

CARSON CITY BOARD OF SUPERVISORS
Minutes of the April 5, 2001, Meeting
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, April 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
	Rod Banister	Sheriff
	Al Kramer	Treasurer
	Steve Kastens	Parks and Recreation Director
	Judie Fisher	Personnel Manager
	Phil Herrington	Building Official
	Cheryl Adams	Deputy Purchasing Director
	Juan Guzman	Open Space Manager
	Melanie Bruketta	Deputy District Attorney
	Verne Krahn	Parks Planner
	Scott Burau	Chief Deputy Sheriff
	Jerry Mather	Chief Deputy Sheriff
	Katherine McLaughlin	Recording Secretary
	Justine Chambers	Contracts Coordinator
	(B.O.S. 4/5/01 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. Marvin Dennis of the Good Shepherd Wesleyan Church gave the Invocation. Mayor Masayko lead the Pledge of Allegiance. He complimented Supervisor Staub on the redecorated Sierra Room.

CITIZEN COMMENTS (1-0029) - Pete Bachstadt distributed a sheet purportedly containing questions concerning the legal standing the Washoe Tribal Police have in southeast Carson City. He then asked that Mr. Berkich include within his discussions with the Washoe Tribe its legal jurisdiction due to problems he has encountered. He also questioned to whom Center Street had been dedicated. If it is a Carson City street and had been dedicated to Carson, the Tribal Police's authority and citing to its justice system was questioned. Mayor Masayko promised to have staff respond to the questions or agendize the matter for discussion.

Richard Hardenbrook, political liaison for the Carpenters' Union, expressed his concerns for the working poor in the State and opposition to Sparks' efforts to reduce/eliminate the prevailing wage statutes under AB 156. A property tax increase for senior citizens and others with a restricted income was explained, which is AB 137. Legislation to give salary increases for elected officials is supported by the Nevada Association of Counties and the Nevada League of Cities, AB 256. Consideration should be given to the working poor, seniors, and teachers. All of the bills which had been discussed have unknown authors, which he could not understand. Additional comments were solicited but none given.

1. APPROVAL OF MINUTES - REGULAR SESSIONS OF JANUARY 4, JANUARY 18, AND

FEBRUARY 1, 2001 AND THE BUDGET SESSION OF MARCH 6, 2001, WITH THE PARKS AND RECREATION COMMISSION (1-0114) - Supervisor Plank moved to approve all of the Minutes for the Carson City Board of Supervisors as presented for January 4, 2001; January 18, 2001; and February 1, 2001; and the approval of the Minutes of the joint meeting between the Board of Supervisors and the Carson City Parks and Recreation Commission dated March 6, 2001. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. **AGENDA MODIFICATIONS (1-0136)** - None.

3. **SPECIAL PRESENTATIONS** - Personnel Manager Judie Fisher

A. ACTION ON RETIREMENT RESOLUTION COMMENDING JONNI MOON, BUILDING TECHNICIAN II (1-0140) - Mayor Masayko read the resolution into the record. Supervisor Livermore moved to adopt Resolution No. 2001-R-14, A RESOLUTION COMMENDING JONNI MOON, BUILDING TECHNICIAN II, ON HER RETIREMENT. Supervisor Plank seconded the motion. Supervisor Williamson complimented her on her dedication and service to the community and wished her success in the future. The motion was voted and carried 5-0. Mayor Masayko presented her with a copy of the resolution and indicated that the official resolution would be presented at her retirement luncheon later in the day. He then read a plaque into the record and presented it to her. Ms. Moon explained her history with the City and thanked the many people who had worked with her over the years. Her community service involvement was noted. She requested the public and Board support the Brewery Arts Center's legislation, AB 20. She expressed her intent to remain active in the community.

B. ACTION ON RETIREMENT RESOLUTION COMMENDING SCOUT FOR SERVICE AS A K-9 NARCOTIC DETECTION DOG (1-0237) - Mayor Masayko read the resolution into the record. Supervisor Livermore moved to adopt Resolution No. 2001-R-15, A RESOLUTION COMMENDING SCOUT FOR SERVICE AS A K-9 NARCOTIC DETECTION DOG. Supervisor Williamson seconded the motion. Motion carried 5-0.

Chief Deputy Sheriff Scott Burau noted that this was a special and unique occasion. Scout's handler, Deputy Rebecca Zuniga-Brown, will keep her as a pet. He presented Scout with a special pin and indicated that her badge would also be retired. Chief Deputy Burau then explained how the City had obtained Scout and solicited donations for her replacement.

4. **CONSENT AGENDA (1-0390)**

A. TREASURER
i. ACTION ON TREASURER'S REPORT FOR THE MONTH OF FEBRUARY 2001
ii. ACTION ON PARTIAL REMOVAL OF TAXES TO THE 2000-2001 REAL PROPERTY TAX ROLL ON SEVEN PARCELS DUE TO DONATION OF VETERAN'S EXEMPTION TO THE VETERAN'S HOME

B. DEVELOPMENT SERVICES - ENGINEERING
i. ACTION TO ACCEPT THE RELEASE AND CANCELLATION OF THE DEVELOPMENT AGREEMENTS IN THE INDUSTRIAL AREA LOCATED AT 2601 CONESTOGA DRIVE, APN 8-401-03; 3001 CONESTOGA DRIVE, APN 8-402-04; 5100 CONVAIR DRIVE, APN 8-816-46; 5100 GRUMMAN DRIVE, APN 8-815-04; 2727 LOCKHEED WAY, APN 8-405-34; 4859 CONVAIR DRIVE, APN 8-402-15; AND 1665 SOUTH SUTRO TERRACE, APN 8-683-09
ii. ACTION TO ACCEPT CORRECTION OF PAST BOARD ACTION REGARDING A REQUEST FROM CARSON CITY (PROPERTY OWNER) TO ABANDON A PUBLIC RIGHT-OF-WAY (AN IRREGULARLY-SHAPED AREA APPROXIMATELY 29,373 SQUARE FEET) TO BODINE'S PROPERTY ZONED GENERAL COMMERCIAL (GC), LOCATED AT THE SOUTHWESTERN

PORTION OF THE INTERSECTION OF OLD CLEAR CREEK ROAD AND US HIGHWAY 395, APN 9-303-04

C. DEVELOPMENT SERVICES - CONTRACTS - ACTION ON REQUEST FOR CONTRACT APPROVAL FOR THE CENTENNIAL PARK EAST PLANNING AND ENGINEERING SERVICES FOR THE FEASIBILITY ANALYSIS OF A SITE FOR THE DEVELOPMENT OF A MULTI-USE RECREATION/FAIRGROUNDS FACILITY LOCATED IN CARSON CITY, CONTRACT NO. 2000-131, TO LUMOS AND ASSOCIATES FOR AN AMENDMENT COST NOT TO EXCEED \$27,000 AND AUTHORIZE THE CONTRACTS DIVISION TO EXECUTE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$4,000

D. PURCHASING AND CONTRACTS

i. ACTION ON A RESOLUTION DECLARING CARSON CITY'S INTENT TO LEASE A PORTION OF THE SILVER SADDLE RANCH LANDS UNDER THE OWNERSHIP OF THE BUREAU OF LAND MANAGEMENT THROUGH A COOPERATIVE MANAGEMENT AGREEMENT AND SPECIAL USE PERMIT GRANTED TO CARSON CITY, NEVADA, FOR GRAZING PURPOSES AND REQUESTS FOR BIDS THROUGH THE PROCESS DETAILED IN NRS CHAPTER 244

ii. ACTION ON AMENDMENT NO. 3 FOR CONTRACT NO. 9798-193 PARKS DEPARTMENT FERTILIZER WITH UNITED HORTICULTURAL SUPPLY WHICH EXTENDS THE CONTRACT THROUGH MARCH 19, 2003, AND CONTAINS PRICE INCREASES

iii. ACTION TO EXTEND CONTRACT NO. 9900-096 JOINDER BID WITH TNT AUCTION THROUGH THE STATE OF NEVADA TO PROVIDE AUCTION SERVICES AND AUTHORIZE ITS USAGE THROUGH MAY 31, 2003, TO DISPOSE OF CITY SURPLUS PROPERTY

iv. ACTION ON CONTRACT NO. 0001-070, AN INTERLOCAL AGREEMENT WITH THE BUREAU OF SERVICES TO THE BLIND AND VISUALLY IMPAIRED TO PAY THE CITY \$5,000 TO OPERATE A VENDING STAND/S AT THE CENTENNIAL PARK COMPLEX THROUGH DECEMBER 31, 2001

v. ACTION ON CONTRACT NO. 0001-087 FOR THE WASTEWATER RECLAMATION PLAN TO CONTRACT WITH POLYDYNE INC. BY JOINDER BID THROUGH THE CITY OF SPARKS TO PURCHASE DEWATERING POLYMER (CLARIFLOC NW-168) THROUGH OCTOBER 31, 2002, PROVIDING THEY HAVE APPROVED FUNDING AND FOLLOW APPROVED CARSON CITY PURCHASING PROCEDURES

vi. ACTION ON CONTRACT NO. 0001-089 TO CONTRACT WITH WESTERN ENERGETIX CORP. BY JOINDER BID THROUGH WASHOE COUNTY PURCHASING DEPARTMENT TO UTILIZE THE CARDLOCK FUELING PROGRAM THROUGH NOVEMBER 1, 2003

vii. ACTION ON CONTRACT NO. 0001-093, REQUEST TO DECLARE THE PURCHASE OF THE E911 VESTA SYSTEM FOR THE NEW COMMUNICATION CENTER EXEMPT FROM COMPETITIVE BIDDING AND AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO NEVADA BELL FOR A NOT TO EXCEED COST OF \$158,254.20

E. PARKS AND RECREATION - ACTION TO APPOINT LAWRENCE D. NAIR, FACILITIES SUPERINTENDENT, AS THE CITY'S ENERGY RETROFIT COORDINATOR AND APPROVE THE REQUEST TO ADVERTISE A REQUEST FOR PROPOSALS TO QUALIFIED ENERGY SERVICES COMPANIES TO EVALUATE POSSIBLE ENERGY COST SAVINGS TO THE FOLLOWING CITY FACILITIES: CARSON CITY AQUATIC FACILITY, CARSON CITY COMMUNITY CENTER, GOVERNOR'S FIELD (BALL FIELDS), LOWER CENTENNIAL FIELD (BALL FIELDS), NORTHGATE ADMINISTRATIVE COMPLEX, AND THE CARSON CITY PUBLIC SAFETY COMPLEX

F. PERSONNEL - ACTION TO FILL THE CARSON CITY SENIOR CITIZEN CENTER VACANCY ON THE CARSON CITY PUBLIC TRANSIT ADVISORY COMMITTEE WITH TOM BAKER FROM THE SENIOR CENTER GOVERNING BOARD

G. DISTRICT ATTORNEY - ACTION TO APPROVE A SETTLEMENT AGREEMENT BETWEEN CARSON CITY, A CONSOLIDATED MUNICIPALITY AND A POLITICAL SUBDIVISION OF THE STATE OF NEVADA, DEPUTY ERIC EMIL HUTT AND MS. KATHLEEN AMBER EMERY AND HER HUSBAND, MR. WESLEY EMERY, WHICH SETTLES MR. AND MS. EMERYS' SUIT FOR

NEGLIGENCE AND LOSS OF CONSORTIUM AGAINST CARSON CITY AND DEPUTY ERIC EMIL HUTT IN THE AMOUNT OF \$60,000

H. FINANCE - ACTION ON RATIFICATION OF THE EXPENDITURE APPROVAL LISTINGS FOR THE MONTH OF FEBRUARY 2001 - None of the items were pulled for discussion. Supervisor Plank moved to approve the Consent Agenda and all of the 16 items and include Resolution No. 2001-R-16 on Item 4. D-1. Mayor Masayko complimented staff on the new numbering system for the Consent Agenda. Supervisor Livermore seconded the motion. Motion carried 5-0.

5. BOARD OF SUPERVISORS

A. ACTION ON REQUEST BY NATIONAL BEST SELLERS FOR A WAIVER OF FEES AT FUJI PARK (1-0390) - Parks and Recreation Director Steve Kastens - Board comments noted Applicant Gail Farley's absence. Justification and support for granting the request to waive the fee difference between a non-profit organization and a for profit organization were provided. The firm had been holding a Christmas Dance as a fund raiser for the Advocates. The Ormsby House is not available for this use at this time. Supervisor Plank moved, as the liaison for the Board to the Parks and Recreation Commission, for the partial waiver of the fees at Fuji Park for American Best Sellers to reduce the fees from the commercial rate of \$981.00 to \$666.00, which is the non-profit rate, and corrected the name of the firm to be National Best Sellers. Supervisor Williamson seconded the motion. Motion carried 5-0.

B. DISCUSSION ON LEGISLATIVE MATTERS INCLUDING: C. ACTION ON SB 329 PROHIBITING CERTAIN PUBLIC BODIES FROM TAKING ACTION BY VOTE WITHOUT AFFIRMATIVE VOTE OF MAJORITY OF THE ENTIRE PUBLIC BODY; AND D. ACTION ON AB 276 CONVERTING OFFICE OF MAYOR AND CITY COUNCILMEN TO PARTISAN OFFICES (1-0489) - City Manager John Berkich - The Board had previously taken action to support AB 256. AB 329 was discussed. It was felt that the requirements would impact the Board's advisory committees and could hamstring committees, boards, and commissions. Public comments were solicited but none given. Supervisor Williamson moved that the Carson City Board of Supervisors not support SB 329. Supervisor Plank seconded the motion. Motion carried 5-0.

Discussion ensued on AB 276 and previous Board consideration of the proposal to elect Supervisors by ward. Board comments indicated that the proposal could disenfranchise members of small political parties from having a say in the selection of local leaders, could impose a hardship on the Election Division, be confusing to the electorate, and may create unnecessary and unwarranted friction/division among the Board members. A Board candidate's political affiliation could easily be obtained from the Election Division.

Tom Keeton opposed the bill as it could create a problem for candidates who may have to commit to supporting other candidates/agendas in order to obtain political support from the parties. It is divisive and would force everyone to run two times--once against other members of his/her party and then against the other political parties. The current election program was supported.

Mayor Masayko supported his comments regarding the current election process by explaining it. Supervisor Livermore moved that the Board of Supervisors oppose SB 276 and not support the resolution. Supervisor Plank seconded the motion. Motion carried 5-0.

Discussion ensued on the status of AB 570, the City's Charter amendments, and a Bill proposal that mandates elected officials be full time representatives and not hold another position. The City had revised its Charter to mandate this requirement during the last legislative session. Mr. Berkich explained that Washoe County had also addressed this issue by adopting an ordinance and suggested that, if necessary, Carson City could also implement an ordinance. Mayor Masayko agreed that counties may have to adopt an ordinance addressing this issue due to the lack of a charter. Mayor Masayko also indicated that he would attend the hearing regarding this bill and make a similar presentation if requested. Sheriff Banister was in attendance and supported the City's position. Mayor

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Masayko indicated that, if additional action is required from the Board, he would agendize it. Comments also indicated that Charter Chairperson Shelly Aldean would be at the hearing. Mayor Masayko felt that if the Charter is reviewed, a question may arise regarding the mandate that citizens be registered voters before they can be appointed to advisory committees but felt certain that he would be able to field these questions. He then explained the discussion on the NACO elected officials' salary bill which included consideration of making a constitutional change which would allow the counties to establish their elected officials' salaries.

E. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0917) - Discussion between Mayor Masayko and Supervisor Staub explained a request to restrict the amount of time the Board commits to this item and for not moving it to the end of the meeting. Board Comments stressed the importance of having the reports and supported continuing to have it agendized early in the session but restricting the comments to five minutes for each person with a second opportunity to expound on or add to the comments later in the meeting.

Supervisor Plank reported on his attendance at/participation in/with the following groups/events: TRPA Governing Board meeting; tour of the Dispatch Center; Carson-Tahoe Hospital Administrator Ed Epperson and Chief Financial Officer Ron Telles and Supervisor Livermore on the Hospital's reorganization; and Senior Center's Executive Director Janice MacIntosh's speech to the Sertoma Club. He also announced his plans to attend the TRPA Local Government Committee meeting, explained the TRPA requirement that each Board member serve on three committees, and his appointment to its Internal Finance and Government Affairs Committees. It is not necessary for the Board to formalize these appointments. The Conservation District appointments are not part of the TRPA assignments. He had asked Community Transit Manager Marc Reynolds to serve on the TRPA Transportation Technical Committee. He then announced that the bicycle park issue raised during the budget sessions had been agendized by the Parks and Recreation Commission for the second meeting in April. Eric Kvam was aware of the meeting.

Supervisor Williamson complimented Supervisor Staub on the Sierra Room's appearance. She then reported on her attendance at/participation in/with the following groups/events: Redevelopment Authority Citizens Committee including the winners of the kiosk contest and announced the award ceremony for it and its next meeting; GROW on March 20 and its efforts to have its plan approved as a pilot program; legislative sessions and with the NACO Board; a NACO legislative tracking program; organizational development team; Carson-Tahoe Hospital officials; Carson River Advisory Committee and announced its plans for a Carson River tour on May 12 and a High Sierra Resources workshop, its purpose and accomplishments; and public contact regarding Fuji Park and the need to balance economic concerns against the lifestyle and quality of life issues.

Supervisor Staub supported Supervisor Williamson's comments regarding Fuji Park and the balancing act. He then reported on his attendance at or participation in/with the following groups/events: Builders Association of Western Nevada (BAWN) Chairperson Tom Metcalf and Recreation staff members on the Sierra Room which pointed out the need to make lighting changes and noted the changes which CATF had made to the camera system. Mayor Masayko explained his observation of the televised Carson River Advisory Committee meeting and the improvements which CATF had made to the televised picture. Supervisor Staub continued his report with Community Council on Youth; Mr. Berkich regarding issues facing the City; Tom Keeton; Supervisor Livermore and Mr. Telles on the reorganization plan; and Supervisor Livermore, Chamber of Commerce Executive Vice President Larry Osborne and Chairperson Shelly Aldean regarding the Carson Street bicycle path. He announced his plans to be out of town commencing tomorrow and running through the 15th. He then expressed his concerns about the process of abandoning property and the potential need for that property at some future time. He suggested that a reversion clause be included in the abandonment indicating that the property could be returned to the City at no charge in the future, specifically, if it is abandoned at no charge to the recipient. Bodine's was cited as an example and illustrated the potential need for the right-of-way in the future. Mayor Masayko acknowledged his point and indicated that it should be discussed in the future.

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Supervisor Livermore then reported on his attendance at/participation in or with the following groups/events: Subconservancy District including photographs--which he distributed to the Board (They were returned to him.)--regarding the Clear Creek erosion along Highway 50, Chairperson Bob Mills' letter to the Forest Service and NDOT on this topic, and the status of Joan West's diversion project; Chamber of Commerce Transportation Committee regarding the State's restriping plan for South Carson Street, which has now been delayed until 2002, and the City's South Carson Street bicycle plan; economic development committee including his support of Supervisors Staub and Williamson's comments regarding Fuji Park; Youth Sports Organization, the Comstock Soccer Tournament, and the Little League activities; an Advisory Board luncheon at the Boys and Girls Club; Mental Health Legislation Committee; Hospital Board of Trustees and its efforts to address the reorganization issues; and the status of the Carson Mall Health and Wellness Clinics.

Mayor Masayko congratulated Supervisor Staub and BAWN on the Sierra Room. He suggested that commendation certificates be given to the BAWN members who had done the work. He then reported on his attendance at/participation in/with the following groups/events: Airport Authority public information sessions on its master plan; "March Is Reading Month" at Bordewich-Bray and Fremont Elementary Schools; Capital Christian School welcoming and tour of City Hall; Nevada Association of Counties legislative activities and announced that its annual conference will be held in September in Ely; Supervisor Livermore's birthday celebration; tour of the Dispatch Center; Governor's Commission on Aging; legislative issues including the Carson City Charter amendments; and telephone calls concerning Fuji Park. He pointed out that the Board did not have an agenda item dealing the disposal of Fuji Park on today's agenda and had not reached a final decision regarding it. The contract approved under the Consent Agenda establishes a definitive process for consideration of potential relocation sites for it. This supports the commitment which had been made last year to the Fuji Park users.

F. STAFF COMMENTS AND STATUS REPORTS (1-1881) - None.

BREAK: A recess was declared at 10:20 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:30 a.m., constituting a quorum.

7. DEVELOPMENT SERVICES - City Manager John Berkich - ACTION REGARDING ADOPTION OF AMENDMENTS TO THE CARSON CITY BICYCLE ELEMENT, A PART OF THE TRANSPORTATION MASTER PLAN ELEMENT (1-1885) - Chamber of Commerce Chairperson and Glenbrook Development's Representative Shelly Aldean, Community Development Director Walter Sullivan, Deputy District Attorney Melanie Bruketta - Discussion indicated that the element should be returned to the Planning Commission for reconsideration. Public comments during the informational meetings supported the Board's recommendation to remove the path between Fairview/Koontz and Snyder along Carson Street. Supervisor Livermore expanded on his comments concerning his participation in the public hearings and the Chamber of Commerce's Transportation Committee meeting on the plan. Mayor Masayko felt that the removal would eliminate any potential multi-use path along Carson Street even though courageous bicyclists could/may use Carson Street and that there are other routes which could take bicyclists to south Carson. Supervisor Plank explained one of the property owner's concerns regarding making the improvements and then having NDOT require their removal and return of the right-of-way should additional street improvements be required. Although he did not oppose allowing the right-of-way to be leased, he felt that it should be used for multi-use transportation purposes. He objected to removing the line until the entire master plan process is completed. Mayor Masayko agreed that the plan should be reviewed by the Planning Commission and the Regional Transportation Commission. He also explained the Statewide Transportation Board's direction to NDOT regarding return of local streets to the communities when the freeway(s) are completed. Issues related to the rights-of-way titles were noted. The multi-use path/bicycle plan could be revisited at that time.

Ms. Aldean explained the property her firm owns at Koontz and Carson Streets and its lease of a portion of the Carson Street right-of-way. NDOT had required improvements to the leased right-of-way, which the firm had made. The City requirement that the adjacent property owners develop the multi-purpose path would impose a financial commitment upon the adjacent property owners/businesses. The cost for

Glenbrook would be more than \$41,000. Maintenance problems which will be created by the NDOT restriping plan were limned. This will create an additional financial hardship on property which the firm does not own. The lease agreement requires Glenbrook to insure the area. The multi-use path will expand the use and create a larger liability. The leases contain both an expiration date and a reversion clause for violation of any of the lease terms. The improvements will have to be removed at that time. She described the current pathway which was part of the agreement. It will have to be removed in order to construct the multi-purpose pathway which will be 14 feet wide. Supervisor Plank explained that the current pathway could be used by pedestrians and bicyclists and that there are travel lanes throughout the development which would allow all types of transportation to traverse the area. His concerns had been addressed by her firm, however, the properties further south of her's were the ones about which he had voiced a concern. Automobiles have been parked in the right-of-way at that location. When the right-of-way is needed, it should revert back to provide multi-use transportation methods. Ms. Aldean pointed out that her pathway provides connectivity and that all pathways should be comfortable and safe for the users. Her path could be used by bicyclists, however, its original purpose had been part of the integrated landscaping plan. She also pointed out that expanding the pathway would remove landscaping at a time when the community is attempting to encourage more landscaping. She agreed that bicyclists could traverse the parking lot. Mayor Masayko indicated that the Board did not at this time wish to put the green line (bicycle path) on private property.

Mr. Sullivan reiterated the need for the plan to be reconsidered by the Planning Commission and staff's intent to carryout the Board's direction regarding the pathway. Mayor Masayko explained the Board's desire to also have the Regional Transportation Commission consider the revision.

Additional public comments were solicited but none given. Supervisor Plank moved that the Board remand the Bicycle Plan and potential amendments back to the Regional Planning Commission and the Regional Transportation Commission for more public input and review before it comes back to the Board. Supervisor Livermore seconded the motion and suggested a revision to the motion. Supervisor Plank amended his motion to require staff to review the potential removal of the South Carson Street multi-purpose path which had been referred to as the bicycle plan or for the purpose of considering the removal. Supervisor Plank then restated the motion as being to remand the Bicycle Plan and Multi-Use Plan back to the Regional Transportation Commission and the Regional Planning Commission to consider removal of the bicycle path on South Carson Street. Supervisor Livermore withdrew his second. Supervisor Williamson seconded the motion. Supervisor Livermore expressed his feeling that the testimony had indicated that the Board should return it to the Commission with instructions to review and remove the path. Both Mayor Masayko and Supervisor Plank felt that the Statutes required the Board to return it to the Commission for consideration. Supervisor Plank felt that the agenda would not allow the Board to amend the plan. Supervisor Livermore pointed out that the Board Action Request Form included instructions for staff to remove the path and refer the plan with the change to the Planning Commission for review and comment back to the Board, which he felt the Board should follow. Ms. Bruketta opined that the Board could revise the plan and return it to the Planning Commission for comments. If the Commission fails to respond in a timely manner, the plan would be adopted as amended. Mayor Masayko then requested the motion be amended to revise the plan and return it to the Planning Commission and RTC. This would start the clock for the Planning Commission. Supervisor Plank declined. The motion was then voted and failed on a 2-3 vote with only Supervisors Plank and Williamson voting Aye.

Supervisor Livermore then moved to instruct staff to remove the South Carson Street Bicycle Path and refer the Bicycle Plan with the above change to the Planning Commission and Regional Transportation Commission for review and comment and then return to the Board of Supervisors for final action. Supervisor Staub seconded the motion. Motion carried 3-2 with Supervisors Plank and Williamson voting Naye.

8. DISTRICT ATTORNEY

B. ACTION TO FIX COMPENSATION FOR ATTORNEY SCOTT FREEMAN TO PROVIDE LEGAL REPRESENTATION TO CARSON CITY DEPUTY DISTRICT ATTORNEY ANNE LANGER AT \$125.00 PER HOUR, NOT TO EXCEED \$5,000 UNLESS ADDITIONAL COMPENSATION IS APPROVED BY THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATED

THERETO; C. ACTION TO FIX COMPENSATION FOR ATTORNEY NATHAN TODD YOUNG TO PROVIDE LEGAL REPRESENTATION TO CARSON CITY JUSTICE OF THE PEACE ROBEY WILLIS AT \$125.00 PER HOUR, NOT TO EXCEED \$5,000 UNLESS ADDITIONAL COMPENSATION IS APPROVED BY THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATED THERETO; AND D. ACTION TO FIX COMPENSATION FOR ATTORNEY EDWIN T. BASL TO PROVIDE LEGAL REPRESENTATION TO CARSON CITY SHERIFF'S OFFICERS BILL CALLAHAN, KEN SANDAGE, ROD KING, FRED SCHOENFELDT, AND STEVE JOHNSON AT \$200.00 PER HOUR, NOT TO EXCEED \$10,000 UNLESS ADDITIONAL COMPENSATION IS APPROVED BY THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATED THERETO (1-2433) - District Judge Michael Griffin, District Attorney Noel Waters, Deputy District Attorney Melanie Bruketta - Discussion referenced Mr. Waters' letter and explained the legal requirement mandating the hiring of outside legal council when a grand jury is involved with an issue. Comments also noted that several rulings had already been made regarding the Weddell case. Mr. Waters corrected the fees for Todd Young to be \$200 per hour and requested no action be taken at this time on it due to the Open Meeting Law requirements regarding agendaing an item. The item will be reagendaed to reflect the correct amount. His contract will be included in the packet for that meeting. Comments also explained the reasons for continuing to provide legal counsel for the City employees involved in continuing federal litigation. Mr. Waters agreed to provide the Board with a status report regarding this case and the need to continue to provide legal counsel for those employees. Judge Griffin explained his feeling that the Board had been advised of the need to hire private counsel for the Grand Jury when the Grand Jury was established as the district Attorney's office was involved in the litigation and the Grand Jury's investigation. Both Mayor Masayko and Supervisor Staub felt that the original presentation had included only a legal prosecutor and not legal counsel for the City employees. Mr. Waters explained that the Statutes allow him to hire outside counsel. The Board's role is to fix the compensation for this representation. Comments indicated that the agenda would allow the Board to take this action. Supervisor Williamson asked that the message be relayed to the attorneys that the City should not be taken advantage of as a result of the lawsuits to which Mr. Waters agreed. He also expressed the hope that the standard District Attorney's rate of \$70 per hour may appear more pleasing to the Board than that indicated by the outside consultants. The consultants are very professional, highly qualified, and very reputable. Supervisor Livermore explained that the legal counsel retained by the Hospital had cost \$250 per hour. Board comments supported the procedure and requested that an accurate accounting be required. Mayor Masayko offered to have a special meeting if the timing is critical on Mr. Young's agreement. Supervisor Staub moved to fix compensation for attorney Scott Freeman to provide legal representation to Carson City Deputy District Attorney Anne Langer at \$125 per hour, not to exceed \$5,000 unless additional compensation is approved by the Board of Supervisors and other matters properly related thereto; fiscal impact is unknown at this time. Supervisor Livermore seconded the motion. Following a request for a correction to the motion, Supervisor Staub amended his motion to include the fiscal impact of \$5,000 and that the funding source is the District Court II Grand Jury account. Supervisor Livermore concurred. Motion carried 5-0.

Mayor Masayko noted for the record that Mr. Young's contract would not be acted upon due to the incorrect figures. It will be scheduled for another meeting.

Supervisor Staub moved to fix compensation for Attorney Edwin T. Basl to provide legal representation to Carson City Sheriff's Officers Bill Callahan, Ken Sandage, Rod King, Fred Schoenfeldt and Steven Young at \$200 per hour, not to exceed \$10,000 unless additional compensation is approved by the Board of Supervisors, and other matters properly related thereto. Following a request for a correction, Supervisor Staub amended his motion to be for Steven Johnson and not Steven Young and that the funding source is the District Attorney's Grand Jury account and fiscal impact is not to exceed \$10,000. Supervisor Livermore seconded the motion. Motion carried 5-0.

6. FINANCE - Director David Heath

A. ACTION ON A RESOLUTION CONCERNING THE FINANCING OF VARIOUS PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS THEREFORE;

PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF THE BONDS (1-3045) - Mr. Heath explain-

ed the request for flexibility in the bonding due to the restriction on the number of times the bonds could be refinanced and the need to do so when financially prudent. At this time refinancing the Redevelopment Bonds would barely break even. The Senior Center issue may be processed through a bank as a General Obligation debt and would be for ten years. The process will take approximately four months to complete. The Redevelopment funds were to refinance a \$2.5 million bond and provide \$2.25 million for various projects. The Redevelopment District's ad valorem tax will repay the \$2.25 million bond. The \$675,000 for the Brewery Arts Center does not have to be repaid. Supervisor Livermore then explained the Hospital bond counsellor's concerns regarding having a non-profit organization, under a 501C3, receive bond funds. Supervisor Williamson and Mr. Berkich explained that Bond Counsellor Jennifer Stern understood the purpose of the funding and had worked with Redevelopment on the concept. Redevelopment will donate the \$675,000 to the Brewery and Redevelopment will be responsible for the bond payments. Mr. Berkich felt that the difference between the Hospital and the Redevelopment programs were due to the fact that the Brewery would be receiving a grant/gift whereas the Hospital Bonds were to be repaid by the non-profit organization. The bonds require several additional hearings before final approval. There is adequate time to address Supervisor Livermore's concerns during that process. Supervisor Williamson moved to adopt Resolution No. 2001-R-17, A RESOLUTION CONCERNING THE FINANCING OF VARIOUS PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSAL TO ISSUE GENERAL OBLIGATIONS THEREFORE; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING FOR THE REIMBURSEMENT OF EXPENDITURES FROM THE PROCEEDS OF THE BONDS AND PROVIDING THE EFFECTIVE DATE HEREOF; fiscal impact is \$7.25 million; funding source is the General Obligation Bonds. Supervisor Plank seconded the motion. Motion carried 5-0.

B. ACTION TO APPROVE CARSON CITY'S PLAN OF CORRECTIVE ACTION FOR FISCAL YEAR 99-00 AUDIT RECOMMENDATIONS (1-3350) - Discussion indicated that RTC had had adequate funding and could cover the Graves Lane expenditures, however, those funds had not been allocated toward that project. Reasons an augmentation had not been requested were explained. Staff had informed the Board that there would be an over-expenditure. Supervisor Staub urged staff to avoid such technical violations in the future or revise the Statutes. Mr. Heath emphasized staff's intent to comply with all of the Statutes possible and should have considered an augmentation. Supervisor Plank explained a last minute change in the drainage design on the Airport that was made to avoid having to stop the project. The contract penalties which would have been paid to the contractor for the stop work delay were more than the cost of the over-run. The explanation did not excuse the technical violation. The correction should prevent a reoccurrence. The abuse was not intentional. Funds are now available which could be used without incurring a technical violation. Corrective actions proposed for the other two technical violations were noted. Mayor Masayko explained his knowledge of other communities and their audit reports. He felt that all have technical violations of one magnitude or another. Efforts are made to do better. Clarification indicated that it is possible to borrow from different accounts, however, the violation remains. Kafoury Armstrong represented to the Board that it was a clean audit with no exceptions. The violations are not consider major concerns. Mr. Heath felt that both Kafoury Armstrong and the State Department of Taxation would state that the City is "straight forward and easy to work with" and that they do not have any concerns with these items. Supervisor Plank moved to approve Carson City's Plan of Corrective Action for Fiscal Year 99-00 Audit Recommendations; no fiscal impact. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO APPROVE THE PROPOSED INCREASE OF THE CAPITALIZATION THRESHOLD FROM FIVE HUNDRED DOLLARS TO FIVE THOUSAND DOLLARS EFFECTIVE JULY 1, 2000 (2-0077) - Deputy Controller Tom Minton - Discussion indicated that small disposable items will still be tracked and maintained on the fixed assets records. This listing is available and can be verified if desired. The proposal is to be dated effective July 1, 2000, which makes it retro- active. Each item that is to be capitalized must cost more than \$5,000 and have more than an one year life span. The program will remove approximately \$4

million from the \$96 million fixed asset list. This amount includes items which have been depreciating over time and now have a book value of less than \$5,000. Fully depreciated items can still be used by the Departments. Mr. Heath explained the new requirement that sidewalks, curbs, and gutters be included on the fixed assets list. Supervisor Williamson moved to adopt Resolution No. 2001-R-18 and approve the proposed increase of the Capitalization Threshold from \$500 to \$5,000 effective July 1, 2000. Supervisor Plank seconded the motion. Motion carried 5-0.

8 A. ACTION APPROVING A RETAINER AGREEMENT BETWEEN CARSON CITY AND THE LAW FIRM OF THORNDAL, ARMSTRONG, DELK, BALKENBUSH, AND EISENBERGER FOR LEGAL SERVICES TO BE RENDERED FOR THE CONSTRUCTION LAW CASE ARISING FROM THE CARSON CITY AQUATIC FACILITY PROJECT (2-0190) - Deputy District Attorney Melanie Bruketta, David Morgan - Discussion indicated that if the matter goes to trial the fees will be increased. The potential for going to trial was unknown at this time. Mayor Masayko suggested that, if the legal fees exceed \$50,000, the matter be brought back to the Board for discussion. **Supervisor Plank moved to approve a retainer agreement between Carson City and the law firm of Thorndal, Armstrong, Delk, Balkenbush, and Eisenberger for legal services to be rendered for the construction law case arising from the Carson City Aquatic Facility Project, fiscal impact is not to exceed \$50,000; and the funding source is the Insurance Fund. Supervisor Williamson seconded the motion.** Discussion between Mayor Masayko and Mr. Morgan indicated that the court will decide whether the City will be compensated if it prevails and that it could be possible that none of the fees will ever be recovered. Ms. Bruketta had not reviewed the contract and was unsure whether there is a clause regarding recovery of legal fees within it. She also pointed out that the matter should be in front of an arbitrator. The motion to approve the retainer agreement as indicated was voted and carried 5-0. Both Mayor Masayko and Supervisor Plank encouraged staff to watch the time sheets based on previous comments. Ms. Bruketta volunteered to inform them of the Board's concerns.

9. CITY MANAGER - John Berkich - STATUS REPORT ON THE CREATION OF AN ENTERPRISE ZONE WITH DOUGLAS COUNTY (2-092) - Discussion referenced a "late" memo from Mr. Berkich on this matter. (A copy was not given to the Clerk.) The purpose of the January 4th Memorandum of Understanding between Carson City and Douglas County was described. Not all of the work has been completed although today is the completion date. The remaining issues relate to the "impact on Carson City services known as resident choice services", e.g., libraries, parks, senior center, health services, etc. Guy Hobbs from Las Vegas has been retained to calculate these impacts and establish a cost recovery program for Carson City. This may be completed by the first meeting in May. Mayor Masayko asked that the record indicate that the concern is with the impact created by development along the east side of Highway 395 on property now belonging to BLM as well as the commercial and other development on the west side of Highway 395. Mr. Berkich indicated that this entire area included approximately 600 acres. It is important that this issue be completed by the time the BLM property is turned over. BLM is awaiting the City's input regarding these issues. Mr. Berkich indicated that both he and his staff and Douglas County Manager Dan Holler and his staff are working together on the issues regardless of the media reports to the contrary. Supervisor Plank also explained his concern about the relief needed by the Sheriff's Office for coverage of the 3.8 miles of Carson City at the Lake and the need to include this matter in the discussions. Discussion ensued on the failure to hold several meetings on the program and the commitment to complete the process. The need to expedite the process was stressed due to the need to include the results in the discussion with BLM regarding the land transfer. Mr. Berkich then explained the reasons the residential issues were being processed first and that the final issues will relate to the commercial issues. He suggested that the Home Depot and Costco areas be considered one "economic development zone". Supervisor Livermore suggested that existing economic developers be included in the discussion as well as new developers. Mr. Berkich felt that there is currently a wonderful working relationship with Douglas County and expected this relation to continue to develop better regional cooperation on development of water resources, etc. Mayor Masayko indicated for the record that "the City would continue to try to sit at the table". Supervisor Plank felt that, if the right relationship existed with the correct enterprise zone, the Walmart issue would be nonexistent. Competition should be removed from the picture. Mr. Berkich indicated that this is the goal. No formal action was required or taken.

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BREAK: A recess was declared at 12:10 p.m. Mayor Masayko reconvened the meeting at 6 p.m. Board of Supervisors present included Mayor Ray Masayko and Supervisors Jon Plank, Robin Williamson, Pete Livermore, and Richard S. Staub. The entire Board was present constituting a quorum. Hospital Board of Trustees present included: Chairperson Tom Metcalf, and Trustees Pete Livermore, Jo Saulisberry, Paul Saucedo, and Basil Chryssos. Roll call for the Trustees was taken. A quorum was present although Trustee Caleb Mills was absent. City staff members present included: City Manager John Berkich, District Attorney Noel Waters, Parks and Recreation Director Steve Kastens, and Recording Secretary Katherine McLaughlin. Hospital staff members present included: Chief Executive Officer Steve Smith, Administrator Ed Epperson, Legal Counsellor Mike Pavlakis, Chief Financial Officer Ron Telles, Chief Nursing Officer Cathy Dinauer, Consultants Mike Williams, Jodi Hill-Mischell; Benefits Consultant Robin Reeves; and Property Consultant Steven Goe.

12. CARSON-TAHOE HOSPITAL - PRESENTATION BY CARSON-TAHOE HOSPITAL ON THE BOARD OF HOSPITAL TRUSTEES RECOMMENDATION TO FORM A 501C3, PRIVATE, NOT-FOR-PROFIT CORPORATION (2-0498) - Mayor Masayko described the purpose of the meeting. Chairperson Metcalf convened the Hospital Board at 6:02 p.m. Roll call for the Trustees was taken. A quorum was present although Trustee Caleb Mills was absent. Mayor Masayko then outlined the type and number of meetings that would be conducted between the Boards on the Hospital reorganization/affiliation. He did not wish to re-examine the proposals which the Hospital Board had already considered and not recommended. The Supervisors would consider the recommendation to form a 501C3 or to remain as a county hospital. The Board may consider whether to have the electorate make the final determination on the affiliation. He asked the Board to develop a list of requirements which must be resolved prior to making a final decision including the type and issues which should be included within any agreements between the two. These issues will require a good deal of research and work to be able to formulate proper responses. Issues are to remain on the list until they are completely resolved. This process should allow the Board to address its fiduciary responsibilities to the citizens and taxpayers of the community. He then outlined the protocol to be followed for this evening's meeting. The issues raised this evening will be answered at the next meeting. Board comments felt that this process was fair and appropriate. Mayor Masayko was asked to provide the Board with a copy of the protocol to which he agreed. (A copy was not given to the Clerk.)

Mr. Smith then introduced his Board, the transition team, Hospital staff members and consultants who were present. He thanked City staff for their cooperation and assistance on the concept. Action was not requested from the Board this evening. Issues and concerns were sought. Final action will be requested on May 3.

Mayor Masayko indicated that background and resume information had been given to the Board and City staff on the Hospital consultants. (A copy had not been given to the Clerk.)

Mr. Epperson reviewed the history and reasons for considering affiliation and/or reorganization. His presentation was highlighted with computer enhanced slides. (A copy is in the file.) He explained the administrative committee's review process and recommendation; the Trustee's direction regarding the recommendation to form a 501C3, to lease/purchase a large parcel of land, and develop capital strategies for financing the replacement facility and future growth requirements mandated a regional medical center; and the process since March 1 including the various task groups and their issues.

Trustee Chairperson Metcalf then described the need for the Hospital to grow with the community and the surrounding area and the reasons for wishing to become a regional facility. The Trustees' March 1 motion was read into the record. (A copy is in the file.)

(2-0879) Mike Williams described his role in the process. He commended the Hospital on its ability to successfully utilize diverse groups of individuals in the process. Their efforts will allow the community to continue to control its medical facility in the future. He then used overhead slides to illustrate his points regarding the composition of the not-for-profit corporation and its foundations. (A copy is in the file.) The purpose of these corporations/foundations; terms which will be in the contract to purchase the assets and assumption of liabilities;

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terms of the contract regarding indigent and charity care; and the commitment to pay off the bond debt were limned. He pointed out that the cost to provide indigent and uncompensated care had not been established but should be an amount which brings the net amount for the purchase of assets less the assumption of liabilities to zero. Justification for this is based on the need for and support of a community owned and operated facility while providing for and developing a regional facility. Requiring a payment will negatively impact these goals. The process used by for profit organizations which acquire community hospitals was explained and will remove the service level decisions from the local community's control. The proposed organizational concept for the foundation and parent organization were then described. The foundation was purportedly modeled after the Washoe Medical Center.

Mike Pavlakis explained that the purpose of the dotted lines on the organizational chart was to indicate the separate operations of the Carson-Tahoe Hospital Foundation and the Auxiliary. They are not controlled by the parent organization and its foundation. They will, hopefully, continue to exist as they currently do and will continue to support the regional facility much the same they currently support the community hospital.

Mr. Williams agreed that these two organizations are separate 501C3 organizations with their own by-laws and charters. He expounded on his comments concerning the type of individuals who are currently serving on the Hospital Board of Trustees and the need to continue fostering that type of involvement in order for the concept to be successful. Justification for becoming a regional health care provider was then limned. Competition will provide these services if the community hospital does not. Right of reversion should the facility be unsuccessful, the hospital's ability to remain a community asset and reinvest funds in community health care, and for the public to receive periodic status reports on the operation will be provided by the 501C3 program. The City's fiscal liability for the bonds will be terminated. He then described the conceptual employee retention plan and efforts to answer questions concerning the PERS retirement program. All of these questions have not been resolved but will be before the process is finalized. Reasons for management's recommendation not to remain in the PERS program and senior tenured employees' wish to remain in it were noted. Seniority levels will be maintained and PTO (paid time off) balances will be carried over. The employee information and focus groups were described and will consider the health and welfare benefit programs. The Hospital retained Watson, Wyatt and Company to assist with the development of employee benefit programs. The final programs will be as competitive as is necessary to accomplish the retention plan. It may take three or three-and-a-half months to complete this process.

(1-1524) Stephen Goe then explained his firm's role in the process as being to determine whether the Hospital should stay where it is and operate under a modified 1998 master plan or locate to another site and build a new facility. His handout explaining the issues and considerations undertaken to reach a conclusion was distributed to the Board and audience and reviewed. (A copy is in the file.) Projected growth, changing demographics, patient leakage to other areas, comprehensive medical program mandates, and future technology supports a regional facility. Inefficiencies currently found with the present plant were limned. A new modern facility with a large campus setting was recommended. It would include an 136 bed inpatient hospital, ambulatory care, CASCI, and medical office space. Its estimated cost was indicated. The Mental Health and Rehabilitation Centers are to remain in their current locations under this plan. The proposed site for the regional facility is adjacent to the freeway in north Carson.

(2-1837) Public comments were then solicited. Dick Moore complimented the Hospital on its sound fiscal position and acknowledged the need to meet changing service requirements. The Hospital has never had to use taxpayer monies to support the operation. It is one of the last remaining community hospitals in the State. The Open Meeting Law sometimes hinders the administration from being able to respond to circumstances and needs. He questioned what would happen to the current facility and how its value will be protected. Could the 501C3 financially support the cost of a new facility? Could it retain and recruit an adequate number of employees to maintain its health standards? Federal and State requirements to provide for indigent care were pointed out. He questioned the media's statement that the Hospital's medical charges were 40 percent lower than its peer hospitals and that it is one of only two financially stable hospitals in the United States. He felt that the Washoe Medical Center (Washoe Med) had acquired the five acre parcel in order to develop speciality clinics and compete with the

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Hospital for diagnostic services. Mayor Masayko indicated that the indigent care question should be placed in the issue bin and answered later. Mr. Smith agreed that this issue still remains to be answered. The plans for the current facility are under discussion. Past performance will support the strength of the 501C3. The rates are verified by the State and the 40 percent figure is valid. Mayor Masayko asked that a comparison spread sheet be provided with this information.

(2-2001) Tom Keeton felt that local control would be lost to a private corporation. The Board of Trustees could not be recalled under the corporation. The only control left would be over the fees. If the fees are too high, the residents will look for alternatives. Mayor Masayko pointed out that only local people will be able to serve on the corporation's 50 to 70 member board. Mr. Keeton felt that it would be an elite group who were not the Carson City voters. The Hospital is currently owned by the City and is valued. Reasons the proposal would not pay the City for the Hospital were limned. He suggested that the fee be paid in indigent care at a specified rate for 50 years. He also suggested that a signed written agreement between the corporation and the employees be finalized before the City signs off on any agreement to change its ownership. Mayor Masayko felt that this would be one of the requirements and agreed that the Hospital had value. Mr. Epperson placed the items in the issue bin. Mr. Smith expressed his feeling that local control would be provided which is better than having an outside firm dictate to the area the type of services which would be provided. He also asked Mr. Keeton to make the same plea for indigent care from any other health care facility entering the community. Mr. Keeton agreed to do so. Mayor Masayko felt that this would be a Board requirement. Additional public comments were solicited.

Christopher Thompson then described his previous employment and the State/Federal mandates for disproportionate share coverage for indigents (DSH) and his concern that, if the hospital is privatized, the City would be required to make a payment of approximately \$1.5 million per year so that the Hospital could receive a \$2 million payment for this coverage. Current funding under this program and the monies paid to Carson-Tahoe Hospital were limned. The Hospital and City must act quickly to revise the Statutes, as had been done in the past, in order to address these requirements. Mayor Masayko indicated that his issues will be included in the discussions and thanked him for bringing them forward.

Clifton Maclin, a member of the Hospital Finance Committee, pointed out the issue of financial capitalization and its impact on the success of the transition. The question of how financial institutions perceive the new organization will also impact the ability to develop a new facility. Washoe Med's decision to acquire property in Carson City indicates that they will be expeditiously moving into Carson City's profitable market areas. He urged the Board to decide whether to make the change and to develop an expedited timetable if the change is to be implemented. Mayor Masayko agreed that the process should be expedited as much as possible. He placed it in the issue bin along with the matter of the General Obligation Bonds and the taxpayers' responsibility for them.

John Hogan questioned what happens to the \$35 to \$37 million in the "Trustee Fund". He purported that Mr. Smith objected to requiring the corporation to pay for a new facility as the Hospital had already paid for the current facility. The users had paid for this facility and this public funding should be recognized in the process. The future facility should remain public and continue to belong to the public. Mayor Masayko responded by noting that the public taxpayers had not invested in the sewer and water enterprise operations. If these systems are transferred, they also have value.

Debbie Wright indicated she had been employed at the Hospital for 22 years. She questioned whether there is any possibility that the employees could remain in PERS under the reorganization? Mayor Masayko indicated that a final decision had not been made on this matter. It is an issue which must be resolved. If an annuity plan or a similar benefit is possible, it may be possible to replace PERS. He urged the Hospital to analyze such options. He did not feel that the Board of Supervisors had any desire to short change the employees. Mr. Epperson felt that this is one of the issue bin questions. The Hospital could remain under PERS, however, would be responsible for both Social Security and PERS payments. A final resolution remains to be made on this issue. Mayor Masayko agreed that it would be necessary for someone to pay for the Social Security and whatever the final benefit pack-

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age is determined to be. The issue of total benefit package and fairness must be resolved.

Kay Bennett voiced her support for the reorganization and urged the Board to approve the concept. Her desire to protect the taxpayers from footing the responsibility for the facility was noted. She also felt that as the Hospital becomes more of a regional facility it is important that the financial burden be placed upon those users. She also welcomed Supervisor Staub to the Board.

(2-2620) Kaufman Hall Senior Vice President Jodi Hill-Mischell explained her firm's involvement in the process and with hospital bond transactions throughout the country. The concept used in developing the financial plan had been to keep the organization as financial sound as possible to insure its success. Therefore, the goal of the transaction is to have a zero sum gain while allowing the transfer of assets. This sets the stage for the most credit worthy organization possible.

Tom Hughes supported the proposal to create a 501C3 or maintain the current county owned facility. He questioned the reasons for the urgency and need to expedite the process. It is locally owned and financial solvent. The Hospital's leakage figure should be more like 50 percent. There are other options to expanding the facility without relocating or starting over, e.g., the Anderson property, Washoe Med's expansion program(s), etc. He supported the PERS retirement program and felt that it is important for the retention and recruitment of good quality staff. The Hospital recruitment ads now running on television include the notation that there is a public employee retirement system available. Mayor Masayko agreed. Mr. Epperson indicated that this ad needed to be pulled/changed. Mr. Hughes questioned the need to be a regional facility and why the specialized medical services could not be provided. The City's experience with the golf course was cited to illustrate the need to avoid a similar "disaster". The Board was reminded of its need to be accountable to the citizens for its decision. Mayor Masayko suggested that staff meet with Mr. Hughes and respond to his questions. Mr. Smith pointed that Washoe Med had reorganized in 1985 and is no longer a county hospital. The golf course had done well when there was no competition in the City. The Hospital has done well without competition, however, it is on the horizon. He agreed to attempt to address Mr. Hughes' issues. Mayor Masayko also indicated that if his questions are not answered to his satisfaction that Mr. Hughes could participate in the process at the next meeting in two weeks. Additional public comments were solicited but none given.

Mayor Masayko noted Supervisor Livermore's and his questions which had been posed to District Attorney Noel Waters. Mr. Waters highlighted his memo on these questions. (A copy is in the file.) Mayor Masayko added the question regarding what happens to the old hospital to the issue bin and the value of that site. Mr. Waters opined that, if a new facility is constructed, the City would be given the old facility. Mayor Masayko indicated that this is another concern. Other issues which Mr. Waters had included in his memo were noted. He expressed his willing for himself or his staff to participate in the process of developing contracts and handling the negotiations as the Board deems fit. He also pointed out the need for any bond refinancing program to include the costs for such refinancing.

Mayor Masayko then expressed his feeling that the Hospital's allocation of ten percent of its total revenue for indigent care needed to be better defined and for the DSH issue to be resolved. He encouraged the Board members to give any additional questions to Mr. Berkich which arise after the meeting so that those issues could also be included in the discussions. He also directed that communications occur between Mr. Berkich and Mr. Epperson on these issues. He then expressed his feeling that any agreement with the employees should include the retention program and its benefit package as a transfer condition. He asked that the employee package be priced to provide a fair comparison of the current and proposed benefits.

Mr. Berkich indicated that the issue bin's list of items would be added to as additional issues are raised. Mayor Masayko indicated that this process would continue until The Board decides no more items should be added. Supervisor Livermore suggested that City personnel be assigned to participate in the discussions/negotiations. Mr. Epperson indicated a willingness to have weekly or as needed meetings. Mayor Masayko then expressed his feeling that the first issue the Hospital and staff should work on is the value of the current facility followed by the employee issues.

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Supervisor Williamson expressed her desire to have a commitment from the Hospital concerning its commitment toward continued and increasing quality health care. The proposed transaction limits the City's exposure, continues the success of the Hospital, and protect the investment. These issues all relate to money. The concept follows the lead of other hospitals in the country while continuing to provide for as much local control as is possible without making the county hospital a "poor" hospital with a private hospital having all of the paying patients. She also felt that the Hospital should commit to continuing the heritage and tradition of the Hospital. Many long, hard, dedicated hours had been spent to create and expand the hospital as well as bring in new doctors and facilities. This effort had been provided by both employees and non-employees.

Trustee Saucedo responded by expressing his feeling that he had been part of the motivation behind the urgency to make a decision on the reorganization. He explained his tour of a New Mexico facility which is attempting to respond to the treat of large private hospital organizations taking over the profitable portions of their operation. Its CEO felt that in three years it will be a true county hospital supported with tax monies. This will negatively impact the level of care provided to their patients. The county hospital will then be serving only the indigent care patients. The same threat is facing Carson-Tahoe as Washoe Med has purchased property within the City limits and may be planning a facility. He did not feel that the issue was a question of money but rather an improvement in services to the community. He then expressed his desire to have the community hospital available for his family members and their children if needed in the future.

Supervisor Staub then explained his efforts to become informed about the process and concerns. (3-0001) He felt that, although the discussion had related to concepts only, it will become necessary to address the dollars and cents of the plan. Ms. Hill-Mischell had attempted to explain to the Board that it should support the change although she had not actually said that. The plan called for changing the organizational structure of the facility and a decision to construct in four to eight years a new \$130 million facility. He asked that additional numbers be provided, including the Mayor's request for numbers regarding the employee package, to explain how the funds would be provided for the \$130 million facility. What will happen to the current campus? What will happen with the regional indigent care which the City has been paying for a very long period of time? Who will pay for it in the future? The market program for the regional facility should include the surrounding region in the indigent fee collection program. Mr. Waters' analysis indicates that there is a mechanism for the collection of these fees, however, the process for doing it has not been described. He also asked to hear from people who had undertaken the reorganization and the pitfalls. Who will be the potential joint venturers who will be attracted to participate in the program? Who are those big capital partners who are being considered? He was unsure whether Washoe Med's acquisition of property within the community placed the Hospital in a "hostage" position of having to deal with Washoe Med as a partner. He was not willing to make a change until these issues are resolved.

Supervisor Livermore pointed out that the Hospital could have made a presentation that it would no longer be financially able to meet its debts or provide the services necessary for the community. Tonight they are presenting a vision and a plan for the continued growth and operation of the facility. He then explained his appointment to the Hospital Board of Trustees in 1995 and his education on "capitative lives". Carson-Tahoe Hospital has never been allowed by Statute to own health insurance program(s), therefore, it cannot direct insured individuals to its Hospital for services. The discussion this evening has been about a very viable and successful county hospital. Elko, Churchill, and Washoe County hospitals were cited as successful programs which had reorganized as non-profit facilities. Washoe Med is now a successful purveyor of "capitative lives" programs. It may be possible in the future, if the 501C3 is successful, for Carson-Tahoe Hospital to do the same thing. The Hospital has been forced, over the years, to become a regional health system by growth in Douglas and Lyon Counties. They have not constructed their own hospitals. Carson City has continued to expand its facility to meet their needs. This placed its taxpayers at risk for bonds which were used for the facility. It is time for these strings to be cut. The new comprehensive master plan had been developed in 1997-98 indicated the need for \$93 million to create the facility. Efforts to find these funds were unsuccessful except under the programs outlined earlier by Mr. Goe. He stressed the economic benefits provided by having a successful community controlled hospital. The desire to retain local control had eliminated the proposal to sell the facility to an outside operator. Therefore, the concept of a non-profit organization was analyzed. He had worked with the staff and administrators to develop a process which would allow the community to retain and maintain its hospital as a viable, integral part of the community.

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Mayor Masayko asked that the managed care option be included in the issue bin. He also expressed his feeling that the City and Hospital employees should be granted consideration for this coverage if and when the Hospital becomes a provider.

Chairperson Metcalf referenced the Trustees' motion to explain their direction to authorize up to \$500,000 in funding for consultants to provide answers to the questions which everyone has been asking about the concept. This funding had assembled an "A+" team of consultants to assist the Hospital and community in the evaluation process. He felt certain that the consultants and staff would respond to the questions which had been raised. He also pointed out that the process had allow the Hospital to pursue a course which would allow the community to retain its hospital.

Mayor Masayko agreed that time is of the essence and that the staff and consultants would be busy in the next 30 days responding to the questions which had been raised. He looked forward to having the information as complete and quickly as possible. Due diligence will be pursued throughout the process. Comments indicated that the Hospital Board would attend the next meeting.

There being no other matters for discussion, Trustee Saulisberry moved to adjourn. Trustee Saucedo seconded the motion. Motion carried 6-0. Chairperson Metcalf adjourned the Carson-Tahoe Hospital Board of Trustees.

Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the Board of Supervisors at 8:45 p.m.

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

2001. ARE SO APPROVED ON _____ June 21 _____,

_____/s/_____
Ray Masayko, Mayor

ATTEST:

_____/s/_____
Alan Glover, Clerk-Recorder