that the City's coverage is cheaper than a majority of the entities surrounding it. She agreed that it is a lot of money.

Supervisor Livermore moved to accept the Carson City Insurance Committee's recommendation to: 1. Renew the medical and Rx plan with HHP with a 26.8 percent increase and no change in benefits, renew the vision plan

through HHP with a five percent increase with no change in benefits; and 2. Renew the Life and AD&D plans with Standard Insurance with no plan changes in rates or benefits and renew the dental plan with Standard Insurance with a 14 percent increase and no change in benefits; fiscal impact: The estimated cost to the City for group benefit plan for the fiscal year 2001-2002 is \$2,821,863, which represents an overall 25 percent increase from Fiscal Year 2000-2001. Supervisor Plank seconded the motion. Motion carried 5-0. Mayor Masayko noted the Board's direction that the budget increases be held at five percent. The costs of seven and eight percent for the current employees will create a huge deficit in four years.

B. ACTION TO APPOINT TWO APPLICANTS TO THE REGIONAL PLANNING COMMISSION (1-1972) - The Board interviewed Tom Keeton and (2-2300) Allan Christianson. The Board then discussed the following item. After taking action on it, the Board continued its interviews of the applicants with: (3-0973) Gene Munnings; (3-1156) Pam Robinson; (3-1295) John Peery; (3-1454) Albert Le Balch; and (3-1741) John Griffin. Leslie Danihel had withdrawn her application. Mayor Masayko thanked each individual for applying and explained that there were only two vacancies. He also apologized for the length of time taken to complete the following item. It had been agendaized for a specific time. He thanked the applicants for their indulgence. (3-2065) The Board then used its round robin process to list each Supervisor's top two choices for appointment. Reasons for the selection were sometimes given. Mr. Griffin was encouraged to keep his application on file. Supervisor Plank then moved to approve the reappointment of Allan Christianson and the appointment of John Peery to the Carson City Planning Commission for four year terms. Supervisor Livermore seconded the motion. Motion carried 5-0.

13. DEVELOPMENT SERVICES - CONTRACTS - ACTION ON THE AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE CARSON CITY SENIOR CENTER EXPANSION, CONTRACT NO. 200-142, AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO METCALF BUILDERS, INC., 751 BASQUE WAY, CARSON CITY, NEVADA 89701, FOR A NOT TO EXCEED CONSTRUCTION MANAGEMENT FEE OF \$298,000 AND A NOT TO EXCEED REIMBURSABLE EXPENSE AMOUNT OF \$5,000 (2-2650) - City Engineer Larry Werner, City Manager John Berkich, John Anderson, Tom Metcalf, Mark Beechum of Shaheen Beechum Builders, Paul Hannafin with Hadlock Construction, Jeff Shaheen with Shaheen Builders, Bob Greth of Greth Construction, Deputy District Attorney Melanie Bruketta - Mr. Werner reviewed the history and highlighted previous discussions regarding the project and the decision to use a contract manager. He distributed to the Board a Clerk a memo illustrating the cost differences in the proposed program and the City's normal construction process which he reviewed. He also delineated the reasons for using a contracted construction manager as proposed in the construction management plan approved by the Board recently. The purpose of the program is to reduce City costs and not increase City staffing levels. Justification for using Metcalf Builders as the construction manager was limned. Discussion between Mr. Werner and the Board indicated that contract management would be performed by City staff in-house. A general contractor will not be hired for the project. The City will sub all of the parts. Metcalf is to coordinate the project and determine contract compliance. The Building and Code Enforcement will verify Code compliance. Administrative costs will be approximately 23 percent of the construction costs. Discussion pointed out the amount of costs incurred for A&E, management, supervision, and overhead; the ability to have cost estimates for the different phases of the project and revise the plans to remain within the budget while allowing the Center to continue to function during construction; and the difference between the concept and design build.

Supervisor Staub disclosed that, as a business person in the community, he had done business with Mr. Metcalf. He did not have any involvement with Mr. Metcalf regarding this project or a financial gain from the outcome of this issue. Mayor Masayko noted for the record that disclosure is the most important thing an elected official can do and thanked him for the disclosure. Mr. Berkich explained Incline Village's and the Carson City School District's undertaking of the concept. Mr. Metcalf had worked with Incline on its project. Discussion pointed out that the process does not have a contractor's bid against which to judge the financial benefits of the concept. Mr. Werner reiterated the intent to compare the bid estimates for each phase against the cost estimates. The City will be able to work with the subs or change the design to reduce elements if the bids are out of alignment. Discussion explained the work which would be performed by the construction manager. The subs could be pre-qualified and

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bonds will still be required to be posted. It is possible that the process may eliminate some subs' ability to bid a job.

(2-3132) Mr. Metcalf explained his involvement with the project and the American General Contractors Association and the Architect Institute of America's support for the program. His role in the project and his experience with the process were limned. He felt that a one or two percent cost savings would be generated by the process. He had been retained as a construction manager under the professional services regulations. He did not intend to bid any of the sub jobs. Clarification indicated that none of his allied firms would bid the sub jobs.

Mr. Werner explained that the Senior Center had already hired the architect. Negotiations had dropped the architect costs to ten percent of the project rather than the 12 percent the architect had desired. The architect's expenses were fixed at \$260,000 plus \$5,000. The procedure eliminates the need for a general contractor and additional City staff.

Mr. Anderson indicated that he supported the philosophy but objected to the process staff had used to select Metcalf Builders. There are other qualified general contractors in the area who could/would have bid the project if they had had the opportunity to do so. The School District had used the RFP process and a committee to select its contract manager. He also felt that the figures which had been provided for a comparison may not have included all of the costs. He questioned how the bonding would be handled as a majority of the general contractors provide it for their subs. It may take three to four months for the subs to obtain the bonds. Requirements mandated to certify the payroll were noted. He questioned who would bear the costs for this service. The concept does not create the savings as indicated. The costs are reallocated and will remain the same. He questioned the reasons the process had been developed in a vacuum without notifying others of the potential. He was not questioning Mr. Metcalf's ability to perform but the process under which he was selected. He wanted the ability to negotiate with the City for projects. He urged the Board to start the process over. (3-0088) Clarification indicated that he supported the concept of having a construction manager on a project as indicated by his involvement with the School District's process. He felt certain that more than one contractor would have bid on the Senior Center and that a comparison could not be provided as only one proposal had been submitted.

Mr. Beechum indicated that he could not respond to the questions concerning the figures. He supported new procedures, however, in this case the process was 180 degrees different from the usual process. It eliminates competition. A comparison of values, companies, etc., is not provided. The process should be fair, creditable, and unbiased. Interviews should be held with local management companies. There are numerous qualified and capable firms in the area who could provide the service. The City will be taking on more risks and responsibilities with the concept. This includes coordination, the occupation of the facility by elderly people during construction, the management of the construction manager, verifying the subcontractors' licenses, administration and management of the contracts, resolution of any disputes between the construction manager and the subs, and budget control.

Mr. Hannifan understood the desire to change the process due to problems encountered in the past such as at the aquatic facility. The proposed process will have open books and allow everyone to see the subs' bids. The same individuals are involved with both processes but they are called different names. The City will have more risk while the general contractor will have less. This usually provides a better price for the City. The majority of his firm's business is conducted on a negotiated basis and becomes a team approach under cost plus fee contracting. He also objected to the selection process as it appears to be arbitrary. Only one firm had been picked from the community with whom to negotiate. There were several firms in the audience who also provide the same service and are local contractors. He asked to be in the loop if there is a new process.

Mr. Metcalf then explained that he had been involved with the plans when they were designed two years ago. His experience with the pool and Incline Village had provided an additional comfort level. He had provided all of his proposals for Incline Village to Mr. Werner as well as those used by the School District's project. This material had been used to educate the City on the process. He also acquired a construction management program for Mr. Werner with the intent to work with the City to make the program work. The one percent for payroll is part of his

"CMC". He will watch out for the owner as the City's agent. The terms of the agreement relating to his fees were limned.

Mr. Werner supported his description of the contract terms relating to Mr. Metcalf's fees and explained the reasons a professional service contract had been used rather than seek RFPs. The RFP process would have delayed the groundbreaking as the architect is already on board and the plans were almost completed. The RFP process also requires consideration of the qualifications rather than costs. Metcalf's experience with the program in Incline, his relationship with the City on other projects, and his being a local builder were considered in the selection process. Mr. Werner admitted that he did not know several of the contractors who were present. Mayor Masayko acknowledged the need to act quickly on the program, however, Congress still needs to authorize the land transfer. Mr. Werner reminded the Board that no laws had been broken by using the professional service contract process. Supervisor Williamson indicated her knowledge of the contractors who were present and that her comments were not a reflection on Mr. Metcalf or Metcalf Builders. She was uncomfortable with the process. Mr. Werner then explained the work which had been involved in building the process including the District Attorney's role. The contract had been submitted to the City Manager on Friday. The School District's contract could not be used for the City's project. Supervisor Williamson indicated her issue is with the process and not the program.

Mayor Masayko reminded Mr. Werner that perception is reality as indicated by the discussion. Mr. Werner then explained the four firms which he knew could provide construction management services. Staff had not realized that there were other builders who felt they had the same experience and capabilities. The decision was then made to look at a local contractor.

Discussion between Mr. Berkich and Supervisor Livermore indicated that the three consultants who were working for the City on the Hospital transition had been hired based on their reputations and experience. Supervisor Livermore then indicated that he was not familiar with the selection process used for the aquatic facility. He was certain that staff had discussed the program with Dan St. John at Incline Village. He hoped that criteria is developed for future guidelines on how to select a qualified firm for the program which includes a selection team. He suggested that the proposal be returned to staff to allow this process to happen. The return to staff will allow other well qualified local contractors an opportunity to participate in the process. Mr. Werner reiterated his reasons for using the process to select Metcalf Builders which he felt had been unique to this one project.

Supervisor Plank expressed his feeling that project would not involve either the BLM property or the City's Cemetery Office site. He could understand the need to be comfortable with the contractor due to his personal experience. It is important to have a comfortable learning experience with an individual with whom you are "comfortable fighting". Mr. Berkich felt that the selection of firms in the past had been based upon experience and recommendations. The RFP process had not been used. Discussion had also indicated that future projects will use the RFP process. Mayor Masayko pointed out that this RFP process could be as formal or informal as desired to reach the objective. The perception is that the first time effort had excluded individuals. He preferred to have justifiable reasons for following a process. Comments indicated that the City does not do many projects in the \$2.6 million range but there may be opportunities for such projects in the future. Mr. Werner reiterated his reasons for using the process. He had not been aware of the number of local contractors who could perform these duties. Supervisor Williamson expressed her belief that it is better to be more open than closed when considering a new process. Mr. Werner should attempt to widen his circle of firms and not restrict it. The project is being developed with taxpayers' monies. The most efficient use of the money requires involvement of more individuals. The City is full of very talented people.

Discussion between Supervisor Staub and Mr. Anderson indicated that Mr. Anderson was unsure how the School District had made its final decision on a contract manager for the bond program. He was familiar with the program developed four years earlier but abandoned due to the lack of funds. The discussion had been very open throughout that process. Mr. Anderson then indicated that he had not been joined with Turner Construction in that RFP in any manner. He had introduced Turner Construction to the process because they do schools, jails, etc., as well as construction management. He had worked for them before. He had supported Q&D for the school project as had the other School Board members. He had not objected to the School District's recent decision. He felt that

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this is the future and changes should be made correctly for the future. He could not make a determination regarding whether Mr. Metcalf was the right contractor. His concerns related to the precedent which is being established. As he was objecting to Mr. Werner's process, he realized that his chances of obtaining a negotiating contract were slim in the future. He would have to improve his signage on his projects so that Mr. Werner knows who he is. He had just completed the Dispatch Center which was on time and in budget. He had suggested the City consider construction management 1-1/2 years ago. He supported the program. He could not understand why he was not considered based on that experience and why Mr. Metcalf was the only one considered for this project.

Mr. Werner responded by explaining his lack of knowledge about the contractors who are experienced in the contract management field. His involvement and contact with Mr. Metcalf was explained to support his decision to offer the contract to him. Although he had known local contractor Ed Shaw for years, he was not aware of his expertise in the contract management field. The same is true with the other individuals who had been mentioned. He knew about Metcalf's experience in the field and had selected him based on it.

Supervisor Plank expressed his feeling that the Senior Center project would be different from most projects as it is a busy center with lots of people in attendance at it daily. The Governing Board for the Center wishes to keep the Center open during construction as the nutrition program must continue to operate.

Discussion indicated that groundbreaking was scheduled for September 1. The RFP process will take between 45 and 60 days to complete. To expedite the process could make it subject to comments that the firm has already been selected. The criteria used to select Metcalf Builders was reiterated. Mr. Berkich explained the effort to bring the item forward for Board consideration over the last several months. He had discussed the concept and Mr. Metcalf's performance with Mr. Dan St. John. For the reasons previously stated, they had brought the item forward for Board action. He agreed to issue the RFP and establish a team to make the selection.

Mr. Shaheen expressed his feeling that Metcalf Builders had brought the program to the City's attention although other contractors had mentioned it. He then expressed his feeling that if he were to bid the project, his fee would be on a competitive basis and may range in the 11 to 13 percent. The construction management fee as proposed is 9 or 10 percent. This is higher than it would be under normal circumstances through the competitive bidding process.

Mr. Werner responded by expressing his feeling that the fee is in line with competition and explained how the savings would be generated.

Mr. Hannafin iterated his desire to have all of the contractors compete on a level playing field. The process used for this item had not been level. It had lacked defined criteria and was completely arbitrary. Mayor Masayko asked him not to cast aspersions. He also pointed out that neither the RFP nor the RFQ process selects an individual based on the low bid. There will be an opportunity for everyone to apply for the job. The best qualified individual will be selected.

Mr. Greth explained his personal awareness that Mr. Metcalf would be doing the contract. He had informed that individual that Carson City is very open and that it would not happen. People are watching what Carson City is doing. The project will be more competitive based on the public awareness.

Supervisor Staub agreed that perception is reality. As a public board, the Board and City staff should include an open, unrestricted process allowing everyone in the industry an opportunity to bid. It is also necessary for the staff to balance this criteria with the need for expeditious action. The City's well qualified staff also must be relied upon to make judgmental decisions based upon the qualifications of the firms/individuals and the project under consideration. He could understand the need to reconsider the issue. He did not wish to delay the Senior Center project nor did he wish to have the Board's decision making process viewed as bad government in action.

Supervisor Plank pointed out that whatever action the Board takes will not set the precedence for the future as the projects in the future will be done differently.

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Supervisor Livermore pointed out the number of professional consultants who are retained by the City. The City is looking for a professional consultant to perform construction management. He hoped that staff does not spend all of its time attempting to qualify every consultant. Staff should be able to hire consultants "who fit within their tool box to meet the needs". The program allowing them to retain such individuals should not be restricted.

Supervisor Williamson moved to reject Development Services recommendation on the agreement for construction management services for the Carson City Senior Citizens Center expansion, Contract No. 2000-142, and authorize Development Services to issue a request for proposals for the construction management of the Senior Citizens Center. Mayor Masayko seconded the motion. He also indicated that the motion is no reflection upon Mr. Metcalf or the people in the audience. It is a matter of fairness, equity, and communications. Supervisor Livermore felt that the rejection will create a level playing field for the industry. He could not state that the outcome of the selection process will be any different. Staff did what it has always done when professional services are retained. They are exempt from the open bidding process. He encouraged staff to develop a list of potential individuals who should be contacted to determine if they are available, interested in a project, or qualified. Returning the contract could be harming that process. Mayor Masayko did not feel that it would harm the process. The meetings are public to allow for such discussions on how the taxpayers' funds are being spent. Anyone wishing to talk about any contract has the opportunity to do so. This is how the City needs to conduct business. Supervisor Staub reiterated his concern with the process and requested an amendment to the motion to allow Mr. Werner to fast track the RFP process. Ms. Bruketta pointed out that a signed agreement had not been received from the architect. The architect's attorney is still revising the agreement. Therefore, the agreement may not be ready for consideration by the Board at its next meeting. Mayor Masayko explained that the Board is aware of the need to take time to complete the RFP process. Ms. Bruketta then indicated that there is no need to expedite the RFP process as the architect's contract is not ready. Supervisor Staub felt that Mr. Werner should not be locked into a 60 day commitment to complete the RFP process. Consensus supported his statement. Mr. Werner indicated that staff will try to make the process fair and will take whatever time is necessary. Mayor Masayko pointed out that the question had been whether the other individuals had had the same opportunity to participate in the RFP selection process and how business is to be conducted in the future. The motion does not say that anything done today will change the outcome of the recommendation. It only involves these individuals. **Supervisor Williamson amended her motion to include fast tracking the RFP process. Mayor Masayko concurred with the amendment.** Supervisor Plank expressed his concerns about fast tracking the process and opposition to redoing the process if it is fast tracked. Supervisor Livermore pointed out that the Board had acted to contract for pathology autopsy services earlier in the meeting. He questioned whether it should have gone to bid. Mayor Masayko felt that if there is a competing agency who shows up at the meeting, the Board would listen. **The motion to reject the contract and direct staff to pursue the RFP process on a fast track basis was voted and carried 3-2 with Supervisors Plank and Livermore voting Naye.** Mayor Masayko explained the motion and indicated that the Board had not found anything wrong with Mr. Werner's professionalism or the selection of the most qualified firm which had been brought forward. It is a perception issue.

BREAK: A recess was declared at 4:25 p.m. The entire Board was present when the meeting was reconvened at 4:30 p.m, constituting a quorum. Mr. Berkich and Ms. Bruketta were excused due to engagements elsewhere. (The Board then returned to Item 12. B. See Page 17.)

(3-2118) There being no other matters for consideration, Supervisor Staub moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 5:30 p.m.

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ARE SO APPROVED ON__August_2____,
2001.

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_____/s/_____

Ray Masayko, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder