

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 5, 2001, Meeting
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, July 5, 2001, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Jon Plank	Supervisor, Ward 2
	Robin Williamson	Supervisor, Ward 1
	Pete Livermore	Supervisor, Ward 3
	Richard S. Staub	Supervisor, Ward 4
STAFF PRESENT:	John Berkich	City Manager
	Noel Waters	District Attorney
	Alan Glover	Clerk-Recorder
	Michael Griffin	District Court Judge
	Judie Fisher	Personnel Manager
	Merlene Alt	Chief Deputy Treasurer-Collections
	John Flansberg	Street Operations Manager
	Tom Hoffert	Utilities Operations Manager
	Scott Fahrenbruch	Park Superintendent
	Larry Nair	Facilities Superintendent
	Katherine McLaughlin	Recording Secretary
	Justine Chambers	Contracts Coordinator
	Jennifer Pruitt	Associate Planner
	Maria Rodriguez	Utility Billing Technician
	(B.O.S. 7/5/01 tape 1-0001)	

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

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

CITIZEN COMMENTS (1-034) - None.

1. APPROVAL OF MINUTES - APRIL 19 AND MAY 3, 2001 (1-0036) - Mayor Masayko noted the correction sheets for the April 19th minutes. Supervisor Plank moved to approve the Minutes of the Carson City Board of Supervisors meeting of April 19th with the corrections on Page 1 to correct the spelling of Eileen Cohen's name and on Page 19 to separate the word "Arate" to be "A rate" and the Minutes of May 3 of the Carson City Board of Supervisors as presented. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. AGENDA MODIFICATIONS (1-0060) - Item 10. A. was deferred to another meeting as additional information is to be provided.

3. SPECIAL PRESENTATION - PRESENTATION OF THE CREATIVE ACHIEVEMENT AWARD TO MARIA RODRIGUEZ, UTILITY BILLING TECHNICIAN II (1-0068) - Personnel Manager Judie Fisher explained the award program and Ms. Rodriguez' suggestion to use post cards for billing notices. Mayor Masayko noted the savings created by her suggestion and thanked her for suggesting it. He presented the \$250 award to her. Ms. Rodriguez thanked the Board for the recognition and indicated her pleasure at being able to work for the City. Any other ideas she has will be submitted.

LIQUOR AND ENTERTAINMENT BOARD (1-0100) - Mayor Masayko recessed the Board of Supervisors session

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and immediately convened the session as the Liquor and Entertainment Board. A quorum of the Board was present although the Sheriff's representative was absent.

4. TREASURER - Chief Deputy Treasurer Merlene Alt - **ACTION ON A PACKAGED LIQUOR LICENSE FOR LYNNE COX, DOING BUSINESS AS CARSON CITY GROCERY OUTLET, LOCATED AT 1831 NORTH CARSON STREET (1-0106)** - Chairperson Masayko noted that the company owns the outlet and congratulated her on its acquisition. The outlet sells packaged liquor. He cautioned her against the sale to minors and explained that having a Liquor License is considered a privilege in Carson City. Ms. Cox assured the Board that she knew the laws and that her employees will be trained in the Statutes and Ordinances. Mayor Masayko also noted the favorable Sheriff's Investigative Report. Member Plank moved to approve a Packaged Liquor License for Lynne Cox, doing business as Carson City Grocery Outlet located at 1831 North Carson Street, Carson City, Nevada, 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 fee. Member Livermore seconded the motion. Motion carried 5-0.

BOARD OF SUPERVISORS (1-0235) - There being no other matters for consideration as the Liquor and Entertainment Board, Chairperson Masayko adjourned the Liquor and Entertainment Board and immediately reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum.

5. CONSENT AGENDA (1-0240)

5-1. TREASURER

A. ACTION ON TREASURER'S REPORT FOR THE MONTH OF MAY 2001

B. ACTION ON A RESOLUTION TO IMPLEMENT A THIRD DEFERRED COMPENSATION PLAN AS A RETIREMENT PLAN FOR PART-TIME, TEMPORARY AND SEASONAL (PTS) EMPLOYEES

5-2. DISTRICT ATTORNEY - ACTION APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN CARSON CITY AND THE LAW FIRM OF LEWIS S. TAITEL TO PROVIDE SERVICE TO THE CITY IN THE CAPACITY OF SPECIAL DEPUTY DISTRICT ATTORNEY UNTIL HIS APPOINTMENT IS REVOKED, AND FOR AN AMOUNT NOT TO EXCEED \$30,000

5-3. CARSON-TAHOE HOSPITAL - ACTION ON A RESOLUTION APPOINTING THE CHIEF OF STAFF OF PHYSICIANS OF CARSON-TAHOE HOSPITAL TO SERVE AS A VOTING MEMBER OF THE BOARD OF HOSPITAL TRUSTEES, AS AUTHORIZED BY AB 13 (NRS 450.090(5)(C))

5-4. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION ON THE ENERGY CONSERVATION RETROFIT AGREEMENT FOR PHASE 1 - AUDIT AND DEVELOPMENT PROJECT, CONTRACT NO. 9900-158 AND AUTHORIZE THE PARKS DEPARTMENT TO ISSUE PAYMENT TO CMS VIRON ENERGY SERVICES, 3131 EAST CAMELBACK ROAD, SUITE 200, PHOENIX, ARIZONA 85016, FOR A POSSIBLE NOT TO EXCEED AGREEMENT AMOUNT OF \$16,250

B. ACTION ON THE AWARD OF THE CARSON RIVER PARK - PHASE IB IMPROVEMENTS PROJECT, CONTRACT NO. 2000-157 TO (BIDDER NO. 1) LANDMARK CONSTRUCTION COMPANY, P. O. BOX 10027, RENO, NEVADA 89510, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 624 FOR A CONTRACT AMOUNT OF \$35,198 AND A CONTINGENCY AMOUNT OF \$1,355

C. ACTION ON AMENDMENT NO. 2 OF THE PHASE 2 OF THE CARSON CITY BYPASS - CONSULTING SERVICES AGREEMENT, CONTRACT NO. 2000-007 AND AUTHORIZATION FOR DEVELOPMENT SERVICES TO ISSUE A CLAIM FORM TO TRANSPORTATION, INC., 3819 PARADISE VIEW, CARSON CITY, NEVADA 89703 FOR AN INCREASE TO THE CONTRACT OF \$20,000

D. ACTION ON THE AWARD OF THE 2001 ASPHALT MAINTENANCE CONTRACT, CONTRACT NO. 2000-161 TO (BIDDER NO. 1) INTERMOUNTAIN SLURRY SEAL, INC., P. O. BOX 50085, WATSONVILLE, CALIFORNIA 95077, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 624 FOR A CONTRACT AMOUNT OF \$324,676.56 AND A CONTINGENCY AMOUNT OF \$60,000

E. ACTION ON CONSTRUCTION ENGINEERING FOR THE NORTHWEST DRAINAGE PROJECT, CONTRACT NO. 9900-277 FOR APPROVAL OF AMENDMENT NO. 4 TO HARRIS AND ASSOCIATES, INC., FOR AN INCREASE TO THE CONTRACT OF \$133,000 AND AUTHORIZE THE

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CONTRACTS DIVISION TO ISSUE ADDITIONAL AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF

\$10,000 - Supervisor Williamson requested the District Attorney's item be pulled for discussion. Mayor Masayko disclosed his contact with the Treasurer's office indicated that the use of the deferred compensation plan does not require a Social Security match by the City. He thanked Mr. Kramer for the change. Supervisor Livermore moved to approve the Consent Agenda with ten items from the three functional areas with Resolution No. 2001-R-34 assigned to the item from Treasurer's Department, Item 5-1. B., and Resolution No. 2001-R-35 assigned to the Carson-Tahoe Hospital Item, Item 5-3, and that all other remaining items on the Consent Agenda with the exception of Item 5-2 from the District Attorney's office (are approved). Supervisor Plank seconded the motion. Supervisor Livermore then introduced Hospital Chief of Staff Dave Tillitt who will be appointed to the Hospital Board of Trustees. Mayor Masayko welcomed Dr. Tillitt and thanked him for offering his services. The motion was voted and carried 5-0.

5-2. (1-0240) - Supervisor Williamson questioned the reasons salary savings were not being used to fund the position. District Attorney Noel Waters explained the turnover he had experienced in his office and agreed to use whatever savings is generated for the position. He also indicated that the savings may not cover 100 percent of the cost. He then pointed out that it may be necessary to extend the contract should the issue with Anne Lange not be addressed quickly. Mayor Masayko suggested that the remaining \$15,000 be taken from the contingency fund and that any future salary savings within the District Attorney's office be used to replace the contingency funds rather than being dedicated to the CQI fund. Mr. Waters expressed his willingness to do so. Discussion between Mr. Berkich and Supervisor Livermore indicated any salary savings generated in the 2000-2001 fiscal year should also be used to meet this purpose. Mayor Masayko asked that the motion include this commitment. Supervisor Williamson moved to approve the agreement for professional services between Carson City and the law firm of Lewis S. Taitel to provide service to the City in the capacity of Special Deputy District Attorney until his appointment is revoked and for an amount not to exceed \$30,000 with the funding source to be salary savings from the previous year in the District Attorney's office coupled with Contingency Funds; fiscal impact is \$30,000. Following a request for an amendment, Supervisor Williamson amended her motion to include the everlasting hope that the contingency funds may be reimbursed. Supervisor Staub seconded the motion. The motion was voted and carried 5-0.

B. BOARD OF SUPERVISORS

A. MAYOR MASAYKO - ACTION TO APPROVE AN AGREEMENT FOR TORCH RELAY SERVICES BETWEEN CARSON CITY AND THE SALT LAKE ORGANIZING COMMITTEE INCLUDING EXHIBIT A, A DESIGNATED MARKS AND COPYRIGHTS LICENSE AGREEMENT (1-0360) - Mayor Masayko's introduction included a description of some of the services which will be required. He also requested that the record indicate that any business license requirements for sales activities and parade permits are to be waived as part of the agreement. Carson City will also assist with regulation of "ambush marketing", which he defined, through the business license process. The torch run is scheduled for January 21. Nomination forms for the torch bearers had been forwarded to Salt Lake City. The route has not yet been designated. Supervisor Livermore noted that the Olympics occurs in the United States approximately once every 25 years. This is a unique opportunity for the City to be designated as the official State Capitol for the torch run in 2002. Mayor Masayko felt that this is possible and that national media coverage will be included. The public was invited to observe the torch run. He also indicated for the record that the agreement had been prepared by the Salt Lake City Olympic Committee and had been reviewed by the District Attorney's office who made one minor change in the document. Supervisor Williamson agreed that it will be a unique experience. She hoped that the different youth organizations including the School District will be involved.

Tom Keeton referenced the ambushed marketing clause (1) on Page 7 to explain that a hamburger stand would not be able to function during the race. The agreement only allows operations to function which it has sanctioned. He requested that this clause be modified. Mayor Masayko explained that he had been advised that this clause does not impact normal business functions. It would impact any clothing store which has a hamburger stand during the torch run as this may be considered as ambushed marketing. As long as the normal business license activities are performed, it does not impact the function. Mr. Keeton reiterated his belief that the clause could be softened without damaging the Olympics' logo. Mayor Masayko indicated that this paragraph dealt only with the Olympic logo and prohibits Carson City from entering into side agreements which will allow the businesses to provide merchandise without the Olympic approvals. Mr. Keeton continued to stress his feeling that it does not say Olympic logos and

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that it could prohibit all business activities within the community. Mayor Masayko agreed to check into the matter.

Supervisor Livermore explained his interpretation of the restriction. The existing businesses should not be impacted by the restriction and should, hopefully, receive some indirect benefits. Mayor Masayko read the definition of "ambushed marketing" as found on Page 4 which he felt provided a narrow focus onto Olympic materials. Supervisor Williamson explained her attendance at one of the meetings and the suggestions they had offered on how the City should participate. They want people to be excited about the event and to participate. The City needed to hope that the weather will cooperate on January 21. Mayor Masayko encouraged the public to participate and stressed the need for the City to communicate such participation to the Committee. He was also willing to accept the terms as written due to the District Attorney's review.

Supervisor Williamson moved to approve the agreement for torch relay services between Carson City and the Salt Lake Organizing Committee including Exhibit A, a Designated Marks and Copyrights License Agreement. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION TO APPOINT ONE MEMBER OF THE BOARD OF SUPERVISORS TO THE NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY (1-0598) - Mayor Masayko highlighted SB 334 and volunteered to continue serving as the Board representative for a three year term. If the term is shortened by the Commission, he will advise the Board and revise the appointment. Supervisor Livermore supported his appointment as he also serves as the City's representative to the Carson City Convention and Visitors Bureau. Janice Ayres is eligible to be appointed by one of the three other appointing officials. Her term as a representative for Carson City terminated with the passage of the Senate Bill. He requested that her service on the Commission be recognized. Mayor Masayko acknowledged her service to the Commission. **Supervisor Plank moved to appoint Mayor Ray Masayko as Carson City's representative to the Nevada Commission for the Reconstruction of the V&T Railway for a three year term commencing July 1 of this year. Supervisor Livermore seconded the motion. Motion carried unanimously.** Mayor Masayko reiterated his intent to revise the appointment if the Commission appoints him to a shorter term. He also acknowledged Supervisor Plank's appointment to the Railway Foundation and noted its fundraising activities. Supervisor Plank indicated that he would make an announcement within a month on the latest fundraising activity. Mayor Masayko reminded the Board that the Overman Pit had become a major funding issue to the railroad's progress.

C. ACTION TO APPOINT ONE MEMBER OF THE BOARD OF SUPERVISORS AS THE "CITY'S OFFICIAL REPRESENTATIVE TO THE CARSON CITY AIRPORT AUTHORITY (1-0706) - Mayor Masayko indicated that the term expires in October 2002. Supervisor Staub volunteered to serve on the Authority as the Board's representative. Mayor Masayko then passed the gavel to Mayor Pro-Tem Plank and expressed his honor and pleasure as the outgoing Representative to nominate his replacement. He also stressed his feeling that having a Board member on the Authority is important to the community and thanked Supervisor Staub for volunteering. Mayor Masayko then moved to nominate Supervisor Richard Staub to the Airport Authority for the unexpired term ending October 2002. Supervisor Livermore seconded the motion. Supervisor Staub explained his interest in serving on the Authority and thanked the Board for its support. Mayor Pro-Tem Plank felt that the appointment was appropriate as Supervisor Staub also serves on the Regional Transportation Commission as air travel is a form of transportation. Supervisor Williamson supported his comments and thanked Supervisor Staub for volunteering. She also thanked Mayor Masayko for stepping into a contentious situation and developing better communication between the community and Authority. Mayor Pro-Tem Plank agreed that the first few meetings Mayor Masayko had attended had been very "interesting". The motion to appoint Supervisor Staub to the Airport Authority was voted and carried unanimously. Mayor Pro-Tem Plank returned the gavel to Mayor Masayko. Mayor Masayko congratulated Supervisor Staub on his appointment. He also thanked the Board for the comments and noted the letter of commendation he had received from the Airport Authority. He explained that there will be three Authority members whose terms expire in October.

D. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0811) - Supervisor reports included the following meetings/activities: Supervisor Williamson - Western Nevada Development District's executive committee; Eagle Valley Golf Course tour with Supervisor Plank; a walk along Phase I of the freeway including the changes in the plan which may remove the need for one retaining wall and the possibility that additional right-of-way may be obtained in the Arrowhead-Broadleaf area; Convention and Visitors

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Bureau Executive Director Candance Duncan regarding support for the Redevelopment Wild West Tours and the Ghost Walks; Ed Epperson on the Carson-Tahoe Hospital transfer; and City staff regarding funding for a downtown parking garage. Supervisor Staub - Public Transit Advisory Committee, with Supervisor Livermore and Hospital staff on the Hospital transfer, and his 4th of July activities. Supervisor Livermore - Chamber of Commerce Transportation Committee and NDOT's change in plans for the South Carson Street six lane project; Hospital transition committees; Economic Development; Carson City Youth Sports Association; Carson-Tahoe Hospital; City staff over the wood burning hot tub issues; Chamber of Commerce installation of officers and the Achievement of Commerce Awards; and Mental Health and Dr. David Schroeder's resignation. Mayor Masayko - Chamber of Commerce's Transportation forum including the need to consider the State's sidewalk plans; Student Conservation Association; Regional Marketing Committee and his V&T comments; Convention and Visitors Bureau and the Reno-Tahoe Territory meeting including its involvement with the Nevada Day Parade; Chamber of Commerce; State Health Officer Dr. Herd and City Health and Environmental Services Director Daren Winkelman; and his 4th of July. Supervisor Plank - Continued to the next meeting. Announcements included the following meetings/events/activities: Supervisor Williamson's family vacation scheduled for next week; Supervisor Staub's intent to be as vigilante in attempting to obtain the same amenities on the southern portion of the freeway as the northern portion has been able to obtain; and NDOT'S fall decision date for the Phase 1A and 1B drainage plans. Supervisor Livermore asked that the Board formally recognize Dr. Schroeder's services at a meeting. Mayor Masayko suggested that the City consider working with NDOT on its Carson Street sidewalk program and explained his contact with Street Operations Manager John Flansberg concerning his suggestion. Mayor Masayko also supported a regional fixed route transit program and urged Supervisor Staub to continue these discussions with Washoe/Reno RTC. He congratulated the new Chamber of Commerce officers and the recipients of the commerce awards.

E. STAFF COMMENTS (1-1386) - Continued. (1-2316) Personnel Manager Judie Fisher indicated that the new "Welcome to Carson City" signs will be installed soon. Mayor Masayko thanked City staff for the improved signs. (2-0815) Mr. Berkich indicated that the City had taken over the landfill operation on July 1. There had been some complaints about the new fees. A detailed report will be provided in 30 days. Discussion indicated that Ms. Wiggins had been relocated to the landfill.

BREAK: A recess was declared at 9:55 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10 a.m., constituting a quorum.

7. DISTRICT COURT - Judge Michael Griffin

A. ACTION ON A MOTION FINDING THAT THE RATES AND FEES PROPOSED IN AN ORDINANCE AMENDING CHAPTER 2.36 FEES ON COURT ACTIONS TO SUPPORT PROGRAM OF MEDIATION, SECTION 2.36.010 FEES IN DISTRICT COURT, BY INCREASING THE FILING FEE ON THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING FROM FIVE DOLLARS TO TEN DOLLARS WILL NOT IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON BUSINESSES OR DIRECTLY RESTRICT THE FORMATION, OPERATION, OR EXPANSION OF ANY BUSINESSES; B. ORDINANCE - FIRST READING - ACTION ON AN ORDINANCE AMENDING CHAPTER 2.36 FEES ON COURT ACTIONS TO SUPPORT PROGRAM OF MEDIATION, SECTION 2.36.010 FEES IN DISTRICT COURT, BY INCREASING THE FILING FEE ON THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING FROM FIVE DOLLARS TO TEN DOLLARS AND OTHER MATTERS PROPERLY RELATED THERETO; C. ACTION ON A MOTION FINDING THAT THE RATES AND FEES PROPOSED IN AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL BY ADDING CHAPTER 2.37 FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR PREVENTION AND TREATMENT OF ABUSE OF ALCOHOL AND DRUGS, SECTION 2.37.010 FEES IN DISTRICT COURT WHICH ADDS AN ADDITIONAL TEN DOLLAR FILING FEE TO THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING AND BY ADDING SECTION 2.37.020 COLLECTION - PAYMENT TO TREASURER WHICH DESCRIBES HOW THE ADDITIONAL FUNDS WILL BE EXPENDED WILL NOT IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON BUSINESSES OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF ANY BUSINESS; AND D. ORDINANCE - FIRST READING - ACTION ON FIRST READING OF AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION

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AND PERSONNEL BY ADDING CHAPTER 2.37 FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR PREVENTION AND TREATMENT OF ABUSE OF ALCOHOL AND DRUGS, SECTION 2.37.010 FEES IN DISTRICT COURT WHICH ADDS AN ADDITIONAL TEN DOLLAR FILING FEE TO THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING AND BY ADDING SECTION 2.37.020 COLLECTION - PAYMENT TO TREASURER WHICH DESCRIBES HOW THE ADDITIONAL FUNDS WILL BE EXPENDED AND OTHER MATTERS PROPERLY RELATED THERETO (1-1392)

- Judge Griffin's introduction included an explanation of the current fees assessed by the Court for civil filings; the use of these fees; the anticipated revenue; the drug court program; the drug court fees and their use. He hoped that the State would continue its funding level for the drug court if the County revenue can be generated to support it. Grant funds are being used to develop a juvenile drug court in Carson City. Discussion noted the Court's successful efforts to obtain both the drug court funding and a salary increase for the Judges. Mayor Masayko also noted the constitutional revision which will, if approved twice by the electorate, allow local governments to set their own elected officials' salaries. Discussion explained the training program for the mediators and the problems mediators face in attempting to resolve the issues with uncooperative individuals. Supervisor Livermore pointed out that the program would, hopefully, create lifestyle changes for individuals and address a growing problem in the community. He thanked Judge Griffin for his involvement and dedication. Discussion indicated that the program used the coordinated mental health program as a model. The regional concept provided an adequate service area to justify the program. Counseling will be provided by the same organization who operates Washoe County's Drug Court program. Local benefits from this program were noted. The service needs will change to match the individual's needs. Counseling will be provided in the individual's locale. Justification for the fees was provided.

Supervisor Williamson moved to approve a motion finding that the rates and fees proposed in an ordinance amending Chapter 2.36 Fees on Court Actions to Support Program of Mediation, Section 2.36.010 Fees in District Court by increasing the filing fee on the commencement of an action or proceeding or the answer or appearance in an action or proceeding from five dollars to ten dollars will not impose a direct and significant economic burden upon businesses or directly restrict the formation, operation or expansion of any businesses; fiscal impact is an increase in filing fees will add an additional \$6,480 per year to help support programs of mediation mandated by Nevada law; and the funding source is filing fees collected by District Court Clerk's Office. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Williams moved to introduce Bill No. 111 on first reading, AN ORDINANCE AMENDING CHAPTER 2.36 FEES ON COURT ACTIONS TO SUPPORT PROGRAM OF MEDIATION, SECTION 2.36.010 FEES IN DISTRICT COURT, BY INCREASING THE FILING FEE ON THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING FROM FIVE DOLLARS TO TEN DOLLARS AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact is \$6,480 per year; and the funding source is the filing fees collected by the District Court Clerk's office. Supervisor Livermore seconded the motion. Motion carried 5-0. Second reading will be scheduled for the next meeting.

Supervisor Williamson moved to approve a finding that the rates and fees proposed in an ordinance amending Title 2 Administration and Personnel by adding Chapter 2.37 Fees on Court Actions to Support Programs for Prevention and Treatment of Abuse of Alcohol and Drugs, Section 2.37.010 Fees in District Court which adds an additional ten dollar filing fee to the commencement of an action or proceeding or the answer or appearance in an action or proceeding and by adding Section 2.37.020 Collection - Payment to Treasurer which describes how the additional funds will be expended will not impose a direct and significant economic burden upon businesses or directly restrict the formation, operation, or expansion of any business; fiscal impact is estimated that the increase in filing fees will add an additional \$12,960 per year to help support the drug court program that is in the process of being established; and funding source is the filing fees collected by District Court Clerk's Office. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Williamson moved to introduce Bill 112 on first reading, AN ORDINANCE AMENDING TITLE 2 ADMINISTRATION AND PERSONNEL BY ADDING CHAPTER 2.37 FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR PREVENTION AND TREATMENT OF ABUSE OF ALCOHOL AND DRUGS, SECTION 2.37.010 FEES IN DISTRICT COURT WHICH ADDS AN ADDITIONAL TEN DOLLAR FILING FEE TO THE COMMENCEMENT OF AN ACTION OR PROCEEDING OR THE ANSWER OR APPEARANCE IN AN ACTION OR PROCEEDING AND BY ADDING SECTION 2.37.020 COLLECTION - PAYMENT TO TREASURER WHICH

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DESCRIBES HOW THE ADDITIONAL FUNDS WILL BE EXPENDED AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact is estimated that the increase in filing fees will add an additional \$12,960 per year to help support the drug court program that is in the process of being established; and funding source is the filing fees collected by the District Court Clerk's Office. Supervisor Livermore seconded the motion. Motion carried 5-0.

8. PERSONNEL - Manager Judie Fisher

A. ACTION TO APPOINT TWO MEMBERS TO THE CARSON CITY ADVISORY BOARD TO MANAGE WILDLIFE (1-1885) - Ms. Fisher explained Chris MacKenzie's appointment to the State Wildlife Board and resignation from the City's Board. Applicants for his position will be solicited. Mr. Pedersen was not available due to vacation plans. Mr. Davis was present. Supervisor Plank moved to accept the recommendation from the Advisory Board to Manage Wildlife for the reappointment of Norman Pedersen to a three year term and the reappointment of Greg Davis for a two year appointment. Supervisor Livermore seconded the motion. Supervisor Williamson noted her previous concern regarding the appointment process. She thanked the Board for revising its policy and conducting interviews. She also thanked Mr. Glover's office for providing Kathy King as the recording secretary and Ms. King on her Minutes. Discussion also indicated that the application from Gilbert Yanuck should be updated and included in the applications for Mr. MacKenzie's replacement. The motion to reappoint Mr. Pedersen and Mr. Davis was voted and carried 5-0. Mayor Masayko congratulated on Mr. Davis on his appointment and thanked him for his service and dedication.

B. ACTION TO FILL "WILDLIFE ISSUES" VACANCY ON CARSON RIVER ADVISORY COMMITTEE (1-2015) - The Board interviewed Janice Flieger and Dan Greytak. Mayor Masayko thanked each for applying. The term of office is for three years. Supervisor Williamson explained her reasons for nominating Mr. Greytak and moved to appoint Dan Greytak. Supervisor Livermore seconded the motion. Mayor Masayko encouraged Ms. Flieger to remain active in the community and felt that a position could be found somewhere for her services. Supervisor Plank expressed his support for Mr. Greytak. Supervisor Williamson and Mayor Masayko thanked Paul Pettersen for his service on the Committee. The motion was voted and carried 5-0.

9. CARSON WATER SUBCONSERVANCY DISTRICT - Executive Director Ed James - INFORMATION VIDEO ON THE CARSON WATER SUBCONSERVANCY DISTRICT (1-2345) - The video was shown illustrating the watershed and its need for protection. Discussion between Mr. James and the Board stressed the importance of protecting the watershed, the improvements/enhancements which have been made to the River, and the need for continued regional cooperation on the management of this important resource. Mr. James then explained the challenges facing the District including the water quality issues. Comments also pointed out the challenges related to storm water runoff and its impact on the River. Mr. James indicated that the City's drainage program will be used as a model for other areas. The video could be obtained from Mr. James and shown to any social organizations. Supervisor Williamson also pointed out the Open Space Advisory Committee and the Carson River Advisory Committee's roles in protecting the River and their challenges, including the non-native species of wildlife and their impact on the River--the beaver. Supervisor Livermore and Mr. James then explained that AB 615, dealing with recreational activities, which will be presented to the electorate in 2002, may provide some funding for the River's restoration. A grant from the Army Corps of Engineers is also being sought which could be used as a match. Mayor Masayko congratulated Mr. James on his successful funding from AB 615. No action was required or taken.

10. COMMUNITY DEVELOPMENT

A. ACTION ON U-00/01-38 - APPROVAL OF A PARKING AGREEMENT WITH GREGG KOECHLEIN AND HRE PROPERTIES, INC., TO UTILIZE PARKING SPACES AT GOVERNOR'S FIELD, PURSUANT TO CARSON CITY MUNICIPAL CODE 18.05.023(4) (1-0060) (1-3017) - Deferred.

B. ORDINANCE - FIRST READING - ACTION ON P-00/01-1 - AN ORDINANCE EFFECTING A CHANGE OF LAND USE ON ONE PARCEL FROM MULTI-FAMILY APARTMENT (MFA) TO MULTI-FAMILY APARTMENT - PLANNED UNIT DEVELOPMENT (MFA-PUD) ON PROPERTY LOCATED SOUTH OF LONG STREET AT THE TERMINUS OF MOLLY DRIVE, APN 002-441-19, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO (1-3020) - Senior Planner Skip Canfield - The applicant's

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representative was not present. Supervisor Plank moved to introduce on first reading Bill No. 113, AN ORDINANCE EFFECTING A CHANGE OF LAND USE ON ONE PARCEL FROM MULTI-FAMILY APARTMENT (MFA) TO MULTI-FAMILY APARTMENT - PLANNED UNIT DEVELOPMENT (MFA-PUD) ON PROPERTY LOCATED SOUTH OF LONG STREET AT THE TERMINUS OF MOLLY DRIVE, APN 002-441-19, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Livermore seconded the motion. Discussion noted the positive comments which had been heard about the project. Motion carried 5-0.

C. ORDINANCES - SECOND READING

i. **ACTION ON BILL NO. 109 - AN ORDINANCE AMENDING TITLE 18 (ZONING) OF THE CARSON CITY MUNICIPAL CODE CHAPTER 18.02 GENERAL PROVISIONS, SECTION 18.02.038 FEES AND SERVICE CHARGES BY ADOPTING A PROCESSING FEE OF \$300 FOR THE CITY'S REVIEW OF APPLICATIONS FOR PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATION AND OTHER MATTERS PROPERLY RELATED THERETO (1-3135)** - Senior Planner Skip Canfield - Comments indicated that the City is currently accepting applications for the bonds. The application period closes at the end of August. Supervisor Plank moved to adopt on second reading Bill No. 109, Ordinance No. 2001-8, AN ORDINANCE AMENDING TITLE 18 (ZONING) OF THE CARSON CITY MUNICIPAL CODE CHAPTER 18.02 (GENERAL PROVISIONS), SECTION 18.02.038 (FEES AND SERVICE CHARGES) BY ADOPTING A PROCESSING FEE OF \$300 FOR THE CITY'S REVIEW OF APPLICATIONS FOR PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATION AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.

ii. **ACTION ON BILL NO. 110 - AN ORDINANCE EFFECTING A CHANGE OF LAND USE BY RESOLUTION OF INTENT ON ONE PARCEL FROM MOBILEHOME 6,000 (MH6000) TO NEIGHBORHOOD BUSINESS (NB) ON PROPERTY LOCATED AT 806 RANDELL DRIVE, APN 009-072-01, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO (1-3225)** - Senior Planner Skip Canfield - Ron Kipp, the applicant's representative, was present. Mayor Masayko noted the original concerns regarding this request, including the petition of opposition, and indicated that he had not been contacted by anyone either positively or negatively regarding the proposal. Supervisor Plank moved to adopt Bill No. 110 on second reading, Ordinance No. 2001-9, AN ORDINANCE EFFECTING A CHANGE OF LAND USE BY RESOLUTION OF INTENT ON ONE PARCEL FROM MOBILEHOME 6,000 (MH6000) TO NEIGHBORHOOD BUSINESS (NB) ON PROPERTY LOCATED AT 806 RANDELL DRIVE, APN 009-072-01, CARSON CITY, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.

11. **DEVELOPMENT SERVICES** - Utilities Operation Manager Tom Hoffert - **ACTION TO APPROVE CARSON CITY UTILITIES' ACTION PLAN TO MEET THE SUMMER 2001'S WATER SUPPLY DEMANDS (1-3325)** - Mr. Hoffert gave the Board and Clerk a copy of the "U. S. Drought Monitor" which included a weather projection for the next two weeks. (A copy is in the file.) The deepening drought conditions were noted. He hoped that the plan would be necessary for short period of time. The need to pump groundwater had lowered the table by approximately 20 feet. The River went on regulation on June 14. It may be necessary to remove the two River wells from the City's system in July and August for 24 to 48 hours due to the regulations. The lack of stream flow in the other creek beds was limned. The Marlette pump will be placed next week and pumping will commence on July 9th. Marlette Lake has not been pumped since 1994. Twenty-one of the City's 24 wells have been running 24 hours per day since June 1. The Kings Canyon Well 48 will be online on July 15. The two new wells in Lakeview will be online the same date. He hoped that at that time it will not be necessary to pump all of the wells 24 hours a day. The current water producing capabilities are 22.5 million gallons of water per day. The peak demand had been estimated between 23.5 and 24 million gallons per day. This will drain the storage availability to critical levels. It is possible to operate on this basis for short periods. Relief may be provided by cooler weather. Hot weather, unfortunately, drives demand up and impacts the system. The action plan will provide staff with direction should it become necessary. Problems created by the electrical storm and the fire were described. Fortunately these problems had only lasted for a short period of time. He hoped that the plan could be used for isolated areas where problems arise and that it will not be necessary to implement it over the entire City. It is also needed for periods when equipment fails which is an increased possibility when the pumps are run 24 hours a day. Replacement parts and equipment are kept on hand for such emergencies. He then reviewed the action plan. Stage 1 is voluntary and considered the normal operation plan if an equipment failure occurs. Taking this action early in the process deters larger problems. Stage 2 is the same procedure but is mandatory. The media will be notified frequently concerning

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the status. Stage 3 is a mandatory ban on all outside irrigation. The plan needs to be flexible enough to meet any changes in circumstances and conditions.

Discussion indicated that the Department has 24-hour a day access to the Parks, School District, State Building and Grounds, and the Legislative Counsel Bureau so that their outside irrigation can be halted at any time if an emergency is encountered. They have committed to cooperating with the City in such circumstances. The amount of water saved hour-by-hour has not been determined but the 24 hour savings is enough to provide the coverage needed on a short-term basis. The ability to transfer water from one area of the City to another was noted. The Department owns two large generators which can be moved from one well to another if a power failure occurs. Other City Departments have several generators which Utilities can use. Discussion also indicated that Mills Park and Edmonds Park are now being irrigated with recycled water. Cooperation from the School District last year had eliminated the need to seek additional cutbacks in water usage when a pump and power outages had occurred. Discussion ensued concerning when the stages should be implemented and Mr. Hoffert's ability to move water from one area to another.

Supervisor Staub urged staff to analyze the system and develop percentages that indicate when the different stages should be implemented which will make the program subjective. He also voiced his concern about running the system into the ground by operating it 24-hours a day. California's electrical problems were cited to illustrate his concern. He urged the staff to analyze the weather predictions for four to five months to insure the ability to address the needs for longer periods. He also suggested that two days a week irrigation be implemented like Reno does. He then questioned the recharge rate.

Mr. Hoffert responded by explaining the recharge rate. Last year the aquifer had dropped by 20 feet. It was not recharged during the winter. Reasons for using odd-even watering were noted as eliminating the public's tendency to "horde" the water during the two days that they can water. No water is saved by this program but an increased demand is placed on the system which outstrips the production capabilities when watering is approved. The City's education program helps eliminate this problem. The need to begin enforcement of the restriction in the backyards was also limned. Mr. Hoffert expressed a intent to bring an ordinance back for consideration and implementation next year addressing this problem. The amount of water maintained for fire protection was explained. The current program prohibits irrigation on the 31st of each month. The City's experience has indicated that this one day has been providing the ability to fill all of the City tanks and provides the necessary safety margin for two weeks. He recommended that the storage capacity not be less than 30 percent when the system is operating at 95-98 percent of production capacity, however, this policy is a Board decision. He then indicated that staff is looking at weather predictions into the future, however, their reliability beyond seven to ten days is questionable. The weather pattern for the next three months is not good from all predictions at this time as the atmosphere is too dry and the rain is not reaching the ground.

Mayor Masayko felt that the one day a week watering is more of a cost problem than an infrastructure problem.

Supervisor Livermore emphasized that we are not in a critical position at this time. The proposal provides a proactive program for addressing a potential problem in the future. He also noted the number of City parks currently being irrigated with effluent. Mills Park had been removed from the system due to the carnival, which had voluntarily assisted the City's water program. Mr. Hoffert then explained his work with the power company in an attempt to provide a solution to the water problem created by a rolling blackout similar to Las Vegas'. Water restrictions are being followed. The enforcement program and the citations were limned. Edmonds Park's transfer to effluent had provided an extra 200,000 gallons of water per day. The School District is planning to convert the High School to effluent. Mr. Hoffert hoped to accomplish the transfer by the next irrigation period. Comments also noted that there is a limitation on the amount of effluent available for irrigation. Maintenance work to improve the pumping capacity was limned.

Mr. Hoffert then described the education and enforcement program which commence June 1. He agreed that the landscaping firms are aware of the restrictions and that the program cuts into their business. Misdemeanor citations may be issued later this week or the first part of next week to repeat violators. He suggested that the fines be reconsidered as they are no longer considered punitive enough for some people. Increased enforcement is provided by diversion of staff from other duties when tanks are stressed. Staff also works with the residents whose

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automatic clocks are watering at the wrong times or by conducting "mini-audits" and recommending repairs.

Mayor Masayko explained his contact with Mr. Hoffert due to residents' concerns/problems and thanked him and his staff for working with them. Water disconnections occur if a resident fails to correct the situation or respond to attempts to contact. They are charged for reconnections. Mayor Masayko supported taking necessary action to obtain compliance without turning off the water to assure compliance particularly if no one is home. Mr. Hoffert explained the two hour attempt to contact policy and the criteria used to assess the reconnect charge. He agreed that it is hard to make the decision to turn off the water. Mayor Masayko agreed and expressed his concern that two hours may not be adequate. Mr. Hoffert expressed the desire to have equal enforcement and avoid any possible vendettas. The critical period for replenishing the tanks is between 10 a.m. and 7 p.m. Justification for watering during these periods is questionable. Flexibility in citing and assessing the reconnection fee were used to illustrate staff's efforts to work with the individual. Supervisor Plank suggested that the application for service include a work telephone number or emergency number. Mr. Hoffert indicated that information regarding the tenants is not available as the property owner is responsible for the bills. Supervisor Williamson expressed a concern regarding the homes where individuals have gone out of town for an extended period and their water is turned off. The public should be encouraged to provide an emergency number and have an individual periodically check on the residence. Neighbors were encouraged to talk with their neighbors. Mr. Hoffert supported obtaining additional information from the applicants.

Supervisor Livermore moved to approve Carson City Utilities' action plan to meet the Summer 2001 water supply demand as presented. Supervisor Plank seconded the motion. David Morgan explained his personal knowledge of other communities with aggressive public relations outreach programs. He encouraged the City to commence such a program. This would create a continual conservation ethic by creating public support for the program. The motion to adopt the plan as presented was voted and carried 5-0.

BREAK: A recess was declared at 12:35 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

13. CARSON-TAHOE HOSPITAL - STATUS REPORT ON A TRANSFER AGREEMENT BETWEEN CARSON CITY AND CARSON-TAHOE HOSPITAL, A NEVADA NONPROFIT CORPORATION, FOR THE TRANSFER OF THE ASSETS AND ASSUMPTION OF THE LIABILITIES OF CARSON-TAHOE HOSPITAL, AND OTHER MATTERS RELATED THERETO, PURSUANT TO NRS 450.500 (2-0845) - Hospital CEO Steve Smith, District Attorney Noel Waters, City Manager John Berkich, Hospital Legal Counsel Mike Pavlakis, Hospital Administrator Ed Epperson, Carson-Tahoe Hospital Employees Association's Legal Counsel Walter Tarantino, Hospital Trustee Paul Saucedo, Chris Thompson - Mayor Masayko indicated that progress is occurring and explained the purpose of the session. Mr. Berkich elaborated on the effort to develop the agreement and introduced the team who had worked on it. The agreement under discussion is marked E01CTH14. Mr. Waters highlighted the agreement's table of contents. He emphasized that the agreement attempted to adhere to requirements of NRS 450.500. The exhibits will include an in depth listing of the assets. Revisions to the definition of Indigent Patient had been made. Mr. Pavlakis explained the team who had worked to develop the revised definition which is to be attached as a separate exhibit. The effort had been to confirm that the level of indigent care provided to Carson City residents is in fact \$1.2 million a year. With this as the basis, the definition was crafted to maintain this level of service into the future. The final form for this definition is to be ready before the next Board meeting. Mr. Waters reiterated that the agreement refers to indigent patients who are in fact Carson City residents and are individuals who are otherwise not eligible for any other governmental assistance such as Medicaid or Medicare. They will have minimal or no insurance or other governmental assistance provided. Their income levels, from either all sources of income or employment, is such that they realistically are unable to pay all but a minor portion of their medical bills. Auditing concerns with such claims was pointed out. The need for the definition to be broader than that found in NRS 428 was noted. The desire to provide quality medical care for needy individuals in the community for as long as possible is an essential consideration for the transfer of the hospital. Board comments emphasized that the recipients of indigent care must be Carson City residents. Supervisor Livermore felt that the zip codes would be used to determine residency. Mr. Pavlakis indicated that post office boxes were excluded from this definition. The residency requirement had not been recently reviewed by Mr. Waters. He felt that it would be a low residency rate, such as 30 days, for living here, and indicates an intent to live here indefinitely. He then explained that some hospital patients have failed to meet the established criteria. Responsibility for these individuals belongs to the

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county where they resided prior to entering the hospital. Mr. Epperson had purportedly advised Mr. Waters that meetings are occurring with the adjoining Counties regarding their indigent care and their responsibilities for it. Mayor Masayko asked that any criteria used by the Carson City's group insurance and welfare division be listed within the agreement as an exhibit and not merely referenced. Mr. Waters indicated that the criteria which will be used will be from the Nevada Revised Statutes and agreed to have it defined within the agreement. Mayor Masayko agreed to having the definition expanded as Mr. Waters had indicated so that auditing could occur. This definition may be beyond that required by the Statutes. Mr. Waters responded by indicating that the Hospital currently provides services to individuals who are deemed to be "poor" but have income levels above that established within the Statutes. The County's responsibility for these individual's care was noted and should continue.

Mr. Waters continued highlighting the document beginning with Page 5. He corrected Page 6 (b) Equipment and Personality to be Equipment and Personal Property. The purchase price of \$85 million is still the subject of negotiations. Mayor Masayko pointed out that the definition of purchase price and method of payment is not within the document and requested that they be added. Mr. Waters indicated that payment is included on Page 4 (p). The purchase price tracks NRS 450.500. Mr. Waters indicated he would reference the Statute on Page 2.2.

Mr. Waters continued his review with Item 2.3. He corrected Section 2.4 to be "to receive any person falling sick or maimed" rather than "fully sick". He felt that the timeframe for the \$1.2 million in indigent care is to be between 30 and 35 years. Reasons for using "billed patient charges" rather than gross income from hospital operations were discussed. Mr. Epperson explained the desire to separate income from non-hospital services from the hospital services and cited potential examples. This income should not be used to establish the 1.5 percent for indigent services. Supervisor Staub asked that "billed patient charges" be defined as well as the term "less charity care". Mr. Waters indicated that this definition would be added as a result of Supervisor Staub's written comments regarding the contract. The purpose of this term was provided. Mr. Pavlakis indicated that this definition would be in Article 1, Section 1.1 (e). His definition, which is subject to clarification by the Finance Department and approval by the City's Finance Department and consultants, is: Charity care is care provided to those patients who meet the requirements of charity care as defined by the Hospital's policy on charity care as it may exist from time to time and does not meet the requirements of indigent care as described in this agreement. Such individuals are fully employed but encounter a catastrophic illness, etc., mandating hospitalization which could bankrupt the individual if payment is required. A portion of such a bill or the entire bill may be written off. He also indicated that charity care is broader than indigent care as these individuals are not eligible for indigent care. The Hospital's policy will be attached. Mayor Masayko pointed out that such charity care would include individuals who are not Carson City residents. This will decrease the gross revenue figures and lessens the amount available for Carson City indigent coverage. This is a disadvantage for Carson City. Mr. Pavlakis felt that auditing should track the portion of charity care contributable to Carson City. Mayor Masayko felt that this definition should be included within the agreement as having only the charity care provided to Carson City residents deducted from the gross. Mr. Waters understood his concern and agreed to tighten the references. Bad debt will also be revised to include this restriction. Mr. Waters pointed out that such restriction goes against the purpose of a regional hospital which must treat anyone falling sick within its area. Mr. Pavlakis felt that the focus should return to the payment of the purchase price which he felt was a \$60 million contract. These payments are to be made over 34 to 40 years. His concern related to a philosophical time when the Hospital is paying more than the agreed upon \$1.2 million in indigent services and the calculations proving that expenditure. The standard needs to be objective and auditable. If the Hospital provides \$1.5 million in indigent care and asked the County for relief of the \$300,000 overage, the Board may say "you still owe us \$45 million". The Hospital may then desire to renegotiate the term of the agreement to meet the overage. This leaves the remedy to being the purchase price being owed and a determination by the auditors as to whether the Hospital has in fact exceeded the \$1.2 million and the track record for prior years. If there is a shortfall previously it could be used to indicate that special consideration should not be provided. Mayor Masayko felt that this remedy should be included in the agreement and could include negotiations or forgiveness. Mr. Pavlakis indicated that discussion had indicated that the Hospital should track this number and annually report to the Board on the burden provided during the prior year. He felt that the discussion had indicated that any overage should be negotiated. An agreement had not been reached on what happens if one party asks for relief. Mayor Masayko indicated a desire to determine the indigent/charity care numbers. Mr. Epperson indicated that a remedy had not been built into the agreement. Mayor Masayko explained his reasons for feeling that the remedy should be included within the agreement. Mr. Waters agreed to include a burden of proof within the agreement rather than remedies, i.e., that the Hospital has the burden of proving that its actual costs have exceeded 1.5 percent of the revenue.

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Mayor Masayko reiterated his desire to have the burden spelled out within the agreement.

Supervisor Livermore pointed out that the discussion does not include an individual representing the patients. They are the ones who will be responsible for payment of the services. If the control is too tight, charitable care will not be an issue. It could bankrupt patients regularly. He opposed such action. The mission statement and motto clearly indicate the desire to provide a higher amount of indigent care. The profit portion of the operation is not its goal. A profit is mandated in order to stay in business and continue to provide a high caliber service. Mayor Masayko indicated that he understood Supervisor Livermore's concerns, however, he also wanted to protect the City from bankruptcy. This is possible in view of the exhibit indicating that indigent care costs will accelerate. Comments noted the cost-of-living's acceleration rate. Supervisor Staub expressed his feeling that the Board's job is to evaluate the contract and attempt to do reasonable due diligence while providing a document which the Board's successors can reasonably understand. This document should eliminate as much interpretation as is possible.

Clarification by Mr. Pavlakis indicated his intent to have an annual review. He also suggested that a clause be added that the Hospital will annually provide the calculation of the level of service which has been provided during the prior year. This is to be the Hospital's burden to do. In the event that the burden is more or less than the estimated burden was, the parties could negotiate a change in the term up or down or negotiation any other concept to make an allowance. The City should agree that whatever that relief is it should be within the level of the City's taxing authority and that the Hospital will be protected by the \$1.2 million as well. Mayor Masayko responded by expressing his feeling that as the Statutes allows the City to tax at a set level, the agreement should include the fact that when that level is reached the funding level will be "tapped out". He expressed a concern as who would receive first count, the Hospital or the nursing homes. Mr. Pavlakis was certain that these issues could be resolved and that as long as there are DSH payments, the indigent care will be handled on an inpatient basis.

Discussion then explained the historical data used to establish the 1.5 percent cap for indigent care. Mr. Epperson explained that the coverage for indigent care at other facilities ranges widely and justified using the suggested calculation. Supervisor Staub suggested that the annual report be verified by an independent auditor and suggested the clause include the following: "as verified and determined by an independent auditor". Mr. Pavlakis felt that this is fair if either party is seeking relief as the actual numbers are verified by an independent auditor. Supervisor Livermore felt that the verification should be done annually. Supervisor Staub felt that the 1.5 percent figure should be the subject of negotiations. His recommendation refers to verification of the threshold for triggering the request for relief. Mayor Masayko pointed out the risk involved with using a one year "snap shot". Supervisor Staub suggested that the term be 1.5 percent for one year or "xyz" percent over a term of five years. This would address the concern of having an exceptionally high year which had been preceded with several below the cap years. Supervisor Livermore pointed out that relief is never sought until it is upon you. Mr. Pavlakis indicated that the Carson City auditor is now in the process of verifying the 1.5 percent figure. Supervisor Staub's suggestion was discussed and felt to be valid. Annual audits are to be conducted. Board comments also supported the selection of a mutually agreed upon auditor. These terms are to be added to the agreement. Supervisor Plank suggested that a clause be added identifying when or if negotiations should occur on the 1.5 percent.

Mayor Masayko then pointed out that the contract had not included any interest on the funding which is reserved for the indigent care. It also did not include any provisions on how to reimburse those funds if more demand is placed upon the account than it can support. Mr. Waters explained the overriding intent of the agreement as being to ensure that the indigent care needs of the community be provided for as long as is possible without impacting the taxpayers. He then suggested Section 2.4 be revised to include: "...for a period of to be filled in later and thereafter for so long as the proposed three conditions exist with a fourth limiting condition that Carson City will never be required to pay or contribute beyond the limits of its statutory taxing authority after the established period has been reached. He indicated that the Hospital Board had not discussed such a term. He agreed that this clause will have a substantial impact on the meaning and terms of the transfer and is important to the City. It will still allow the Hospital to be transferred without mandating a large cash expenditure on the Hospital's part. This would meet the indigent care needs into perpetuity unless an unforeseen economic disaster occurs which will mandate reconsideration of current business practices. Mayor Masayko then explained his calculations on the amount of interest which \$85 million could raise annually which would more than meet the perpetual care needs without touching the principal for 25 years. After that, the principal must be used until it is completely spent, which is estimated to be a period of 15 years. The indigent care costs for the 40th year were estimated to be \$26.1 million.

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For this reason the DSH payments and the taxing ability are important. He was also concerned about the impact which may be created upon the taxpayers and future Board of Supervisors at that time, particularly if the statutory limits are not included within the agreement. Mr. Pavlakis responded that it is not the intent to shift the responsibility for indigent care strictly from the City to the individuals who become ill. The intent is to develop a mechanism by which the City and the hospital can work together to address the unfortunate individuals who cannot afford to pay for the service without bankrupting either the City or the hospital. Mayor Masayko agreed and reiterated his calculations and concern. He stressed his desire to protect the City residents as well as the individuals who may need indigent care. He was certain that indigents will be able to receive care although the program is not identifiable at this time. He suggested that the contract include a clause providing for negotiations if it is determined that Section 2.4 is not working. Washoe County's indigent care costs are the responsibility of Washoe Medical Center. Washoe County's responsibility is restricted to the statutory amount. This model is a reasonable protection for both the hospital and County. He could not support the agreement without the clause regarding the taxing limitation as suggested by Mr. Waters.

Supervisor Livermore felt that the process and the representatives in the future must be trusted to resolve the issue. Escalation factors are part of life. He supported having the Hospital become a non-profit corporation as it will protect the taxpayers. The Hospital will remain a good community member. Clarification for Supervisor Staub indicated that the City would have indigent care for perpetuity. Mayor Masayko then pointed out the DSH requirements which mandates County Hospital provide a level of indigent care. He felt that this level should not be included within the City's 1.5 percent.

Mr. Epperson explained that the issue of perpetuity had not been raised before Tuesday. His Board had not considered it. He proposed to discuss it to the extent allowed during his Board meeting later today. The agreement had been slanted toward assuring that indigent care will always be provided. The Hospital should not be responsible for paying for the assets over and over into perpetuity. He requested time to analyze the concept and develop an action plan. Mayor Masayko indicated his understanding of the need to have a business equation which included these services. It is a business obligation which shifts the responsibility to other customers. He agreed that the City should be responsible for a fair share and stressed that that level should be based upon a cooperative agreement and does not force the City to foot 100 percent of the costs.

Supervisor Plank expressed his concern about DSH payments and their future availability. He suggested that a definition of DSH be included and expanded to cover any future definitions which could not be determined at this time. He then suggested consideration be given to assessing a fee for indigent services which could be used in the future similar to the concept that assesses the landfill users for closure costs.

Supervisor Williamson expressed her feeling that within five years competition in the community will force renegotiation of the entire contract. She also suggested that item 2.4 c be moved to the bottom of the list as it deals with DSH payments. Her support for the transfer was explained. Her concern with the program, however, related to a desire to place the current facility on the tax roles particularly if it is leased. The taxes generated by this agreement could be used to meet any gap in funding for indigent care. Other ideas similar to her suggestion should be developed and analyzed which would allow the conversion without impact to either the Hospital or City.

Mr. Berkich then explained Section 2.7 regarding the establishment of an escrow account. These funds should be allowed to grow over time and could be used to meet any "closure costs" incurred if failure occurs. He also explained staff's suggestion that if the Hospital agrees to the indigent care into perpetuity clause, that the City would abandon the DSH payment to the City for long term care obligations. Mayor Masayko supported this concept, however, felt that the paragraph dealing with DSH was too wide open. The individual receiving the DSH benefits should be the one making the payment. Mr. Waters explained the Federal prohibition against this revision. He agreed to tighten the clause if possible. Mayor Masayko explained his problem with the Federal requirement that the community make the contribution to which the State adds funds and returns the entire amount to the Hospital. The City does not have a choice concerning whether to make the payment. Failure to pay will bring the Fed's down on the City. The benefactor should be the one responsible for the payments. The intent is not to transfer the Hospital and then become responsible for unintended consequences of the DSH requirements. He also urged the negotiators to be sure that the terms used to define the process are understandable in 15 years.

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Mr. Waters then continued his review of the agreement beginning with Section 2.5. Supervisor Plank suggested that additional funds be periodically added to the \$1.2 initial contribution and its interest. This would provide a larger fund for future needs. Mr. Waters indicated that discussion had not considered this concept, however, discussions had included a concern about the escalating medical costs and the impact it could have on the \$1.2 million as its interest rate would never meet the escalated medical costs. The purpose of the fund is to meet a year's indigent care costs while the City develops a new hospital program should the non-profit corporation fail. Mayor Masayko agreed that the medical escalation factor would outstrip the funds eventually, however, it should cover 70 to 80 percent of the costs for a long period of time. The need for this coverage was described. Clarification indicated that these funds would not be part of the City Treasurer's accounts. Supervisor Livermore felt that if the Hospital fails, the residents/patients would use a Reno hospital and the City would be billed for those services. The funds should adequately pay for those services for a long period of time.

Mr. Waters continued his review beginning with Section 2.9 and described the Hospital services provided for Carson City jail inmates, etc. Discussion ensued on Page 15 and the errors and omission and professional services contract clause. Mr. Pavlakis indicated that the E&O premiums and tail coverage were to be paid by the Hospital with exception of a small tail coverage issue for which a credit will be sought. This amount will be subtracted from the purchase price. The current liability policy will be ongoing and does not require a tail coverage. The Hospital is going to pay for all insurances. A credit will be requested for any coverage involved in previous periods for tail coverage. Mayor Masayko agreed.

Supervisor Staub then explained his concerns regarding Sections 6.1 and 4.2 regarding the corporate structure relating to the terms for the current Trustees. He suggested that their terms be limited to the remainder of their current terms. Mr. Epperson indicated that they had agreed to recommend this concept to the Board, however, the Board had yet to discuss this proposal. Supervisor Staub also explained his concern regarding the salary for the Trustees and recommended that it be limited to the current statutory figures during their current term. Future terms could be at the figure established by the nonprofit board. The terms and salary would effect only the current Hospital Board members, which would include the new Chief of Staff member. Supervisor Livermore voiced his opposition to this concept as it meddled in the governing board's duties and questioned the character of the seven Trustees. He did not feel that the character of these seven individuals would allow for a substantial salary to be paid to themselves. The current salary of \$500-\$600 was not felt to be any kind of a compensation. Supervisor Staub pointed out that the issue is not one regarding personalities. He felt that the suggestion dealt with proper conduct for elected officials who are the current Board of Trustees. He was not questioning the current salaries as established by the Legislature. He then explained his reasons for feeling that those individuals should be restricted to that salary when appointed to the initial governing board for the nonprofit organization. Supervisor Livermore pointed out that this concept will establish a bifurcated salary schedule for a board consisting of eight to 15 members. This could be conceived as making the one group "second class citizens". Supervisor Plank questioned whether the Supervisors could mandate the suggested restriction. Supervisor Staub explained a Supreme Court ruling which indicated that the Board could restrict the salary. The same restriction is placed on all elected officials when the Legislature increases their salaries in the middle of the elected officials' terms. Staggered terms also creates this restriction. He then explained the original concept to have the Trustees serve on the governing board for one year. This concept was replaced with staggering the terms to meet the elected official's remaining term. He had agreed to this revision if the salaries remained the same.

(3-0006) Mr. Waters indicated for the record that a portion of the discussion is a policy issue. NRS 450.500 establishes the initial board with the current Board members as part of the board but as "ex-officio" members. His understanding of this term meant that they would not be compensated for their services. The Statute was adopted in 1969. Mayor Masayko pointed out that these individuals could be replaced within 30 to 60 days or they could resign if a conflict arises. Mr. Pavlakis indicated that the Statutes restricts the terms to six years. Re-election is possible. Staggered terms had been a concept they had raised. It is not included within the Statutes. Mayor Masayko suggested that the clause be added to the agreement with an asterisk and that a decision be made regarding it at the next meeting. Action/polling could not occur today as it had not been agendized. Mr. Pavlakis indicated that his Board had not considered the concept of staggered terms, however, it does make sense. Other issues were political in nature and their inclusion in the agreement was questioned. Supervisor Williamson suggested that the concept be included and that the Trustees' reaction be determined during the process of establishing the by-laws. She was concerned about getting the organization off to a good start. The Statutes

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should be followed. Her personal knowledge of the commitment and dedication of the Hospital Board of Trustees was limned. Mayor Masayko supported her suggestion.

Mayor Masayko then explained his concern with the reverter clause on Page 28 and whether the City is a party to the subsequent sales particularly if the organization goes bankrupt and the assets are sold. Mr. Waters described the requirements of NRS 450.500 which is rather vague. The intent of the agreement is that the Hospital buildings and premises, as they currently exist, when the new Hospital ceases to be used as a hospital will revert to the City and could conceivably be used to establish a new medical center. He also noted the Waters deed restriction regarding 5.2 acres of the current parcel mandating its reversion if the Hospital ceases to function at that location. Mayor Masayko felt that the agreement only deals with the nonprofit organization. If the nonprofit organization sells the property to another nonprofit organization, all of the protections and representations included in the agreement will be null and void. Mr. Pavlakis expressed his hope that this is not a true statement. He pointed to the obligation to provide indigent care for a minimum of 35 to 40 years, or longer. The agreement and both Boards want a hospital which will meet the needs of the community regardless of the ability to pay. As long as there is a nonprofit hospital within the community and providing that service, the obligations imposed by the Statutes and the agreement will be fulfilled. His reading of the Statutes indicates that if the property at 775 Fleischmann Way is not used as a nonprofit hospital, the property is to be returned to the City so that the City can find someone else to operate it unless the property is sold and the money is used for a new nonprofit hospital. The new nonprofit hospital could be located in the same area or somewhere else. At all times there must be a nonprofit hospital within the community serving the indigent care needs as well as for paying customers. Mayor Masayko felt that the agreement should include a clause requiring any subsequent sales document to mandate the agreement and its requirements. Mr. Pavlakis did not feel that a subsequent sale would relieve the nonprofit organization or the buyer from having to meet terms and obligations of the contract or any other Statutory requirements. Mayor Masayko felt that this requirement should be included within the agreement.

Mr. Berkich explained that the Memorandum of Understanding had not included the Sierra Professional Complex. It had been added to the agreement. Mayor Masayko felt that this was an excusable oversight. This is in Section 6.7.

Supervisor Staub then questioned whether a provision should be included in the reverter clause concerning the condition of the facility when it is returned to the City. The standard condition is "in good condition less reasonable wear and tear". Mr. Waters felt that it was part of Section 6.11 on Page 31.

Supervisor Livermore felt that Section 12.4 regarding Payment of Expenses should be revised to reflect the Hospital's commitment to pay for the City's expenses. Mayor Masayko agreed that the revision should be made.

Supervisor Plank requested his name be corrected on Page 40. Mr. Pavlakis indicated that there are other typographical corrections which should be made in the final draft. It was felt that document had been adequately covered.

Mr. Smith indicated that although he understood the Board's concerns, there were many of the items which he could not support. He also indicated that although he had said little during the discussion, his silence should not be accepted as an agreement.

Mayor Masayko responded by indicating that until the Supervisors are comfortable with the agreement, discussion will continue and may at times be line-by-line. He was also prepared to meet in joint session as needed. The meeting of the minds is more important than the established timeframe. Public comments were then solicited.

Mr. Tarantino indicated that the Association's legal counsel and the Hospital's legal counsel were diligently working to resolve the outstanding issues. The only reference within the agreement before the Board is that the Hospital will offer employment to all existing employees, Pages 20 and 29. Mr. Pavlakis had purportedly agreed that these clauses were to fulfill the intent as he had expressed. Mr. Tarantino, however, did not feel that the language indicated this intent. The residual issues regarding the collective bargaining agreement, rights of entitlements of the employees, memorandum of understanding should be completed prior to the Board's final decision on the agreement. He was unsure whether the memorandum of understanding would be included in the Board's

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agreement as an exhibit. The PERS issue is being addressed through the use of a service agreement with Mt. Grant Hospital which provides a lease back option for employees who wish to remain under the PERS program. This agreement is a work in progress at this time. The consultant is also developing an analysis of the impact on each employee for his/her use in determining his/her course of action regarding PERS and the proposed 401K program. The Association is satisfied with the progress and work accomplished to date. Mayor Masayko thanked him for his comments and the Trustees and Hospital staff for their efforts to address the issues.

Hospital Trustee Paul Saucedo voiced his opposition to Supervisor Staub's comments regarding the term of office and salary. The Board of Trustees' sole purpose has always been and continues to be to provide medical care to the community indefinitely that is under the community's control. It had never been the intent of any of the Members to enhance his/her personal welfare. Two of the current members of the Board may be financially impacted by the time and dedication required to serve on the Board.

Supervisor Staub responded by indicating that he understood his concerns. The issue was not to offend anyone, however, his constituents had raised the issues. He, therefore, felt it necessary to bring them forward particularly after he had asked Supervisor Livermore if the Board of Trustees had discussed the issue of compensation for the nonprofit board members. Supervisor Livermore had responded affirmatively. He had throughout his discussions with the Trustees and Hospital staff repeatedly stressed that they should do what is right. Therefore, the issue of compensation should be addressed with adequate criteria spelling who, what, and how the payments were to be made. Personality had not entered into the matter. He did not doubt the Trustees' ability and intent to do the best job for the patients and community. If the Boards decline to include the restriction in the agreement as he had suggested, he would accept the decision. He had fulfilled his commitment to his constituents to raise the issue.

Trustee Saucedo responded by explaining the contact he had had with residents of the community who had supported his election to the Board. He was not aware of the constituents who contacted Supervisor Staub. He and the other Board members were not there as an enhancement of their own welfare. Mayor Masayko indicated that his personal observations and contact with the public had not indicated the concern which had been expressed. He had been surprised by the question. He had received comments complimenting the Trustees on their diligence, hard work, and long hours.

Mr. Thompson supported the comments regarding how DSH may look in 30 to 35 years from now. He was certain that the criteria will be different then based on his belief that the current insurance program will be replaced with a health system. He believed that the new nonprofit Board would do things which it believed were in the best interest of the community and its patients. He also felt that an agreement which forces new Board members from both sides to meet and negotiate the agreement is "PollyAnnish". A better agreement does not require renegotiation on any of the terms unless a tremendous change occurs relatively soon. He supported annual reports and outside auditing, however, the cost for these services must be delineated. The 501c3 will have auditors and must make reports which will include the indigent figures. Clarification indicated that the agreement echoed the Statutes regarding indigent care requirements. Mayor Masayko thanked him for his input which had supported his concerns about having the agreement be able to stand on its own. His reluctance to enforce agreements with ambiguity was noted. Supervisor Williamson thanked Mr. Thompson for his assistance during the Legislative session.

Mayor Masayko noted that the agreement would have to be considered by the Board of Hospital Trustees. He was willing to agendize the agreement for action on July 19 based upon their reaction. No formal action was taken or required.

There being no other matters for consideration, Supervisor Williamson moved to adjourn. Mayor Masayko seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 4:05 p.m.

The Minutes of the July 5, 2001, Carson City Board of Supervisors meeting

ARE SO APPROVED ON August 2, 2001.

/s/

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Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder