

CARSON CITY BOARD OF SUPERVISORS  
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, December 4, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Pete Livermore	Supervisor, Ward 3
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	Linda Ritter	City Manager
	Alan Glover	Clerk-Recorder
	Ken Furlong	Sheriff
	Al Kramer	Treasurer
	Larry Werner	City Engineer
	Cheryl Adams	Deputy Purchasing Contract
	Ray Saylo	Lieutenant
	Melanie Bruketta	Deputy District Attorney
	Katherine McLaughlin	Recording Secretary
	(B.O.S. 12/4/03 Tape 1-0015)	

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. by announcing the Christmas Tree Lighting Ceremonies scheduled for 5 p.m. Roll call was taken. The entire Board was present, constituting a quorum. Rev. Lary Rothchild of the Capital Baptist Church gave the Invocation. Mayor Masayko lead the Pledge of Allegiance.

**CITIZEN COMMENTS (1-0039)** - None.

**1. ACTION ON APPROVAL OF MINUTES - November 4, 2003, Workshop and Goal Setting Session (1-0041)** - Mayor Masayko corrected BLM Representative Chuck Pope's name. Supervisor Livermore moved to approve the Minutes of the November 4, 2003, Workshop and Goal Setting Session with the correction of the name Hope to Pope on Page 1 as indicated. Supervisor Aldean seconded the motion. Motion carried 5-0.

**2. AGENDA MODIFICATIONS (1-0063)** - Mayor Masayko noted for the record that the timing and the closed session may be a little tight for the morning session and that Items 9D and E may be heard at 1:30 p.m. The Board may take a lunch recess.

**LIQUOR AND ENTERTAINMENT BOARD (1-0078)** - Mayor Masayko recessed the Board of

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Supervisors session and immediately convened the Liquor and Entertainment Board. The entire Board was present including Member Ray Saylo as the Sheriff's Representative, constituting a quorum.

**3. BUSINESS LICENSE - Treasurer Al Kramer**

**A. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR STUART AND DAWN MILLER DOING BUSINESS AS CROSSROADS LOUNGE LOCATED AT 300 EAST WINNIE LANE (1-0084)** - Chairperson Masayko explained the Code requirement mandating the Applicants' attendance at the meeting. Discussion explained the location of the lounge. Member Saylo noted the favorable Sheriff's Investigative Report. Chairperson Masayko indicated the bar will be open 24 hours a day seven days a week. He explained the Code requirement that the Sheriff's Deputies be allowed access to the establishment when in the pursuit of their duties. The Millers welcomed the officer's appearance. Chairperson Masayko explained that having a liquor license in Carson City is considered a privilege. Strict adherence to prohibiting the sale of liquor to minors was stressed. The Millers indicated they will provide appropriate training for their employees. Discussion explained the investigative fees they had paid. Both Stuart and Dawn Miller were investigated. Mr. Kramer disclosed his personal knowledge of Mr. Miller. Member Aldean moved to approve a full bar liquor license for Stuart and Dawn Miller, dba Crossroads Lounge located at 300 East Winnie Lane, fiscal impact is \$1,000 original new fee, \$575 investigation fee, and a \$200 quarterly fee. Members Williamson and Livermore seconded the motion. Motion carried 6-0. Chairperson Masayko welcomed them to the community and wished them success in their new venture.

**B. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR KIL (KATIE) YE CHEW DOING BUSINESS AS BRIAN'S SPORTS BAR LOCATED AT 4750 HIGHWAY 50 EAST (1-0165) (1-0295)** - As the Applicant was not present, the Item was continued to a later period in the meeting.

**C. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR MING'S RESTAURANT, INC., LOCATED AT 2330 SOUTH CARSON STREET, MR. GWO (BOB) LIOU WILL BE THE LIQUOR MANAGER (1-0178)** - Mr. Liou's nephew served as an interpreter. Chairperson Masayko explained his concern about Mr. Liou's ability to read and speak English due to the need to check identification cards and to understand the liquor laws and regulations. He indicated that Ming's restaurant is being reopened and welcomed Mr. Liou back to the community. Member Saylo noted the favorable Sheriff's Investigative Report. Chairperson Masayko indicated that the restaurant will be open from 10 a.m. to 11 p.m. It will have a full bar. Mr. Liou indicated, through his nephew, that he will comply with all of the laws and regulations regarding the operation of the bar. He will not serve minors. He agreed to train his employees in all of the City and State liquor laws and regulations. The business will be run in an orderly fashion. He understood the necessity that he be able to read and understand the identification cards required of his customers and used to verify the customer's age. He agreed to allow the Sheriff's Office to have access to his business at all reasonable times when the officers are in pursuit of their duties. Member Livermore moved to approve a full bar liquor license for Ming's Restaurant, Inc., located at 2330 South Carson Street, Mr. Gwo "Bob" Liou will be the liquor manager, fiscal impact is \$1,000 original new fee, \$500 investigation fee, and \$200 quarterly fee. Member Williamson seconded the motion. Discussion indicated that the restaurant will open when the building is completed and a "c of o" is issued. Motion carried 6-0. Chairperson Masayko congratulated him on reopening his business.

**BOARD OF SUPERVISORS (1-0305)** - Chairperson Masayko adjourned the Liquor and Entertainment

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Board and immediately reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

**3. ACTION ON A REQUEST BY PHIL OLSEN REPRESENTING THE WORLD BEARD AND MOUSTACHE CHAMPIONSHIP COMPETITION FOR A REFUND OF EQUIPMENT RENTAL FEES AND FACILITY USE RENTAL FEES (1-0310)** - Phil Olsen, Tom Keeton - Mayor Masayko explained that the championship had been successful as it had gotten the City a lot of media exposure and that the coverage continues. It was not a financial success for Mr. Olsen, who had put in his own money. He had suggested that Mr. Olsen request Board consideration of the building's fees. He supported continuing the event as he felt it could become the highlight of the Nevada Day ceremonies. The Convention and Visitors Bureau estimated the media coverage had made at least 15 million people aware of the event in Carson City. Mr. Olsen had not obtained a non-profit standing for the event. Examples of the ongoing media coverage were provided. His reasons for becoming involved and taking over the event when its promoter folded were indicated. The original concept was to have the event sponsored by community activities. This did not happen for a number of reasons. Mr. Olsen personally paid \$15,000 to fund the event. Due to the financial benefits the community derived from the event, Mr. Olsen asked that the Board recognize and provide some financial assistance to him. Mayor Masayko noted the recognition the Board had provided for other community events in the past and advocated using Board funds to pay for the use of the Community Center. Supervisor Livermore pointed out that the Board's policy has been to consider the request prior to the event. He acknowledged the community-wide benefits gleaned from the event and its unique recognition. Discussion indicated that the majority of the fees were for soft costs incurred with the rental of the room and equipment. Mr. Olsen indicated that the technician who had assisted had been most valuable particularly after a contractor had failed to appear on Friday. He felt that the technician had gone far beyond his normal duty requirements. Supervisor Livermore encouraged Mr. Olsen to ask the Convention and Visitors Bureau for assistance and explained his concern about waiving the fees. He suggested the Board reduce the fees, if possible. Discussion indicated that Mr. Olsen will not be paid for his appearance on the Jay Leno show beyond the fees incurred for travel. Additional examples of the continuing international media coverage on the parade and event were noted. Mayor Masayko felt that \$1,300 was a small price to pay for this coverage. The possibility that the Convention and Visitors Bureau will assist was discussed. Mr. Olsen explained a program which he understood the Bureau was considering that would have provided some hotel rooms for such events. This program was never approved/adopted for unknown reasons. The Mayor's involvement with the event was limned. Supervisor Aldean felt that the Board should support the request in view of the statistics provided on the unique event. Mayor Masayko pointed out that the original concept had been that it would cost between \$4,000 and \$5,000. It had never been envisioned that the cost would be \$15,000. He encouraged Mr. Olsen to make a pitch to the Bureau. Supervisor Williamson complimented Mr. Olsen on the event. Discussion explained the reasons the cleaning deposit was not returned. Supervisor Williamson explained the need to clearly document the reasons for the Board's support and noted that the participants had arrived on Thursday and left on Monday. They had stayed at the Pinion Plaza. Mayor Masayko pointed out that the City may not have the contest again for ten years. Public comments were solicited.

Mr. Keeton expressed his willingness to discuss the event with the Parks and Recreation Commission and supported a refund of the fees. The event had provided the City with a lot of good publicity.

Mayor Masayko supported his comments. He hoped that the Board would be able to find the funding

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somewhere in the budget rather than to take the funds from the Commission/Department. Discussion reiterated the reasons the cleaning deposit was not returned. Supervisor Livermore indicated his willingness to support a refund for some of the fees but not the cleaning deposit. Mayor Masayko suggested that the Parks Department absorb this fee and return the deposit. He also pointed out that the Board members often pay from their own pockets when they attend events/travel on City business. He felt certain that there are adequate funds in the Board's budget to cover the fees. Supervisor Williamson moved that the Carson City Board of Supervisors find in its fund/budget or ending fund balance funds to refund to Phil Olsen \$1295.25. Supervisor Livermore seconded the motion. Following discussion, Supervisor Williamson amended her motion to be for a not to exceed amount of \$1295.25 and that it was for expenses that had been incurred. Supervisor Livermore concurred with the amendment. Motion was voted and carried 5-0. Mayor Masayko thanked Mr. Olsen for having had the courage to put the event on and wished him success at the Bureau's meeting.

**3. B. CONTINUED (1-0731) -** Mayor Masayko recessed the Board of Supervisors session and immediately reconvened the Liquor and Entertainment Board. The entire Board was present including Sheriff's Representative Saylo, constituting a quorum.

Kil "Katie" Ye Chew spelled her name for the record. She explained the location of the business and that it will be open 10 to 11 hours per day. Chairperson Masayko explained the reasons for requiring her attendance at the meeting. The Liquor License is for a full bar. Member Saylo noted the favorable Sheriff's Investigation. Chairperson Masayko explained that having a Liquor License in Carson City is considered a privilege. It can be revoked if the laws, rules, and regulations are not adhered to. Ms. Chew indicated that she understood. Chairperson Masayko explained that the Sheriff's Department conducts sting operations to ensure adherence to the laws. He reminded her not to serve minors. He explained the Code requirement that the Sheriff's Office have access to the premise at all reasonable times when an officer is in the pursuit of his/her duties. Ms. Chew committed to allowing this to happen and explained that she has a liquor license for four bars in San Francisco. Chairperson Masayko thanked her for attending the meeting. Member Aldean moved to approve a full bar liquor license for Kil "Katie" Ye Chew, DBA Brian's Sports Bar, located at 4750 Highway 50 East; fiscal impact is \$1,000 original new fee, \$500 investigation fee, and \$200 quarterly fee. Member Livermore seconded the motion. Motion carried 6-0. Ms. Chew hoped to open the bar as soon as escrow closes in San Francisco and she can relocate to Carson City. Chairperson Masayko thanked her for her investment in Carson City.

(1-0868) 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 Board of Supervisors session. The entire Board was present, constituting a quorum.

**4. B. NON-ACTION ITEMS - INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS; AND C. STAFF REPORTS (1-0869) -** None.

**5. CONSENT AGENDA**

**5-1. TREASURER - ACTION TO ENTER INTO AN INTERLOCAL CONTRACT WITH THE STATE OF NEVADA THROUGH ITS STATE OF NEVADA EMPLOYEES' DEFERRED COMPENSATION COMMITTEE WHICH WOULD ALLOW THE EMPLOYEES OF CARSON CITY TO ENJOY THE BENEFITS OF THE CONTRACT THAT THE STATE OF NEVADA**

**EMPLOYEES HAVE WITH THEIR DEFERRED COMPENSATION PROVIDERS**

**5-2. PURCHASING AND CONTRACTS**

**A. ACTION TO APPROVE EXERCISING THE BUYBACK OPTION ON CONTRACT NO. 0001-062 AND RETURN THE JOHN DEERE MODEL 644H WHEEL LOADER TO NORTRAX CONSTRUCTION AND FORESTRY EQUIPMENT COMPANY (FORMERLY KNOWN AS EMPIRE EQUIPMENT COMPANY) FOR THE GUARANTEED AMOUNT OF \$111,500**

**B. ACTION TO APPROVE THE AWARD OF CONTRACT NO. 0304-048 CRACK FILL MATERIAL TO CONSTRUCTION SEALANTS AND SUPPLY AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 AND PURSUANT TO THE BOARD'S FINDINGS THAT IT IS IN THE PUBLIC'S BEST INTEREST TO ACCEPT THE BID EXCEPTION TO PROVIDE CRAFTCO POLY FLEX TYPE II AT THE COST OF 21 CENTS PER POUND DELIVERED THROUGH DECEMBER 4, 2006, WITH THE OPTION TO RENEW FOR THREE (3) ADDITIONAL YEARS SUBJECT TO NEGOTIATION**

**C. ACTION TO APPROVE THE AWARD OF CONTRACT NO. 0304-049 INMATE PHONE SYSTEM TO SBC NEVADA FOR OPTION 1 OF THEIR BID RESPONSE AS THE HIGHEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS CHAPTER 332 AND PURSUANT TO THE BOARD'S FINDINGS THAT IT IS IN THE PUBLIC'S BEST INTEREST TO ACCEPT THE BID EXCEPTIONS, SBC NEVADA WILL PROVIDE THE INMATE PHONE SYSTEM WHICH WILL INCLUDE THE INSTALLATION OF A STATE-OF-THE-ART VOICE RECOGNITION SYSTEM AND PAY CARSON CITY A COMMISSION OF 44% FOR LOCAL/INTRALATA CALLS, 45% FOR INTERLATA/INTERSTATE CALLS, AND A \$5,000 BONUS THROUGH DECEMBER 4, 2006, WITH PROVISIONS FOR TWO ONE-YEAR AUTOMATIC EXTENSIONS UNLESS EITHER PARTY GIVES 90 DAYS NOTICE OF ITS INTENT TO NOT RENEW**

**D. ACTION TO APPROVE CONTRACT NO. 0304-065, A REQUEST FOR PROFESSIONAL SERVICES TO BE PROVIDED BY GRAY AND OSBORNE, INC., TO PROVIDE ENGINEERING SERVICES TO IMPLEMENT THE CARSON CITY MUNICIPAL SEPARATE STORM SEWER SYSTEM STORM WATER MANAGEMENT PLAN THROUGH DECEMBER 31, 2007, FOR A NOT TO EXCEED COST OF \$60,500 AND AUTHORIZE PURCHASING AND CONTRACTS TO ISSUE AMENDMENTS TO THIS CONTRACT UP TO \$4500**

**5-3. DEVELOPMENT SERVICES - CONTRACTS - ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE BOB BOLDRICK THEATER CURTAINS AND RIGGING PROJECT, CONTRACT NO. 2003-040 TO BIDDER NO. 1, STAGE-CRAFT INDUSTRIES, INC., 5051 NORTH LAGOON AVE., PORTLAND, OREGON 97217, FOR A CONTRACT AMOUNT OF \$169,839 AND A CONTINGENCY AMOUNT OF \$23,301**

**5-4. DEVELOPMENT SERVICES - UTILITIES - ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN THE FIRST AMENDMENT TO THE COOPERATIVE AGREEMENT BETWEEN PUBLIC AGENCIES WHICH MODIFIES THE COOPERATIVE AGREEMENT ENTERED INTO ON JULY 1, 1999, BY AND BETWEEN CARSON CITY CONSOLIDATED MUNICIPALITY, ACTING BY AND THROUGH ITS CITY MANAGER, AND THE STATE OF NEVADA, ACTING BY AND THROUGH ITS DEPT. OF ADMINISTRATION, BUILDINGS AND GROUNDS DIVISION**

**5-5. JUSTICE COURT - ACTION TO APPROVE THE APPOINTMENT OF VICTORIA RILEY TO THE PANEL OF SUBSTITUTE JUSTICES OF THE PEACE (1-0871) - Discussion pulled Items 5-2C and 5-2D. Supervisor Williamson acknowledged Victoria Riley's contributions as a substitute**

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Justice of the Peace. Discussion indicated that one of the duties Ms. Riley will be performing includes performing marriages. Supervisor Livermore moved to approve the Consent Agenda for the six remaining items on today's agenda. Supervisor Williamson seconded the motion. Motion carried 5-0.

**5-2D. (1-0911)** City Engineer Larry Werner explained the program and outreach that will occur before the final program is developed. The Builders Association of Western Nevada and the other professional design groups in the community will be heavily involved in the process. Mayor Masayko felt that the final program will require substantial changes to the current onsite construction procedures. Supervisor Livermore explained his concern that the \$15,000 per year contract will not allow a lot of participation from the community. Mr. Werner explained that the language Supervisor Livermore cited is standard contract language. The contractor still has to comply with the City's scope of the contract. The language eliminates the need for the City to pay retirement for the contractor or address the Federal issues. It is a standard contract. The City is interested in the outcome and does not provide direction on how to reach that point. City staff and another unnamed individual will conduct the public meetings. The contract includes a 30-day cancellation clause. Supervisor Livermore moved to approve Contract No. 0304-065, a request for professional services to be provided by Gray and Osborne, Inc., to provide engineering services to implement the Carson City Municipal Separate Storm Sewer System Storm Water Management Plan through December 31, 2007, for a not to exceed cost of \$60,500 and authorize Purchasing and Contracts to issue amendments to this contract up to \$4,500; funding source is \$15,125 per year plus up to \$4,500 in amendments for a not to exceed grand total of \$65,000; when appropriated, \$65,000 from the General Fund Public Works Development Engineering Fiscal Year 0304 through Fiscal Year 0607. Supervisor Williamson seconded the motion. Motion carried 5-0.

**5-2C. (1-1007)** Deputy Purchasing Director Cheryl Adams briefly explained the appeal. Mayor Masayko felt that the item of concern was the voice recognition system. Ms. Adams explained that the staff felt that SBC's proposal was satisfactory and included the software and items required in the contract. T-NETIX's proposal included a service charge for voice recognition. SBC's bid had included a bonus. Discussion indicated that T-NETIX's surcharge was due to the proprietary requirement for the voice recognition system. SBC and T-NETIX worked together on previous City contracts. It was felt that SBC could be held to the bid even though it had not included a surcharge for voice recognition. The contract is legal and binding and can be enforced. Ms. Adams indicated that the 182 pages of documents had been faxed to T-NETIX at no charge to T-NETIX. Supervisor Staub felt that a charge should have been made. Ms. Adams acknowledged his point and indicated a willingness to look at it. It was an unusual request that had not been made previously. The bid documents do not require a bonus. SBC had been the City's previous provider and had given a bonus under that contract. If voice recognition is not required, the City will receive a bonus of \$20,000. If voice recognition is required, it will receive \$5,000. The bonus goes into the inmate commissary account. Staff had not analyzed whether SBC was using the difference to pay proprietary fees for the voice recognition system. The bonus was considered on its face value only. Lt. Saylo had not verified the references due to the belief that SBC had been satisfactorily providing the service. Mayor Masayko then limned the protocol for the meeting. He felt that the references should have been verified.

SBC Director of Inmate Sales Tom Kaiser introduced Phil Panovich who is the subcontractor that will provide the voice recognition system. They were present to answer protest questions. The system is in operation at five locations. One location has the Inmate Call Processing Servicer voice recognition system (CAPS). The City will be the second site. Mayor Masayko pointed out that failure to comply with the contract could

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expose SBC to future unpleasanties. Supervisor Staub explained that one of the protest items was the lack of stress testing by an independent lab. Senior Vice President of Radical Systems Associates Don Middleton explained his firm's role in the project and the differences between voice recognition and voice verification. The proposed system is voice verification and not voice recognition which is a different technology. The proposed program was developed by Vice Advantage, a Chicago firm, and is used by IBM. The program is one of three systems on the market. It is being used in nuclear power plants, banking for money transfers, and insurance applications. The marketplace has stress tested the program. Supervisor Staub voiced his concern about the terminology. He felt that voice verification was being described. Voice recognition requires training the system to accept the speaker. Mr. Middleton felt that voice recognition is not reliable technology for the proposed application. This is the reason that SBC does not use it. He also felt that the semantics should be addressed regarding the two systems. Mayor Masayko pointed out that the intent is to provide additional security within the system. Voice recognition is genetic and may be the correct term. The current system lacks security. Problems with the current system were limned. The requested/proposed program will compare a voice print before allowing a telephone call to be made. This is voice verification. Supervisor Staub felt that this may change the protest and is a major issue. Staff explained that the bid request was purposefully vague as staff was not sure what it wanted. The documents had asked for "a system that will provide a security system such as voice recognition with the ability to record calls". Therefore, the bidders were asked to submit proposals and tell the City what was available. Mayor Masayko felt that the request was for a program which did not convert sounds into digital bites. The desire was to match a voice print which SBC is proposing. Mr. Middleton clarified that "another technology" had developed the system. He was unsure of the degree to which it had been stress tested. The system is being used in the marketplace, which he felt was a better testing environment than a laboratory. Ms. Adams pointed out that if the system fails, the City will cancel the contract and go to the second bidder. Mayor Masayko felt that this process could be expensive. Mr. Middleton explained that the system is basically a standalone system which controls the inmate telephone process server. The process was briefly described. A report showing the number of failures is provided.

Regional Vice President for SBC and Nevada Bell and public telephones Alan Low explained that biometric voice verification and fingerprinting is new technology. SBC has been in the business as long as other firms. Counties are only now beginning to ask for this service. They are looking for vendors throughout their 13 state region to provide this service. No vendors can tell the Board that the system has been operational for a long period. The big issue deals with SBC's decision to not use T-NETIX. SBC decided against charging the end users—the inmate's families. Their proposal establishes a set charge for the use. This difference is the reason for the different signing bonuses. This is a one time cost. It is a hardware and software solution. If something goes wrong with the system, SBC is open to changing the subcontractor. The proposed system is felt to be the "most stable and the best solution". Mr. Middleton reiterated that the proposed system has been on the market for ten years. The "Feds" have been using it for five years. It is more recognized and accurate than fingerprinting. It is the voice verification system. It is used by the Probation Department to enforce probation restrictions. Mr. Low and Mayor Masayko described the process which prohibits telephone calls from being made unless the voice is verified. Mr. Low agreed that there is a bypass for the system which will allow calls to be made. He also indicated that there may be "growing pains implementing the system" and some adjustments may be required. SBC will stand behind its service. Mayor Masayko felt that the City should not be "plowing new ground".

T-NETIX Vice President of Sales for the Western Region John O'Keefe indicated that he understood the

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difference between voice recognition and voice verification. His firm has been providing the inmate calling system for the Carson City jail since 1999. It processes approximately 65,000 calls a year. They are the SBC subcontractor. They had provided a sole source bid. SBC apparently used several subcontractors, whom he listed. He indicated that Ms. Adams had been efficient in providing his firm with a copy of the bid proposal. He was willing to pay for the cost to fax it if the City will send him a bill. Mayor Masayko thanked him for his offer. Mr. O'Keefe indicated SBC had provided five references. His firm was the subcontractor for those entities. None of the references have a voice recognition system up and running. Only one of the references is a detention facility. He did not believe that it had a voice verification system working at this time. T-NETIX has a voice verification system which has been working 18-24 months in the field at over a dozen correctional facilities. None of these sites are in Nevada or California. He felt that the difference between a prison environment and other uses justifies consideration of restricting the references to prison environments. The first prison site using his technology is located in Arizona. It has been in operation for more than a year. He urged the Board to delay the decision for 30 days and have staff check the references. He offered to pay for staff costs to visit his reference as it will provide information on a working system.

Mayor Masayko pointed out that the protest hinges on this one portion of the bid. It is the voice recognition system. It allows the phone to work. A fingerprint or key could be used to make it work if the system recognized it. T-NETIX is a subcontractor for the contractor who will be providing the remaining portions of the system. Mr. O'Keefe indicated that T-NETIX bid the project as a sole source and will provide 100 percent of the system—from the telephone to the software including the recording and monitoring systems. They propose to bill the end users. SBC had bid it as a contractor with subcontractors providing various portions of the system. T-NETIX bid against SBC. The proposal meets all of the requirements. The staff had taken exception to the surcharge. T-NETIX is no longer a source provider for SBC. Mr. O'Keefe reiterated that T-NETIX has voice recognition working in Arizona. There are several systems in Utah. Systems were installed in Arkansas 60 days ago. (1-1684) Justification for the end user fee was provided. An alternative to the end user fee is to lower their commission and pay a lesser amount to Carson City. The difference will be used to pay for the license fee required for the patent.

Lt. Saylo indicated that he recommended that SBC be awarded the contract and Sheriff Furlong had supported his recommendation. SBC's bid provides what is needed at the jail and does not charge the end user. Supervisor Staub pointed out that T-NETIX has a system up and running. SBC has not installed its system and does not know if it works. Board comments questioned the reasons the references had not been verified. Ms. Adams pointed out that the voice recognition system was a small portion of the bid. This is the portion that T-NETIX had protested. City staff wants it and believes that SBC will make it work. Board comments felt that the contract should be delayed 30 days and that staff should verify the references. Lt. Saylo reiterated the belief that SBC will be able to meet its commitments based on previous experience with the firm and the dislike for the proposal to charge the end users. For these reasons, staff had not checked the references. Mayor Masayko felt that the bid specifications should include stress testing and locations where the system is in use. Ms. Adams explained that the bid specifications had not included these requirements. Staff had not known the exact description for the phone system it wanted. Therefore, it had asked for a description from the bidders. The City currently has a contractual relationship with SBC. It has never had a contractual relationship with T-NETIX although it was a former SBC subcontractor. Supervisor Staub pointed out that SBC had taken an exception to the portion of the bid requiring voice recognition. His concern about using a system which has not been tested was voiced. He felt that the user charge could be overcome. He supported delaying the contract for 30 days. Lt. Saylo agreed and explained his feeling that the system is at

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the cutting edge of technology. Staff had felt that the money was a main issue. T-NETIX was more expensive even though it may have a more proven system. Supervisor Livermore felt that SBC was willing to put up the money for its system. He hoped that as technology changes, SBC will continue to support its system with financial guarantees. Its reputation is on the line. He did not doubt either provider's ability to provide the service. SBC is using a different subcontractor. T-NETIX wishes to be a sole provider. This is the issue. Supervisor Williamson indicated that she had learned from the Tiburon experience. She was willing to support the Sheriff's Office recommendation. She also desired a strong recommendation from the Sheriff's Office. **Supervisor Williamson moved to defer this for 30 days while the Sheriff's Office does the additional research which they, perhaps, deem necessary and come back with a strong recommendation. Supervisor Staub seconded the motion.** Mayor Masayko felt that the staff will be in a stronger position to answer the questions in 30 days. **Motion carried 5-0.** Discussion indicated that the item will be considered on January 2 even though Ms. Adams will be on vacation on that date. The Sheriff's Office needs to be prepared to make the recommendation. The item should not be placed on the January 2 Consent Agenda.

RECESS: 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.

**6. DEVELOPMENT SERVICES - LANDFILL OPERATIONS (1-1964) -** Deputy City Engineer John Flansberg, Environmental Manager Ken Arnold - A computer enhanced slide presentation was given. The compaction process has extended the life of the landfill by 30 years. This will reduce the post closure costs as they can be spread over a longer period. Plans to line a portion of the landfill and relocate the scale were limned. An area adjacent to the rifle range has been designated by BLM for disposal to the City or School District. The recycling program was limned. It was felt that the curbside recycling program diverts approximately 2.56 percent from the landfill. The entire City's recycling effort, as a whole, has "reached 21 percent". The State average is 16 percent. Waste Management has advised the City that it needs approximately \$80,000 in additional funding for its portion of the recycling program. It wants an eight percent profit margin and is at 3.2 percent now. Staff is analyzing the options and will return with them in the future. The \$210,000 which the landfill had paid to Waste Management for the recycling program was taken from the landfill's gross revenues. These funds were used as a "cost of doing business" and in accordance with the original agreement with Waste Management. This eliminates the need to have a surcharge on the recycling bill. Mayor Masayko pointed out that the diversion rate at the landfill is better than the curbside program. Mr. Arnold commended the businesses and industrial firms on their cooperation with the City on the recycling program as they provide the bulk of the materials. Discussion cautioned staff about pushing the landfill operation to the edge of Highway 50 and the V&T right-of-way. Mayor Masayko suggested that a different site be found for the biomass location. Supervisor Williamson congratulated staff on their efforts. Reasons for the City taking over the landfill operation were limned. Discussion noted the program that eliminated the seagull problem. Comments indicated that someone is feeding the seagulls in the former K-mart parking lot. Supervisor Aldean pointed out the need for the biomass location to be accessible to the highway for transportation purposes. She suggested that the landfill and planning maps include the location of the V&T right-of-way. The scenic and economic values of having an enjoyable ride for the tourists were noted. Mayor Masayko commended staff on its efforts. The landfill operation was felt to be an operation which could be pointed to with pride as the staff has been able to perform better than envisioned originally. It supports having government act like a business. He also announced and congratulated Mr. Flansberg on his promotion to Deputy City Engineer. Public comments were solicited but

none were given. No formal action was required or taken.

**7. DEVELOPMENT SERVICES - COMMUNITY DEVELOPMENT AND ENGINEERING -**  
Community Development Director Walter Sullivan

**A. ACTION TO APPROVE A TENTATIVE COMMERCIAL SUBDIVISION MAP TO SUBDIVIDE A COMMERCIAL SHOPPING CENTER INTO INDIVIDUAL TENANT PARCELS ON PROPERTY ZONED RETAIL COMMERCIAL (RC) AND GENERAL COMMERCIAL (GC) LOCATED AT 2340 AND 2298 SOUTH CARSON STREET, APN 9-052-01 AND 9-052-08 (FILE TSM-03-140); B. ACTION TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY AND CARSON QUAIL PARK, LLC, A NEVADA LIMITED LIABILITY COMPANY, REGARDING THE FINAL MAP AND COMPLETION OF ON-SITE AND OFF-SITE IMPROVEMENTS RELATED TO CARSON QUAIL PARK, AN INDUSTRIAL SUBDIVISION, APN 9-052-08 AND 9-052-14; AND C. ACTION TO APPROVE A FINAL COMMERCIAL SUBDIVISION MAP TO ALLOW THE SUBDIVISION OF A COMMERCIAL SHOPPING CENTER INTO INDIVIDUAL TENANT PARCELS ON PROPERTY ZONED RETAIL COMMERCIAL (RC) AND GENERAL COMMERCIAL (GC) LOCATED AT 2340 AND 2298 SOUTH CARSON STREET, APN 9-052-01 AND 9-052-08 (FILE NO. TSM-03-140) (1-2480) -** Principal Planner Lee Plemel, Applicant's Representative Cary Chism, City Engineer Larry Werner - Discussion noted the ambitious development schedule. The concept is similar to residential condominiums and had not been seen in Carson City before. The developer/owner will maintain ownership over the common areas for maintenance and upkeep. A variance had been granted as there will be parcels under the 6,000 square feet. The variance process may be revised in the future to allow this type of development to occur. The easement will be recorded with the map to eliminate the possibility of dividing and selling it in the future. Discussion pointed out that as the size of the condos are adjusted to meet the owner/tenants needs, it may be possible to remove walls if so desired by the tenants.

Mr. Chism explained that the individual buildings are the parcels and the property line is the wall. The units can be either owner or tenant occupied. The tenants must be approved by the association. The owners' voting rights in the association will depend upon the square footage of the buildings. A nonprofit association will own the common areas. It will maintain the property with fees generated by the association's dues. The developer maintains the property until all of the pieces are sold. As he typically owns 51 percent of the subdivision, he has a major vote on association issues. Discussion indicated that the detention basin will be located in the northeast corner as illustrated on a site plan. Supervisor Livermore explained that the Hospital is analyzing the concept for the future regional facilities. Mr. Chism indicated that the concept has been used successfully in Reno for many years. Board comments complimented the developer on his willingness to bring the concept to Carson City. Mr. Chism thanked City staff for working with him on the project. He hoped to have the building's exterior constructed by January 1 if the weather cooperates. If not, it may be next spring. He hoped to have the buildings open for business by summertime. Ming's restaurant will be one of the businesses located in the center. Mayor Masayko complimented Mr. Ribeiro on coming to Carson City and doing the project without any incentives. Public comments were solicited but none were given.

**Supervisor Livermore moved to approve a Tentative Commercial Subdivision map to subdivide a commercial shopping center into individual tenant parcels on property zoned Retail Commercial and General Commercial located at 2340 and 2298 South Carson Street, APN 009-052-01 and 009-052-08,**

based on the findings and subject to the seven conditions of approval contained in the staff report to the Planning Commission dated November 18, 2003, (File TSM-03-140). Supervisor Williamson seconded the motion. Motion carried 5-0.

(1-2825) Mr. Werner described the development agreement. Discussion explained that staff does not envision a need for the bond after June. An extension will be required for the bond if the project is not completed by that date. **Supervisor Livermore moved to approve a development agreement between Carson City and Carson Quail Park, LLC, a Nevada limited liability company, regarding the final map and completion of on-site and off-site improvements related to Carson Quail Park, an industrial subdivision, Assessor's Parcel Numbers 009-052-08 and 009-052-14. Supervisors Aldean and Staub seconded the motion. Motion carried 5-0.**

Mayor Masayko noted that the testimony on the tentative map is the same for the final map. **Supervisor Livermore moved to approve a Final Commercial Subdivision Map to allow the subdivision of a commercial shopping center into individual tenant parcels on property zoned Retail Commercial and General Commercial located at 2340 and 2298 South Carson Street, APN 009-052-01 and 009-052-08, File No. FSM-03-140. Supervisors Staub and Aldean seconded the motion. Motion carried 5-0.**

**D. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 12 WATER, SEWERAGE, AND DRAINAGE BY ADDING CHAPTER 12.17 STORM WATER SERVICE CHARGES, SECTION 12.17.010 DEFINITIONS WHICH ADDS A SECTION FOR DEFINING TERMS USED IN THIS ORDINANCE, SECTION 12.17.020 RATE POLICY WHICH DESCRIBES THE GENERAL POLICY OF ASSIGNING CHARGES AGAINST DEVELOPED PROPERTY, SECTION 12.17.030 UNDEVELOPED REAL PROPERTY WHICH STATES THAT UNDEVELOPED PROPERTY WILL NOT BE CHARGED, SECTION 12.17.040 SERVICE CHARGE RATES, WHICH SETS THE CHARGE FOR EACH EQUIVALENT RESIDENTIAL UNIT, SECTION 12.17.050 COLLECTION WHICH DEFINES THE PROCESS FOR COLLECTING DELINQUENT CHARGES, SECTION 12.17.060 PROTESTS TO RATES AND CHARGES WHICH SETS UP THE PROCEDURE FOR A CUSTOMER TO PROTEST THE STORM WATER SEWER SERVICE CHARGE, SECTION 12.17.070 ANNUAL REVIEW OF CHARGES AND FEES WHICH STATES THAT THE FINANCE DIRECTOR AND THE DEVELOPMENT SERVICES DIRECTOR WILL REVIEW THE CHARGES ANNUALLY AND REPORT TO THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATING THERETO (1-2933)** - City Engineer Larry Werner - Discussion indicated that the proposed fees will not cover the entire program. An advisory question regarding imposition of a one-eighth cent sales tax for this propose will be placed on the ballot. If it is successful, an amendment to the Statutes will be sought. The ordinance and fees will provide funding to comply with the mandated environmental protection requirements. Mayor Masayko felt that information he had received from the community supported the concept as it is reasonable and affordable. Mr. Werner explained his contact with Chamber of Commerce Chief Executive Officer Larry Osborne and his support for the program. Discussion pointed out that the proposed program may not eliminate the requirement for detention basins. The program will not handle all impervious surface runoff. The NDEP requirements have created additional regulations for development. The program also provides funding for the City's \$1.2 to \$1.4 million invested in the NDOT drainage basins and their maintenance. Mr. Werner explained the need to modify the water and sewer ordinances to add the charge to their bills. He also explained that the utility is being formed under the

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guidelines of NRS 318. The water and sewer utilities were not developed as 318 districts although the billing will appear to be transparent. Supervisor Aldean pointed out the difference between the revenue generated by the ordinance and that discussed by the Board previously. The original concept had estimated the revenue at \$559,000. The ordinance is estimated to generate \$660,000. Mr. Werner indicated that the final numbers and rounding had provided the difference. Supervisor Livermore explained his meetings with manufacturers indicated that they were not "excited" about the program but felt that it was fair. They appreciated the efforts to make the fees reasonable. He urged staff to start the process of developing the advisory question and establishing committees to write the arguments for and against the question. He indicated that he has some names of individuals who want to serve on the committees. Supervisor Staub clarified that the proposal is for a fee of 0.125 of one percent. Mayor Masayko explained his reasons for supporting the program. The advantage of the sales tax program is that even the tourists will share the cost. If the advisory question is not successful, the Board will have to increase the fees. He felt that the program provided a positive message for the residents on fixed incomes as well as the business sectors. The cost is approximately \$20 per year for residents. Public comments were solicited but none were given. Supervisor Williamson moved to introduce on first reading Bill No. 131, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 12 WATER, SEWERAGE, AND DRAINAGE BY ADDING CHAPTER 12.17 STORM WATER SERVICE CHARGES, SECTION 12.17.010 DEFINITIONS WHICH ADDS A SECTION FOR DEFINING TERMS USED IN THIS ORDINANCE, SECTION 12.17.020 RATE POLICY WHICH DESCRIBES THE GENERAL POLICY OF ASSIGNING CHARGES AGAINST DEVELOPED PROPERTY, SECTION 12.17.030 UNDEVELOPED REAL PROPERTY WHICH STATES THAT UNDEVELOPED PROPERTY WILL NOT BE CHARGED, SECTION 12.17.040 SERVICE CHARGE RATES, WHICH SETS THE CHARGE FOR EACH EQUIVALENT RESIDENTIAL UNIT, SECTION 12.17.050 COLLECTION WHICH DEFINES THE PROCESS FOR COLLECTING DELINQUENT CHARGES, SECTION 12.17.060 PROTESTS TO RATES AND CHARGES WHICH SETS UP THE PROCEDURE FOR A CUSTOMER TO PROTEST THE STORM WATER SEWER SERVICE CHARGE, SECTION 12.17.070 ANNUAL REVIEW OF CHARGES AND FEES WHICH STATES THAT THE FINANCE DIRECTOR AND THE DEVELOPMENT SERVICES DIRECTOR WILL REVIEW THE CHARGES ANNUALLY AND REPORT TO THE BOARD OF SUPERVISORS AND OTHER MATTERS PROPERLY RELATING THERETO; with the fiscal impact of \$660,000 in storm water fees to be collected by the City. Supervisor Aldean seconded the motion. Mr. Werner indicated that the first bills will be sent out March 1. Motion carried 5-0.

**REDEVELOPMENT AUTHORITY (1-3265)** - Mayor Masayko then recessed the Board of Supervisors session and passed the gavel to Chairperson Williamson who convened the Redevelopment Authority. For Minutes of the Redevelopment Authority, see its folder.

**BOARD OF SUPERVISORS (2-0634)** - Following adjournment of the Redevelopment Authority, Chairperson Williamson returned the gavel to Mayor Masayko who reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

**8. REDEVELOPMENT ANDECONOMIC DEVELOPMENT - Manager Joe McCarthy - ACTION TO ACCEPT THE REDEVELOPMENT AUTHORITY CITIZEN COMMITTEE'S RECOMMENDATION TO AWARD INCENTIVE FUNDING TO KING AND TAGGERT, LTD., IN AN AMOUNT NOT TO EXCEED \$2,000 AND NOT TO EXCEED 20 PERCENT OF THE PROJECT COSTS ASSOCIATED WITH PHASE I OF THEIR IMPROVEMENT PROJECT FOR THE STEWART-NYE HOUSE, 108 NORTH MINNESOTA STREET, APN 3-204-01 (2-0636)** - Public

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comments were solicited but none were given. Supervisor Williamson moved to accept the Redevelopment Authority's recommendation to award incentive funding to King and Taggart, Limited, in an amount not to exceed \$2,000 and not to exceed 20 percent of the project costs associated with Phase I of their improvement project for the Stewart-Nye House, 108 North Minnesota Street, APN 003-204-01. Supervisor Livermore seconded the motion. Discussion pointed out that the use of these funds will place a deed restriction on the property for seven years and that repayment of the funds is required during that period if the property is sold. The motion was voted and carried 5-0.

9. CITY MANAGER - Linda Ritter

A. **PRESENTATION BY RESOURCE CONCEPTS INCORPORATED ON THE DEVELOPMENT OF A COMPREHENSIVE, COORDINATED WILDFIRE THREAT REDUCTION PLAN FOR THE STATE OF NEVADA IN ASSOCIATION WITH THE NEVADA FIRE SAFE COUNCIL (2-0659)** - Nevada Fire Safe Council Representative Dr. Elwood Miller, Resource Concepts' County Liaison Michelle Gamble, Resource Concepts Project Principal John McLain, Nevada Forest Service Project Coordinator Pat Murphy - Pamphlets illustrating methods to "Live with Fires" and the power point program were distributed to the Board and Clerk. (A copy is in the file.) Dr. Miller briefly described the material and purpose of the Nevada Fire Safe Council. Efforts to plan and reduce fuel adjacent to developed areas had been attempted on a piecemeal basis. The efforts are now focusing on making a coordinated and more thorough effort. Resources Concept had been contracted to develop a priority method of accomplishing this effort within a one year timeframe. The recent California wildland fires were cited to illustrate reasons for needing a complete plan and development of the program. The goal is to complete a county-by-county planning process which will identify the treats and establish by priorities a mitigation program. BLM is providing the funding for the process under the National Fire Plan. The benefits were felt to be self-evident. It will position the City to apply for funding for and maintain a competitive edge in implementing the projects. Both BLM and the Forest Service believe that the plan is needed to provide a thorough and systematic funding competition process.

Ms. Gamble was excited about being able to participate in the project. She felt that she was aware of the different Counties and their needs. The project will be a tool for the Counties. The purpose of her handouts was described. The program will look at the communities' urban interface areas. She acknowledged that the timeframe is ambitious. They plan to start with the small Counties and Carson City. Carson City's field assessment will be done in February. The baseline data will be developed in the interim. She asked who the City's contact person will be. After the field assessment is completed, a draft report will be developed and submitted to the local players. Community involvement will ensure the report's accuracy and that the community's resources, including transmission lines and historical sites, are protected. The community will have two weeks in which to complete its review. The need for quick feedback from the contact person was stressed. The final plan will then be developed and presented to the community for final recommendations, findings, implementation, and the creation of poster boards for presentation of the information to the public. The poster board will provide the public with visual aids and illustrations on how to reduce the fire risks. Mayor Masayko pointed out the City's efforts to develop a similar program with BLM through the use of its interface grants. He suggested that a member of the Fire Department be appointed as the City's representative. He assumed that the plan will include all lands in the County including government property. The Federal Healthy Forest Initiative was cited as another program which should be included. Ms. Gamble agreed that there is a long list of stakeholders which include BLM, the Forest Service, and Tribal members.

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It must be a group effort. Discussion indicated that the group effort must be conducted without concerns for jurisdictional boundaries and must consider fire risk and dangers regardless of the ownership. Mayor Masayko expressed a desire to attend a session on Tuesday with the stakeholders. It was felt that the Healthy Forest Initiative may provide funding for development of the projects. The program will not be successful without physical development of the plan. It will be a multi-year program. The Feds know that money spent in preparation is better than money spent for suppression once a fire starts.

Supervisor Aldean explained that Carson City does not have a lot of urban interface area at Lake Tahoe, however, both Douglas and Washoe Counties do. TRPA's legal impediments, such as restricting the use of mechanical equipment in streambeds, were cited to illustrate the concerns which may arise in that area. She hoped that the plan will be able to move forward in that area in spite of these problems. She hoped that TRPA will be able to address the legal impediments in the future so that the program can be fulfilled. Ms. Gamble indicated that the plan will be as objective as possible and still identify the threats and propose mitigation recommendations. Identification with a caveat that the regulations are there will defeat the plan's objectives.

Mr. Murphy explained the cost of the 1999 fires to illustrate the suppression costs. The program will create a proactive program rather than continue the present policy of reaction to fires.

Mayor Masayko reiterated the need for the plan and program to be developed without regard for the political and regulatory boundaries utilizing the most scientific methodologies possible. The Legislature will have to sort through the regulation issues.

Discussion with Mr. Murphy indicated that State Lands is participating in the program. Supervisor Livermore and Mayor Masayko stressed the need for State Lands to participate and support the program. Supervisor Livermore volunteered to meet at any time to discuss this issue. Dr. Miller also indicated that the State will be involved and has a member at the State Fire Board meetings. Mayor Masayko invited Ms. Gamble to contact Ms. Ritter for the name of the City's contact person. Ms. Gamble indicated that a draft report should be provided to the City in three to four weeks or late February/early March. Mayor Masayko reiterated the need for a quick turnaround and emphasized the Board's desire to have the City's players be on board. No formal action was required or taken.

**B. ACTION TO APPROVE A PRIORITIZED LIST OF BOARD GOALS FOR FISCAL YEAR 2003-2004 (2-1036)** - Discussion pointed out that the listing is the Board's philosophy. It contains 59 items. Number 11 is an activity requiring the search for grants which staff actively pursues. It was removed from the list. Items which should be combined were discussed. Development of the comprehensive master plan may take more than one year to complete. It was felt that Items 4, 5, and 6 and maybe 8 were doable within the year. Item 9 was included in Item 10. Items 2 and 8 are not part of the master plan. Creation of a living wage should be part of the Economic Vitality Coalition's recommendations. The comprehensive master plan should be a top priority and completed within the year. The need to fund Items 2, 4, and 5 was stressed. The City currently provides funding for health services. Mayor Masayko felt that support for health services should be provided without additional funding. A Board of Health is being created. Consensus supported keeping the freeway as the top priority and moved it to No. 1 on the list. Item 7, recruitment of a Parks and Recreation Director, was eliminated. Original Item No. 2, 4, 5, 6, 8 and 10 were renumbered to be 2, 3, 4, 5, 6, and 7. **Supervisor Livermore moved to adopt the goal statements and the criteria as presented here in the format of adopting what the listing shows as Goal No. 6 as Goal No.**

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**1, Goal No. 2 is Goal No. 2, Goal No. 4 is listed as Goal No.3, Goal No. 5 is listed as Goal No. 4, Goal No. 8 is listed as Goal No. 5, (revised) Goal No. 10 is listed as Goal No. 6, and Goal No. 1 and 3 are listed as Goal 7. Supervisor Williamson seconded the motion. The motion was voted and carried 5-0.** Ms. Ritter was directed to bring back a list of objective statements indicating the timeframes and procedures. Ms. Ritter indicated that the staff retreat will develop this action plan. It will be provided to the Board. Discussion indicated that all of the remaining goals that received three votes at the goal setting session are to be carried forward and compete with other items at the next goal setting session or added to this year's goals if the priorities are accomplished during the year.

**C. CLOSED SESSION - ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO THE NEVADA OPEN MEETING LAW, NRS 241.015(b)(2) FOR THE PURPOSE OF RECEIVING INFORMATION REGARDING POTENTIAL OR EXISTING LITIGATION FROM AN ATTORNEY EMPLOYED OR RETAINED BY THE CITY AND/OR DELIBERATING TOWARD A DECISION (2-1304)** - Discussion indicated the Closed Session would be conducted after a break. Mayor Masayko explained his plan that established an approximate timeline for the media so that it could be present for the Open Session. This plan reconvened the Open Session immediately after the Closed Session is completed. A recess will then be declared. He hoped to reconvene the Open Session at 1:30 p.m.

RECESS: A recess was declared at 12:45 p.m. The meeting was reconvened at 12:52 p.m. The entire Board was present, constituting a quorum.

(2-1315) Supervisor Livermore moved to recess into Closed Session pursuant to the Nevada Open Meeting Law, NRS 241.015(b)(2) for the purpose of receiving information regarding potential and existing litigation from an attorney employed or retained by the City and/or deliberating toward a decision. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko recessed the Open Session at 12:53 p.m.

**D. OPEN SESSION (2-1334)** - Mayor Masayko reconvened the Open Session at 1:23 p.m. and immediately recessed the Open Session.

RECESS: A recess was declared at 12:23 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:34 p.m., constituting a quorum.

**E. ACTION TO APPROVE AN AGREEMENT BETWEEN CARSON CITY AND TM AND KKH, INC., DOING BUSINESS AS MICHAEL HOHL HONDA/SUBARU; MICHAEL HOHL MOTOR COMPANY; CARSON DODGE CHRYSLER, INC., AND CARSON AUTO MALL LLC (2-1337)** - The agreement provides a two-year period for the City to work with the auto dealers to develop an auto mall/strip. It places a deed restriction on the property south of the Carson City boundary for that period. The City will dismiss its lawsuit against BLM about this property. Both Mr. Hohl and Mr. Cryer were present. The District Attorney's office, Mr. Hohl, and Mr. Cryer had reviewed the agreement. Mayor Masayko described the original auto mall proposal which the Board had rejected. He hoped that the proposed agreement indicates to the auto industry the City's desire and willingness to work with them. They should take the lead in the search for a site. Reasons the original proposal should not be resurrected were indicated. He also hoped that a different direction could be found that could be supported by the community. He

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understood the value of the auto dealers to the community. Supervisor Staub expressed the Board's desire to celebrate in 24 months the opening of a new facility with the dealers. The hope that additional auto dealers will participate in the facility was expressed. The agreement will retain the City's sales tax base and keep the Carson City dealers in the community.

Supervisor Staub disclosed that in his 25 years as an attorney he had represented many residents of Carson City as well as the auto dealers and their companies. A list of various companies was provided as an illustration. He indicated that he did not have a financial interest in any of the companies and had only represented them as their legal counsel. During this process he had developed relationships with several of the auto dealers including Mr. Hohl and Mr. Cryer. He reiterated that he does not have any financial interest in these companies. He had elected to stay out of the original Princeton proposal as much as possible. He was not pleased with its proposal as he felt it was the wrong deal and place. He was then asked by Economic Vitality Coalition Chairperson Livermore to head a core auto group which developed a different proposal and, as a result, had worked on the proposed agreement. He also indicated Supervisor Aldean, Chamber of Commerce Chief Executive Officer Larry Osborne, City staff, Greg Nickol, and other unnamed individuals' involvement in the process. He then referenced a media report regarding his involvement with Associated Insurance Company. He had been an incorporator for that company. Justification for his involvement as an attorney with this company and its formation was provided. The normal practice is for the attorney to resign at the company's first meeting which is held after the formation is completed. He had resigned at that meeting. He does not have any financial interest in this company. If the conflict of interest requirements are taken to the extreme, it would be necessary for him to recuse himself from every item involving anyone who has State Farm insurance as he represents State Farm. In order to eliminate any potential concerns, he intended to recuse himself from voting on the two remaining Board items. He was doing this based on advice he had received from the District Attorney's office as well as his own personal policy. He apologized to Mr. Hohl and Mr. Cryer for having to recuse himself.

Supervisor Livermore explained that he had asked Supervisor Staub to participate in the effort to continue the discussions/negotiations with the auto dealers. An auto mall work group was created by the Economic Vitality Coalition. He was pleased with its efforts. He had never participated in the discussions with Supervisors Aldean and Staub but had waited for their report. He was also pleased with their efforts.

Clarification reiterated Supervisor Staub's intent to remain mute during the discussions.

Supervisor Aldean briefly limned her involvement with the auto mall group. She felt it was nice to be able to bring forward a process for closing the item. The agreement is one that the dealers can live with and is the correct process to pursue. She complimented Supervisor Staub on his architectural efforts in developing the agreement.

Supervisor Williamson complimented Messrs. Hohl and Cryer on their willingness to work with the City. She felt that the agreement is best for the City as a whole and their businesses. She noted Ms. Ritter's involvement in the process and thanked her for her assistance. She complimented Supervisors Staub and Aldean on their efforts. She indicated her support for the agreement.

Mayor Masayko pointed out that, after the Princeton agreement was rejected, he had expressed the Board's interest in developing a fair and balanced agreement for the auto dealers, taxpayers, and the City. He

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appreciated the dealers' willingness to continue the discussions and for the participation of the Supervisors and the Economic Vitality Coalition. The agreement is the starting point. He then noted his policy of being conservative when providing incentives for any purpose. He felt that, succinctly, if incentives should be offered, they should be given first to people who have supported and helped make the community successful. The issue on the incentives that will be provided is open for discussion/negotiation. He assured the community that he will discuss ideas/figures which make sense for both parties. The agreement is reasonable. He looked forward to taking the second step which will occur after the meeting. Public comments were solicited but none were given. Mayor Masayko reiterated that both Messrs. Hohl and Cryer were present.

Supervisor Aldean moved, on behalf of Supervisor Staub, to approve the agreement between Carson City and TM and KKH, Inc., doing business as Michael Hohl Honda/Subaru; Michael Hohl Motor Company; Carson Dodge Chrysler, Inc.; and Carson Auto Mall LLC. Supervisor Livermore seconded the motion. Motion carried 4-0-1 with Supervisor Staub abstaining.

**F. ACTION TO PURSUE DISMISSAL OF CITY OF CARSON CITY, NEVADA, VERSUS NORTON, CASE NO. 1:03CV01553-JR, CONTINGENT UPON ALL PARTIES REACHING AGREEMENT TO A STIPULATION TO DISMISS WITH ALL PARTIES TO BEAR THEIR OWN ATTORNEYS' FEES AND COSTS (2-1745)** - Discussion explained that an agreement regarding the stipulation to pay attorney fees must be reached before the City will pursue dismissal of the case. Supervisor Staub indicated that he would recuse himself on this item due to the connection between it and the previous item. Mayor Masayko felt that it was unfortunate that the City is choosing not to proceed due to the belief, which both he and the City's legal counsel held, that it is a legitimate argument regarding the environmental assessment. He also pointed out for the record that the City had not filed the lawsuit immediately after the property was acquired. The lawsuit was filed after the January 30, 2003, joint meeting with Douglas County Commissioners. This meeting was a futile attempt to get all parties to the table to address the concerns. The Board had passed and offered an interlocal agreement to Douglas County regarding the intent to meet and discuss these concerns. The Board had asked Douglas County Commissioners to agenize the agreement. Douglas County refused to do so. He also expressed his rejection of the media portrayal of how Carson City had dealt with the issue and reiterated the Board's purpose of the agreement to get Douglas County to discuss the issues/concerns. Negotiations can only occur if all parties participate. The lawsuit was an effort to protect the City's interests and tax base. It was unfortunate that the Feds had failed to see the significant social economic impacts between the two Counties. The City then asked a judge for a temporary restraining order that could have changed the landscape.

Supervisor Livermore noted his five-year involvement with the Board. During that time there have been several discussions with County agencies and the Feds regarding the sale of public property to private individuals or firms. There was lots of input from both City and County staff and elected members. He had always desired a peaceful settlement. He had sought participation of Douglas County leaders with the hope of finding a commonality that would provide benefits for all the residents who live in that area. He had offered to meet and discuss all solutions. He was appalled at the media's statements allegedly from a Douglas County Commissioner indicating the lawsuit had "chilled any relationship" between the two Counties. He compared the relationship to having hens who lay 12 eggs daily and suddenly eggs begin to disappear. Discussions with his neighbors fail to indicate the reason for their disappearance. So he gets a mean dog to guard the hen house. Carson City has always offered to discuss the issues. Carson City has always provided services and benefits to the residents of the community and region, e.g., the library, Boys and Girls Club,

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parks, recreational activities, etc. These regional residents have never been exempted from the City's programs. The lawsuit provided an agreement with the property owners to cooperate with the City, continue to do business here, and to look at potential development of the parcel which will be beneficial to all of the communities. He wished the Hohl and Cryer families success with their development plans for the property. Douglas County's decision will be known tomorrow. He hoped that the Board's vote will be taken as constructive and cooperative. He expressed his appreciation for all of the hard work that had occurred on this effort and thanked Messrs. Hohl and Cryer for working with the City.

Supervisor Williamson explained that a year ago during weekly luncheon meetings with Douglas County Commissioners she had repeated indicated the desire to have a deed restriction eliminating the ability to develop an auto mall on the site. BLM District Manager John Singlaub had refused to agree. Mr. Hohl and Mr. Cryer had provided the restriction. She thanked them for it. She intended to support dismissal of the lawsuit for that reason.

Supervisor Aldean explained that the January 30, 2003, meeting had been her first meeting as a Carson City Supervisor. The Board took its stand in the best interest of the community. Commissioner Smith had not voiced an objection to the Board's position. The Supervisors had not been comfortable with the decision, however, felt that there was no other option available at that time. She had no regret about filing the lawsuit as it had clearly numerated the social impacts. She also thanked Mr. Hohl and Mr. Cryer for their assistance.

Mayor Masayko indicated to the Board and public that he had been aggravated by the rhetoric from Douglas County Commissioners that was directed at the Board. The indication that it had created a "chilling relationship" between them was inaccurate and irresponsible. There had been no relationship due to Douglas County's failure to respond to the City's offer. He was still willing to try to develop a relationship. They need to work together as a region. This will allow consideration of both sides of the questions. The interlocal agreement which Douglas County had not considered was an opportunity to discuss issues which impact both Counties and the region. He described a California Mercedes dealership on Indian land and its impact on Reno's ability to have a Mercedes dealership to illustrate the impact. Its location had eliminated both California and Reno's ability to obtain sales tax revenue from any auto sales. Carson City elected to fight for its tax base. It was not a question of a "chilling relationship". The Board had held out an opportunity to talk and negotiate on the issues. The door is open and swings both ways. Public comments were solicited.

(2-2116) Tom Keeton expressed his belief that settling out of court is best. He hoped that efforts to talk with Douglas County continue as it is a fight Carson City must win. He volunteered to assist in whatever manner he could, including going to the Legislature on the tax base issues.

Mayor Masayko questioned the benefits derived by a County who entices businesses from another County to cross the County boundary specifically when the receiving County is a guaranteed tax recipient. He also indicated that the City will take the next step if the settlement is approved.

Supervisor Livermore moved to pursue dismissal of City of Carson City, Nevada, versus Norton, Case No. 1:03CV01553-JR, contingent upon all parties reaching agreement to a stipulation to dismiss with all parties to bear their own attorneys' fees and costs. Supervisor Williamson seconded the motion. Motion carried 4-0-1 with Supervisor Staub abstaining.

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There being no other matters for consideration, Supervisor Livermore moved to adjourn. Supervisors Aldean and Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 2:13 p.m.

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ARE SO APPROVED ON March 18, 2003.

/s/  
\_\_\_\_\_  
Ray Masayko, Mayor

ATTEST:

/s/  
\_\_\_\_\_  
Alan Glover, Clerk-Recorder