

CARSON CITY BOARD OF SUPERVISORS
Special April 30, 1998, Joint Meeting with the
Carson-Tahoe Hospital Board of Trustees - Page 1

A special joint meeting of the Carson City Board of Supervisors and the Carson-Tahoe Hospital Board of Trustees was held on Thursday, April 30, 1998, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 6 p.m.

BOARD OF SUPERVISORS PRESENT:	Ray Masayko	Mayor
	Tom Tatro	Supervisor, Ward 3
	Greg Smith	Supervisor, Ward 1
	Jon Plank	Supervisor, Ward 2
	Kay Bennett	Supervisor, Ward 4

BOARD OF TRUSTEES PRESENT:	Jo Saulisberry	Chairperson
	Kay Bennett	
	Basil Chryssos	
	George Hawes	
	Peter Livermore	
	Thomas Metcalf	

CITY STAFF PRESENT:	John Berkich	City Manager
	Al Kramer	Treasurer
	Walter Sullivan	Community Services Director
	Daren Winkelman	Health Director
	Paul Lipparelli	Chief Deputy District Attorney
	Larry Nair	Facilities Superintendent
	Katherine McLaughlin	Recording Secretary
	(S.B.O.S. 4/30/98 Tape 1-0014.5)	

CALL TO ORDER, ROLL CALL, AND INVOCATION - Chairperson Saulisberry convened the Hospital Board at 6:06 p.m. Roll call of the Hospital Board was taken. The entire Board was present constituting a quorum. Mayor Masayko convened the Board of Supervisors at 6:10 p.m. Roll call was taken. The entire Board of Supervisors was present constituting a quorum. Rev. David Camp gave the Invocation. Supervisor Bennett lead the Pledge of Allegiance.

CITIZENS COMMENTS (1-0045.5) - Janice Ayres read her prepared statement into the record. (A copy is in the file.) She requested recognition by the Hospital of the Retired and Senior Volunteer Service Program and its volunteer work at the Hospital by having the Hospital contribute toward its operation. She urged the Hospital to establish a committee with funding who would review funding requests for organizations such as hers who provide significant, documented service to the Hospital.

(1-0145.5) Phil Lehrman explained Carson City TRIAD's program. Its purpose is to help individuals continue to reside in their homes and maintain an independent lifestyle. He illustrated an alert system which could be installed as a porch light at the home of senior citizens. The system would be set off by flipping the switch two times instead of once when turning the light on. This would cause the light to flicker and alert the neighbors, police, etc., to the need for assistance. A demonstration was given. The systems were available to any senior wishing to have one. Business cards advertising TRIAD's hot line were distributed to the Boards, staffs, and the audience.

A. DISCUSSION AND ACTION TO APPROVE IN CONCEPT THE PERMANENT SITE FOR THE SIERRA FAMILY HEALTH CENTER AND DIRECTION TO STAFF FOR PREPARATION OF NECESSARY AGREEMENTS/CONTRACTS (1-0168.5) - Trustee Metcalf indicated he would abstain from the discussion and vote. Supervisor/Trustee Bennett disclosed that she and her husband own property in the vicinity of the Carson Convalescent Center. She did not feel that she had a conflict of interest and would participate in the discussion and vote.

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City Manager Berkich introduce both Hospital Administrator Steve Smith and Sierra Family Health Center Executive Administrator Ken McBain. Mr. Berkich urged the Boards to remember that not all of the issues related to each of the alternatives had been resolved. All of the options included costs and benefits for each of the involved parties. A brief chronology of the search for a facility for the Center leading to this meeting was described. The three options which had been studied and their advantages/disadvantages were briefly explained. Overheads were shown illustrating the funding options for each proposal. (A copy is included in the file.) Mr. Berkich suggested the rental costs be offset by using the Center for medical treatment of welfare patients and jail/juvenile detention inmates as well as by relocating Public Works to the City owned Northgate building. The cost benefit ratio process also recommended this scenario. Discussion explained the process used to establish a value for the BLM property on Beverly and to decrease the Northgate remodel costs. The City does not own the BLM property at this time. BLM purportedly supports the concept. An application has been filed for the property. Mr. Berkich indicated he had a copy of the application with him if the Boards wished to see it. He was uncertain whether the property could be sold although he felt that the Board could agree to this concept. Comments also noted that if the Health Division is relocated, its site could also be used as a trade for the property or as another asset for other purposes. Comments questioned the remodeling costs. CDBG participation would have to be determined if the Carson Convalescent Center is acquired for the Center. Mayor Masayko expressed a desire to own the building(s) rather than lease on a long-term basis. Discussion indicated that the Hospital had previously provided \$50,000 for the relocation of the Cemetery Office. The Senior Center had received \$40,000 and the Hospital had paved the Senior Center parking lot in exchange for the area where the Rehab Center is located. Board of Trustees Legal Counselor Mike Pavlakis indicated that the City holds the title to this land. The City had purportedly committed to applying for the BLM property to the east of the Center if BLM vacates it. This application was to be for the southern two acres and for Hospital use. He felt that the agreement did not include any financial consideration for this lease. He agreed that BLM had occupied five acres. The Senior Center was to receive the remainder. The \$368,000 value, the estimated Assessor's value for the property, and the City's annual costs if the Carson Convalescent Center is acquired were discussed. Chairperson Saulisberry explained her concern with the City selling the BLM land to the Hospital. She suggested an use agreement be approved. Mayor Masayko responded by explaining his desire to reach a business-like decision between the three entities. The community will benefit from the ability to provide health care for individuals who can least afford it. The program is a cost effective. Both the City's indigent fund and the Hospital's emergency room costs without the Sierra Family Health Center will pay more for the coverage. The process will provide the community with the necessary business documentation for such a partnership. Hospital Administrator Steve Smith explained the remodeling costs, its funding, and the use of these figures to arrive at the \$368,000 value for the property. Mayor Masayko agreed that the cost was an offset. Mr. Berkich pointed out the advantage to the plan is that the land is available, otherwise, the property would have to be purchased on the open market. Trustee Livermore voiced his objection to this process. Supervisor Plank voiced his concern that artificial figures were being used to justify the Hospital's expenditure. Supervisor Tatro read from Mr. Smith's letter which indicated to him that the Hospital expenditure is recognition of the asset and its investment in that asset. The Hospital would generate revenue from that asset. Trustee Livermore supported an approach which would recognize the community interests and benefits. He felt that the transfer of the land had occurred when the Rehab Center had been negotiated. Mayor Masayko felt that the funding choice was similar to the proposal for the City to commit to spending \$49,000 annually for a lease of the Northgate facility except that the Hospital was providing the funding. The entire process would establish the business-like approach required for such a transaction.

(1-0798.5) Mr. Berkich then explained Alternative 2 which would relocate the Clinic to the City's Northgate building. This alternative removed the Hospital from the entire process. Architect John Hancock had estimated the cost to remodel the building at \$140,000. Mr. McBain felt that this figure had been underestimated and questioned whether there is an adequate amount of parking available at that site for all of the clientele. Mr. Berkich indicated that the parking situation had been analyzed and is included in the packets. There is more than an adequate amount of parking available on the site.

Supervisor Tatro explained the expansion plans and the projected traffic volumes on Highway 50. He felt that Highway 50 between the Graves Lane extension and Lompa Lane/Bypass will reach gridlock within five years. Supervisor Smith supported his comments by further explaining the Highway 50 expansion plans and questioned

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the amount of parking which would be available at the Carson Convalescent Center. Discussion ensued on the amount of parking available on Nichols Lane which the Center owns, the potential traffic patterns for the facility, and the Clinic's evaluation of the parking areas. The evaluation indicated there are 100 parking spaces available which is more than adequate to meet the Clinic's needs. Mr. McBain also explained his concern about the pedestrian safety of the women and children who use the facility if it is located at Northgate. Supervisor Plank suggested Nichols be improved to allow access/egress onto Carmine rather than forcing the return to Highway 50.

Discussion indicated that Alternative 3 was not favored by the either Boards. Mr. Berkich briefly explained it for the record. He then reviewed the five year projections for each of the alternatives. Alternative No. 1 would cost the City approximately \$500,000 over five years. Alternative No. 2 may breakeven if it does not make money. Alternative No. 3 costs the same as No. 1. Mayor Masayko suggested that an alternative be selected by the Boards, if possible, that the staffs be allowed to fine tune it, and the Boards consider action on it at their respective meetings. Under this scenario another joint meeting would not be required unless a problem arises. Mr. Berkich supported Alternative 2 although Alternative 1 appears to be in the best interest of the community. Mayor Masayko noted that Alternative 1 is contingent upon the \$368,000.

(1-1130.5) Mr. McBain then explained his current lease arrangement, the funding for the lease, and his vision for the Convalescent Center. He felt that the acquisition would allow a united medical service facility providing space for his Center, his corporate offices, the Carson Public Health Center, the WICHE program, the Carson Mental Health Clinic, the Community Based Services for the Disabled under Employment and Training, and the Carson Clinic of the Nevada Urban Indians. All of these agencies had purportedly expressed an interest in being a co-tenant in the facility. The advantage of this program was noted.

Supervisor Tatro questioned the figures for Alternatives 1 and 2. Mr. Smith indicated that in Alternative 1, the Hospital would require all but the Center to lease their spaces. The revenue generated would be used to offset the costs. Supervisor Tatro indicated that the City could keep the Public Health Services in its own building rather than support the lease. Discussion ensued on how the welfare fund would be used to make the lease payments. Mr. Berkich indicated that a portion of the Public Health Nurse services may also be assessed against the welfare fund. There are other creative approaches which have not been discussed.

Supervisor Bennett explained her support for the Convalescent Center proposal. She urged the Board/staff to put together a reasonable fiscal package which would allow for inclusion of any other opportunities discovered as the process evolves. She urged Mr. Smith and Mr. Berkich to continue working on such a program. Mayor Masayko expressed his feeling that staff was seeking direction as to the alternative which should be analyzed further. Staff would then return to the Boards with a reasonable financial program at their respective meetings. **Mayor Masayko then passed the gavel to Mayor Pro-Tem Tatro and moved that we, the Board of Supervisors, recommend Alternative 1 as the Board's choice with the stipulations that there are some important issues that need to be discussed and resolved: one item is the ownership or some other illumination or way that the fees for the Clinic would eventually be eliminated or over time dropped; item two is that the parking and parking improvements at the Highway 50 site be addressed and that those costs, or whatever it takes there, be made a part of the final proposal; item three is that the CDBG participation be favorable for Carson City to be used at that site; and, item four, which is really not that critical because we could discuss where the Public Health Nurse is or isn't, but if we are going to house the Public Health Nurse there, staff should at least try to figure out a way that the City could pursue ownership of that space or, at the very least, a minimal lease fee of that space. Supervisor Bennett seconded the motion.** Supervisor Smith expressed his feeling that his vote may not be critical, therefore, he would make the following comments. Although he is absolutely thrilled with the opportunity to finally get Mr. McBain a home and one that he thought is a real workable solution, he had a tendency to keep separating the two out, the issue of the Sierra Family Health Clinic and the City needs and issues down at Northgate. He would be brief and say that his frustration with where the Board finds itself with regard to the Northgate situation is a big irritant for him. He did not think that it had to be that way but, again, it is that way. Mr. Berkich and he had had several conversations about this. This, to him, is making the best of a bad situation but it is the situation which we find ourselves in. Although he is not quite sure

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what the alternative is to solving the short term problem, he felt that the proposed solution comes with some significant long-term baggage which will have to be dealt with either by the Board or by someone else in the future. He planned to vote no but, again, he would agree that this is the best of the three alternatives and probably the best solution that will be coming up in the short term. Supervisor Plank expressed his desire for the motion to include some of his issues, i.e., north of the center on Nichols to Carmine and the issues which will impact the residents in that neighborhood. Mayor Pro-Tem Tatro questioned whether his intent was to have a traffic analysis or impact study on Nichols between the facility and Carmine be assessed be part of the motion as one of the additional stipulations. Supervisor Plank agreed and requested the analysis also add the impact on the property owners that adjoin Nichols. Mayor Masayko indicated that this would predisposes that Nichols may at some future date need to be widened. **Mayor Masayko agreed to amend his motion to add a fifth stipulation that a reasonable level of a traffic study be done addressing the Nichols Lane dirt road, its widening, and the traffic impact on Carmine. Supervisor Bennett concurred.**

(1-1435.5) Ron Kipp, representing the Western Nevada Builders Association, explained his involvement with the one-stop shop which proposes to use a portion of the Northgate building. The Association strongly supports putting the Clinic in the Convalescent Center on Highway 50. The Association also strongly supports Supervisor Smith's comments regarding completely divesting the City of the Northgate building. The City just couldn't quite seem to get there. In going through the numbers this evening, his review of Alternative 1 indicated the remodel of Northgate had been amended from the first document he had received to \$120,000. Three pages later Alternate 1 has a remodel cost of \$370,000. The numbers are, once again, a moving target. He had to agree with Mr. McBain. He did not know where the City could get a medical T&I remodel at under \$65 a square foot. He could not agree with the remodel numbers which he saw in the packet. He questioned whether the parking lot expansion proposed for Northgate would meet the Code requirements based on an estimated cost of \$1.30 a foot. He also felt that the landscaping, curb and gutter could not be provided for that price. He reiterated his support for having the Clinic use the Convalescent Center.

Don Tatton, a member of the Rural Health Care Board of Directors and Advisory Council for the Senior Center, felt that it was beyond belief the amount of money which would be saved if the non-profit health organization was backed by the City and Hospital.

Additional public comments were solicited but none given. Mayor Masayko indicated he had discussed the Northgate facility with Mr. Kipp. He expressed his feeling that the alternative would separate the health care and the health clinic from the Northgate complex. It will leave City facilities at the Northgate building. It will fill that building and allow Carson City to make a decision in the future about building a facility for the one-stop shop or renovating the building. It will in essence be dealing with only City entities. This is another beauty to this alternative as it allows the City to deal with Northgate without considering the health clinic. Mayor Pro-Tem Tatro indicated he would support the motion due to the five conditions although he also agreed with Supervisor Smith's comments. He was not comfortable with the bundle of items involved in Alternative 1. He felt that the Board needed to locate a site for the Clinic. He had had several conversations with Mr. Berkich and the more he thought about the concept the more he did not understand it. He was not sure whether it was just him or if it was the packet of information before them. He felt that the Board needed to make a decision on the Clinic, resolve the issue, and get on with other business. There are several items which must be worked out. One big one is how much money the Hospital will make and how much it will cost the City. He did not feel that there would be much progress on this issue because Mr. Smith is a sharp negotiator. This is a great opportunity for the Hospital. He would like to invest in it personally, but---. **The motion was then voted by roll call with the following result: Bennett - Yes; Smith - No; Plank - Yes; Mayor Masayko - Yes; and Mayor Pro-Tem Tatro - Yes. Motion carried 4-1.** Mayor Pro-Tem Tatro returned the gavel to Mayor Masayko. Mayor Masayko indicated the Hospital should react to the Board's action when and as agendized.

Chairperson Saulisberry indicated the Hospital Board would consider the issue at this time. Trustee Livermore indicated that before he made a motion he wished to point out two things. Mr. McBain brings a very needed service to the community which had not been discussed previously. All aspects of the community need his

services. He supported Alternative 1--the Convalescent Center. Whatever the City decides to do with the Northgate facility is an internal decision between its staff and the Board of Supervisors. **Trustee Livermore then moved that the Carson-Tahoe Hospital Board of Trustees direct the Administrator to work with the City staff to accomplish the selection of the Carson Convalescent Center as the choice, Alternative 1, for the Health Clinic and to report back to the Board at his earliest convenience and with a final contract and arrangement of the affairs. Trustee Chryssos seconded the motion.** Chairperson Saulisberry questioned who would hold the lease for the Convalescent Center and requested her staff to look into the issue of whether the Hospital is to hold the lease or the City is to hold the lease. She also had not heard too much discussion on the type of improvements which the owner will be making. She felt that the owner of the property had made such an offer at one time. She was all in favor of putting the Health Clinic in this facility. She liked the location and indicated that this is really where the Hospital should be going. Trustee Chryssos indicated that Mr. McBain and his clinic provides a phenomenal service. They see many patients and provide an incredible service to the Hospital and to the community. He supported them and wanted to keep them happy. If this is what makes them happy, then he supported them because he sees their doctors at the Hospital everyday. He sees the hard work that they do. The motion was voted by roll call with the following result: Livermore - Yes; Bennett - Yes; Chryssos - Yes; Hawes - No; and Chairperson Saulisberry - Yes. Trustee Metcalf abstained. Motion carried 4-1-1-0.

Chairperson Saulisberry thanked the audience for attending and requested they sign the attendance sheet before leaving, if they had not already done so.

B. DISCUSSION AND ACTION ON THE FORMATION OF A HOSPITAL DISTRICT (1-1645.5) -

Chairperson Saulisberry indicated the Trustees' packets included a summary of the pros and cons to the proposal. (A copy was not given to the Clerk.) Hospital Legal Counsellor Mike Pavlakis explained that his discussions with Chief Deputy District Attorney Paul Lipparelli indicate there is little difference between the function as a Hospital District and the current process for a County Hospital. His caveat to this statement is the impact any bonding may have on the process. The Board of Supervisors would still have oversight of the Hospital Board's actions including acquisitions of real property. The Hospital would not be a part of the City budget as a Hospital District but would be subject to the Debt Management Commission process. The Hospital would, however, have its own bonding capacity. There has not been a need identified for any bonding beyond that which is currently allowed for either the Hospital or the City. There could be some issues regarding the governing process. The Hospital Trustees are currently elected wholly from Carson City. Legal issues related to the District and representation from any County in which the Hospital owned property were noted. Therefore, the question is "Why change?". Direction from the Trustees was solicited.

Mayor Masayko explained his concern for the Carson City taxpayers who would ultimately be responsible for any bonds which the District may issue. He did not feel that there is any taxpayer protection provisions included in the analysis. He did feel that the main flaw is the requirement that the Hospital Board for a District Hospital must have representation from all Counties in which the Hospital owns property. A multi-jurisdictional board of elected officials constituting the Hospital Board could present some challenges. He reiterated his statement concerning having the Carson City taxpayers be the note holders of last resort.

Trustee Livermore explained his concern about the ability of the Hospital District to tax real and personal property. At this time only the Board of Supervisors and the School District have this power. He opposed creation of another entity with taxing authority.

Supervisor/Trustee Bennett explained her reasons for bringing the proposal forward was due to a request from residents to consider this option. Their concern had been whether the City should continue to control the Hospital based on the difference between their revenue streams particularly now that the Hospital's budget is more than the City's. If the Boards wish to consider creation of a district, she suggested that it be placed on the ballot for the electorate to decide. The meeting this evening started the ballot process. Her study of Mr. Pavlakis' analysis supports the other Trustees/Supervisors' conclusions. It is not broken and does not need to be fixed. She recommended postponing the proposal at this time.

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Supervisor Smith supported her comments by agreeing that there may be ways to improve the process. There does not appear to be advantages to having a District. The current well run operation should be allowed to continue.

Chairperson Saulisberry explained her understanding that the Statutes had been written as indicated to address any situations where there are more than one hospital in the County. She supported leaving things as they are.

Public comments were solicited. (1-1900.5) City Treasurer Al Kramer explained his reasons for bringing the proposal forward and support for the change to a District Hospital based on the increased bonding capacity as it eliminates the federally mandated arbitrage restrictions. He also questioned the value of having a Supervisor on the Hospital Board. The Hospital Board should be able to function without the Board of Supervisors' oversight.

Supervisor Tatro indicated that the Board would remain in control. Under the Hospital District process, Douglas and Lyon Counties would be added to the oversight process. Also, the elected Board of Trustees would be removed and replaced by a County Commissioner/Supervisor from each County in which the Hospital holds property. He questioned the knowledge these individuals have on how to run a hospital, which he suggested would be little. The reason the Board has oversight now is to be able to meet the Hospital's financial obligations should it fail. The current process allows the Carson City residents to have a colossal equity position along with the responsibility for the Hospital's death. A multi-county hospital district may be the only reason for forming a district. This would be giving away the Carson City residents' resources. He did not feel that the arbitrage costs would ever exceed that amount. He suggested this proposal not be considered again for a long time.

Trustee Livermore moved that the Board of Trustees for the Carson-Tahoe Hospital direct staff to file the proposal deep in a file cabinet and postpone it indefinitely. Trustee Bennett seconded the motion. Motion carried 6-0.

Mayor Masayko suggested the Supervisors take a similar action as the board could ignore the Hospital Board's direction and establish a District. Supervisor Tatro moved that the Board of Supervisors determine the creation of a Hospital District is not desirable. Supervisor Smith seconded the motion. Motion carried 5-0.

There being no other matters for consideration as the Board of Supervisors, Supervisor Plank moved to adjourn. Supervisor Bennett seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the Board of Supervisors session at 8 p.m.

(For Minutes/Actions by the Hospital Board of Trustees on its remaining agenda Items, please contact the Hospital.)

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The Minutes of the Special April 30, 1998, Carson City Board of Supervisors meeting with the Carson-Tahoe Hospital Board of Trustees

ARE SO APPROVED ON _____6/18_____, 1998.

/s/ _____
Ray Masayko, Mayor

ATTEST:

/s/ _____
Alan Glover, Clerk-Recorder