

CARSON CITY BOARD OF SUPERVISORS

Minutes of the November 16, 2010 Meeting

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A regular meeting of the Carson City Board of Supervisors was scheduled for 10:00 a.m. on Tuesday, November 16, 2010 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell
Supervisor Robin Williamson, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor-elect John McKenna, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Neil Rombardo, District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

NOTE: A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the Clerk during the meeting are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 4. CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE (10:00:02) - Mayor Crowell called the meeting to order at 10:00 a.m., and explained the revised meeting schedule. Mr. Glover called the roll; a quorum was present. Bruce Henderson provided the invocation. Frank Page led the pledge of allegiance.

5. ACTION ON APPROVAL OF MINUTES - October 21, 2010 (10:02:45) - Supervisor Aldean noted a revision to page 7, and **moved to approve the minutes. Supervisor Williamson seconded the motion. Motion carried 4-0.**

6. ADOPTION OF AGENDA (10:03:22) - Mayor Crowell entertained modifications to the agenda. Mr. Werner explained the need to defer item 13(A) to a special meeting scheduled for November 23rd.

7. CITY MANAGER - ACTION TO APPOINT JOHN McKENNA AS SUPERVISOR FOR WARD 3 FOR THE UNEXPIRED TERM CREATED BY ELECTION OF SUPERVISOR PETE LIVERMORE TO THE NEVADA STATE ASSEMBLY (10:04:33) - Mayor Crowell introduced and provided background information on this item. He entertained public comment and, when none was forthcoming, a motion. **Supervisor Walt moved to appoint John McKenna as Supervisor for Ward 3 for the unexpired term created by the election of Supervisor Livermore to the Nevada State Assembly. Supervisor Aldean seconded the motion. Motion carried 4-0.**

Mr. Glover administered the Oath of Office to Supervisor-elect John McKenna. The Board members, City staff, and citizens present applauded. Mayor Crowell recessed the meeting at 10:08 a.m. and reconvened at 10:13 a.m. Supervisor McKenna had joined the other Supervisors and the Mayor at the meeting dais.

8. PUBLIC COMMENTS AND DISCUSSION (10:13:20) - Mayor Crowell entertained public comment. (10:13:47) Rob Joiner congratulated Supervisor-elect Karen Abowd "on a robust campaign on

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the issues.” He expressed the opinion that Supervisor-elect Abowd will “do a wonderful job for the community.” Mr. Joiner congratulated Supervisor McKenna, and expressed appreciation for the opportunity to have run for office.

(10:15:20) Frank Page inquired as to the possibility of charging ticket prices at the skating rink “to make it self-supporting instead of having to have money to support it.” He suggested having a special vote on the City Center project in consideration of “the very complex undertaking ...” He expressed concern over utilizing federal grants for the project; “there’s always strings attached.” He discussed additional concerns associated with utilizing federal grant funding, such as being required to hire contractors from outside the area. In reference to the Olive Garden Restaurant development, he suggested considering a sales tax adjustment for existing businesses. He thanked Supervisor Aldean for supporting a redevelopment funding allocation to subsidize the ice skating rink, rather than a general fund allocation. He thanked Mr. Werner for all his assistance. Mayor Crowell entertained additional public comment; however, none was forthcoming.

9. SPECIAL PRESENTATIONS

9(A) PRESENTATION OF A PROCLAMATION FOR PANCREATIC CANCER AWARENESS MONTH, NOVEMBER 2010 (10:20:03) - Mayor Crowell introduced this item, and read into the record the language of the Proclamation, a copy of which was included in the agenda materials. He presented the Proclamation to Pancreatic Cancer Action Network Local Coordinator Ginnie Jed, who provided statistical and other information on pancreatic cancer. She discussed her husband’s ongoing battle with pancreatic cancer, noting that “after two major, major surgeries and six months of invasive chemo, he’s doing fabulously ...” The Board members, City staff, and citizens present applauded. Ms. Jed advised that pancreatic cancer research is “severely underfunded.” She discussed treatment options and the results of new research. She distributed pancreatic cancer awareness pamphlets and bracelets to the Board members, and thanked the Board for the Proclamation. At Supervisor Williamson’s request, Ms. Jed provided resources for additional information. At Supervisor Aldean’s request, Ms. Jed described early symptoms of pancreatic cancer.

9(B) PRESENTATION BY SENATOR JOHN LEE, SENATE GOVERNMENT AFFAIRS COMMITTEE CHAIR, REGARDING THE 2011 LEGISLATIVE SESSION (10:29:16) - Mayor Crowell introduced Senator John Lee, who thanked the Board for “this legislative courtesy.” He commended Supervisor Williamson and Mayor Crowell on their involvement at the legislature, and thanked them both. Senator Lee advised he was representing the Senate Government Affairs Committee, and provided background information on his presentation which he has been giving to every county and large city in Nevada. He noted his purpose “to be able to figure out what we can do now before next session starts and we’re in a crisis mode.” He acknowledged the state of the economy, and advised that the legislature will “be facing a large problem.” He provided corresponding anecdotal information, and noted that Carson City was “not harmed in the last special session.” He noted that both the U.S. and global economies are recovering. He anticipates “it’s going to take us about two years before we get a stabilization ... where we’ll be able to forecast a little bit better.” He further anticipates “we’re ... at the last of the municipal labor drops.” He discussed the status of the construction industry, and advised of “acquisitions happening in southern Nevada.” He discussed banking and participation loans; “banks not wanting to take all the risk.” He suggested the possibility of local governments hindering construction growth by being hesitant to hire more people. He further suggested the likelihood that more cities will “do employee leasing and temp service ... ‘til they can get it figured out ...”

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Senator Lee discussed “three things [he does] as a state legislator ...: educate, medicate, and incarcerate,” and reviewed the corresponding percentage budget allocations. He advised of no anticipation that State employee furloughs will increase to two days. He acknowledged the wage and salary reduction associated with furloughs, but advised of having been informed that “some people are really enjoying it.”

He advised that the 3 percent / 8 percent property tax issue will be addressed during the next legislative session, and provided background information with regard to the same. He anticipates reviewing sales tax during the next session. He advised of proposals for taxing gum, candy, sports drinks, water, etc., and compared this to “the sin tax for eating.” He discussed additional proposals to transfer to local governments the responsibilities and associated funding for parole and probation and the community college system. He advised that reapportionment is scheduled for December 31st, and discussed associated details. He discussed procedural revisions to ensure a more logical process for bills through both the Assembly and the Senate. He commended Nevada Association of Counties Executive Director Jeff Fontaine on his interaction between the City and the Legislature. He encouraged the Board members and City officials to visit with the legislators and to build relationships. He discussed the importance of solving the problem of State agencies creating obstacles for local governments. He invited the Board members and City officials to attend committee meetings and the legislative floor during the next session. He offered his assistance to the Board and the City.

Mayor Crowell thanked Senator Lee for his delightful presentation, and discussed the dichotomy that often exists between the State Legislature and local governments. He expressed appreciation for Senator Lee’s emphasis on establishing and maintaining bridges. In consideration of effective taxes, Mayor Crowell provided historic information on the move from a property-tax basis for financing government to the sales-tax basis. He expressed the opinion that the effect was to “hamstring our ability to deal with diversifying our economy in a real meaningful way; that if we’d done something differently ... we would have not had such a big fall as we did.” He noted the importance of sales tax revenues to support local government, but expressed concern over manufacturers and the industrial air park. “... we don’t have the same type of incentive to look there.” Mayor Crowell requested Senator Lee to consider incentives for manufacturers as well as retailers. Senator Lee discussed the recent advisory question, and the importance of offering viable solutions. Mayor Crowell expressed a willingness to engage in dialogue, and appreciation for Senator Lee’s offer.

Supervisor Williamson commended Senator Lee for the “extraordinary” gesture to “come here and set ... a game plan or an offer before the session starts.” She thanked him and discussed the importance of partnership. “There aren’t any easy answers or silver bullets so we all need to give a little, take a little ... and go forward.” Supervisor Williamson expressed confidence that her Board colleagues “are willing to go forward with that.” She noted the large percentage of Carson City’s population which works for the State of Nevada, and expressed the hope that the suggested changes to the public benefits program will be addressed. She suggested “there will be a lot more people applying for public assistance that actually work for the government unless there’s a way to take a look at that.” She thanked Senator Lee for his presentation.

Supervisor Aldean thanked Senator Lee for his presentation and, as Chair of the Regional Transportation Commission, complimented the NDOT staff. “Without exception, everyone that [she’s] had to interface with at NDOT has been a real pleasure to work with.” Supervisor Aldean expressed agreement with Senator Lee’s suggestion to engage legislative representatives. Senator Lee commended NDOT Director

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Susan Martinovich and Deputy Director Scott Rawlins as “two of the finest public servants we have in Nevada.” He expressed appreciation for Supervisor Aldean’s comments.

Supervisor Walt thanked Senator Lee for his presentation and, in reference to a recent legislative coalition meeting, requested him to remember that the possibility of State agency consolidation and the resulting layoffs will “have an impact on Carson City.” Senator McKenna thanked Senator Lee for his presentation. Mayor Crowell again thanked Senator Lee and commended him on his 17-county tour.

10. CONSENT AGENDA (11:01:32) - Mayor Crowell entertained requests to hear items separate from the consent agenda. Supervisor Aldean requested to separately hear item 10-2(C). Mayor Crowell entertained additional requests. When none were forthcoming, he entertained a motion to approve the consent agenda, as published, with the exception of item 10-2(C). **Supervisor Aldean so moved. Supervisor Williamson seconded the motion. Motion carried 5-0.**

10-1. FINANCE DEPARTMENT - ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY THROUGH NOVEMBER 8, 2010, PURSUANT TO NRS 251.030

10-2. PUBLIC WORKS DEPARTMENT

10-2(A) ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN A NON-EXCLUSIVE WATER METER ACCESS AND MAINTENANCE EASEMENT BETWEEN THE NEVADA DIVISION OF STATE LANDS AND CARSON CITY, WHEREBY THE STATE OF NEVADA WILL GRANT THE CITY AN EASEMENT ONTO THE NEVADA STATE PRISON SITE ADJACENT TO THE PARKING LOT ON WARM SPRINGS COURT FOR PURPOSES OF OPERATION AND MAINTENANCE OF AN EXISTING WATER METER

10-2(B) ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN A NON-EXCLUSIVE WATER METER ACCESS AND MAINTENANCE EASEMENT BETWEEN THE NEVADA DIVISION OF STATE LANDS AND CARSON CITY, WHEREBY THE STATE OF NEVADA WILL GRANT THE CITY AN EASEMENT ONTO THE NEVADA STATE PRISON SITE NEAR THE INTERSECTION OF BUTTI WAY AND EAST FIFTH STREET FOR PURPOSES OF OPERATION AND MAINTENANCE OF AN EXISTING WATER METER

10-2(C) ACTION TO APPROVE THE NON-EXCLUSIVE TEMPORARY AND PERMANENT EASEMENTS FOR A PEDESTRIAN PATHWAY BETWEEN THE NEVADA DIVISION OF STATE LANDS, FOR AND ON BEHALF OF THE DEPARTMENT OF CORRECTIONS AND THE NEVADA ARMY NATIONAL GUARD (GRANTORS) AND CARSON CITY, WHICH WILL ALLOW CARSON CITY TO CONSTRUCT AND MAINTAIN THE FAIRVIEW DRIVE PEDESTRIAN PATHWAY, WHICH IS ON GRANTORS’ PROPERTY, AND CONCURRENTLY CONSTRUCT THE NORTH / SOUTH WATER TRANSMISSION MAIN PHASE II PROJECT (11:18:57) - Mayor Crowell introduced this item, and Senior Project Manager Robb Fellows clarified the need to defer action on the permanent easement to a future meeting. He requested the Board to consider the temporary easement. In response to a question, he reviewed details of the project. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. Supervisor Aldean noted a correction to the parcel number on Exhibit B. **Supervisor Aldean moved to approve the Non-Exclusive Temporary Construction Easement for a Pedestrian Pathway, between the Nevada**

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Division of State Lands, for and on behalf of the Department of Corrections, and the Nevada Army National Guard, Grantors, and Carson City, which will allow Carson City to construct and maintain the Fairview Drive pedestrian pathway which is on Grantors' property, and concurrently construct the North / South Water Transmission Main Phase II project. Supervisor Walt seconded the motion. Motion carried 5-0.

10-2(D) ACTION TO RECOMMEND THAT THE NEVADA STATE ENGINEER APPROVE WATER APPLICATION 80166, SILVER BULLET, LLC WATER TRANSFER

10-3. PURCHASING AND CONTRACTS DIVISION

10-3(A) ACTION TO APPROVE CONTRACT NO. 1011-141, A CONTRACT FOR HARDWARE AND ASSOCIATED PERIPHERAL EQUIPMENT AND DEVICES FOR COMPUTERS AND / OR SOFTWARE FOR COMPUTERS AND, THEREFORE, NOT SUITABLE FOR PUBLIC BIDDING, PURSUANT TO NRS 332.115(1)(g) AND (h) FOR THE PURCHASE OF TELESTAFF LICENSE AND ANNUAL SERVICE AGREEMENT FROM PRINCIPAL DECISION SYSTEMS INTERNATIONAL ("PDSI") FOR A NOT-TO-EXCEED COST OF \$70,355.00, TO BE FUNDED FROM THE TELESTAFF LINE ITEM OF THE CAPITAL ACQUISITION FUND, AS PROVIDED IN FY 2010 / 2011

10-3(B) ACTION TO APPROVE CONTRACT NO. 1011-164, PURSUANT TO NRS 332.115(1)(b) WITH ICE RINK SUPPLY TO PROVIDE AND SET UP THE ARLINGTON SQUARE ICE RINK, THROUGH JANUARY 30, 2011, FOR A NOT-TO-EXCEED COST OF \$110,000.00, TO BE FUNDED FROM THE REDEVELOPMENT PROFESSIONAL SERVICES ACCOUNT IN THE ADMINISTRATIVE FUND, AS PROVIDED IN FY 2010 / 2011

10-4. SHERIFF - ACTION TO APPROVE THE NEVADA DEPARTMENT OF PUBLIC SAFETY, DIVISION OF EMERGENCY MANAGEMENT GRANT 97067HL6, IN THE AMOUNT OF \$40,890.00

10-5. CITY MANAGER - ACTION TO RATIFY THE APPROVAL OF BILLS AND OTHER REQUESTS FOR PAYMENTS BY THE CITY MANAGER FOR THE PERIOD OF OCTOBER 12, 2010 THROUGH NOVEMBER 8, 2010

11. RECESS BOARD OF SUPERVISORS (11:02:31) - Mayor Crowell recessed the Board of Supervisors at 11:02 a.m.

LIQUOR AND ENTERTAINMENT BOARD

12. CALL TO ORDER AND ROLL CALL (11:02:45) - Chairperson Crowell called the meeting to order at 11:02 a.m. Roll was called; a quorum was present. Member Furlong was absent.

13. PUBLIC WORKS DEPARTMENT, BUSINESS LICENSE DIVISION

13(A) ACTION TO APPROVE TRANSFER OF THE GAMING LICENSE FOR SLOTWORLD, INC. DBA GOLDEN NICKEL (GAMING LICENSE NO. 10-2065) TO 444 EAST WILLIAM STREET, SUITE 8, CARSON CITY - Withdrawn.

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13(B) ACTION TO APPROVE MARK SCHLOSS AS THE LIQUOR MANAGER FOR RED'S OLD 395 GRILL (LIQUOR LICENSE NO. 11-15193), LOCATED AT 1055 SOUTH CARSON STREET, CARSON CITY (11:03:20) - Chairperson Crowell introduced this item, and Principal Planner Jennifer Pruitt reviewed the agenda materials. (11:04:43) Chairperson Crowell invited Mark Schloss to the podium. In response to a question, Mr. Schloss described business at Red's as "ever growing." In response to a further question, he advised that Red's management is "adamant about not serving underage people. We're hopefully consummate carders. Folks that appear 30 years or younger are always asked for their ID. Any multiple, whether it's a pitcher sale or multiple drinks, we always ask for multiple identification ... We reward our staff with a bounty if they catch somebody that's underage or with a fake ID."

In response to a question, Ms. Pruitt expressed the understanding that the board's approval will effect the removal of James V. Sterling, III as liquor manager. "There will be one liquor manager ..." Supervisor Williamson commended Mr. Schloss as a "very supportive member of all our downtown activities," and Red's as "a wonderful addition to our community."

Chairperson Crowell entertained public comment and, when none was forthcoming, a motion. **Member Williamson moved to approve Mark Schloss as the liquor manager for Red's Old 395 Grill, liquor license 11-15193, located at 1055 South Carson Street, Carson City. Member Walt seconded the motion. Motion carried 5-0.**

13(C) ACTION TO APPROVE JAMES PHALAN II AS THE LIQUOR MANAGER FOR HIGH SIERRA BREWING COMPANY (LIQUOR LICENSE NO. 11-27375), LOCATED AT 302 NORTH CARSON STREET, CARSON CITY (11:07:25) - Chairperson Crowell introduced this item, and Ms. Pruitt reviewed the agenda materials. (11:08:21) Chairperson Crowell invited Jim Phalan to the podium. In response to a question, Mr. Phalan described business as "doing okay." He expressed optimism and advised, "We're keeping our heads above water. ... We're doing better than average." He advised that the Firkin and Fox is doing well with an increase in revenues of approximately 15 to 17 percent from last year. He further advised that the Firkin and Wolf "is doing fantastic." He provided background information on the High Sierra Brewing Company and, in response to a question, described the nature of the brewery and restaurant. He responded to questions of clarification relative to the menu. Member Walt thanked Mr. Phalan for his investment in Carson City.

In reference to Doppelganger's reputation, Member Aldean expressed the hope that High Sierra Brewing Company will be "a little more family-oriented." Mr. Phalan advised that this concern had weighed heavily on him, and discussed a stipulation for "an overhaul of the signage on the exterior building." He stated, "I can't associate myself with the previous name and what the business did beforehand." He assured the board that the restaurant will be family-oriented; "there will be a kids menu ... It's going to be completely overhauled. I wouldn't be doing it otherwise ..."

At Chairperson Crowell's request, Mr. Phalan advised that any patron wishing to purchase alcohol who looks younger than 30 is requested to produce identification. Patrons ordering multiple alcoholic beverages are also requested to produce identification. Mr. Phalan advised that all staff members are required to have a ServeSafe card "even though that's not required by Carson City." He described the ServeSafe training. "We're very proactive about ... making sure that we're not serving anybody underage."

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Member Williamson thanked Mr. Phalan, who expressed the opinion that successful downtown businesses breed more success. In response to a question referencing a previous comment, Mr. Phalan expressed the opinion that requesting identification from every patron would not hurt his business. "I think most people would be flattered by it." In response to a further question, Mr. Phalan advised that High Sierra Brewing Company will be a non-smoking establishment. In response to a further question, he expressed the opinion that "nowadays, people actually prefer ... non-smoking."

Chairperson Crowell entertained public comment and, when none was forthcoming, a motion. **Member Aldean moved to approve James Phalan, II, as the liquor manager for High Sierra Brewing Company, liquor license number 11-27375, located at 302 North Carson Street, Carson City. Member Williamson seconded the motion. Motion carried 5-0.** In response to a question, Mr. Phalan anticipates High Sierra Brewing Company being open before the holidays.

14. ACTION TO ADJOURN THE LIQUOR AND ENTERTAINMENT BOARD (11:18:51) - Chairperson Crowell adjourned the Liquor and Entertainment Board at 11:18 a.m.

15. RECONVENE BOARD OF SUPERVISORS (11:18:52) - Mayor Crowell reconvened the Board of Supervisors at 11:18 a.m.

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

16. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (11:18:55) - Please see the minutes for item 10-2(C).

17. HEALTH AND HUMAN SERVICES DEPARTMENT - ACTION TO APPROVE A SUBGRANT AWARD FROM THE NEVADA STATE HEALTH DIVISION IN THE AMOUNT OF \$310,066 FOR THE 2010 OFFICE OF THE ASSISTANT SECRETARY FOR PREPAREDNESS AND RESPONSE - HOSPITAL PREPAREDNESS PROGRAM CONTINUATION COOPERATIVE AGREEMENT (11:21:55) - Mayor Crowell introduced this item, and Health and Human Services Department Director Marena Works reviewed the agenda materials. She acknowledged that existing personnel have been administering the subject program. Part-time employees may be hired "to fill in." Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Williamson moved to approve the subgrant award from the Nevada State Health Division, in the amount of \$310,066, for the 2010 Office of the Assistant Secretary for Preparedness and Response - Hospital Preparedness Program continuous cooperative agreement. Supervisor Walt seconded the motion. Motion carried 5-0.**

18. FINANCE DEPARTMENT

18(A) ACTION TO ADOPT, ON SECOND READING, BILL NO. 114, AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE "CARSON CITY, NEVADA GENERAL OBLIGATION (LIMITED TAX) VARIOUS PURPOSE REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2010," FOR THE PURPOSE OF FINANCING THE COST OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO (11:23:33) - Mayor Crowell introduced this item. Finance

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Department Director Nick Providenti welcomed Supervisor McKenna, provided background information on this item and a market update. Mr. Providenti responded to questions of clarification relative to the “less cash used” provisions. “Because the bonds are sold in denominations of \$5,000 issues, it’s ... extra money that we get from the sales of the bonds. ... It’s kind of like a premium ...” In response to a further question, Mr. Providenti advised that the consultant had revised the language to indicate “plus a miscellaneous amount.”

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Walt moved to adopt, on second reading, Bill No. 114, Ordinance No. 2010-12, an ordinance authorizing the issuance by the City of its negotiable “Carson City, Nevada, General Obligation, Limited Tax, Various Purpose Refunding Bonds, additionally secured by pledged revenues, Series 2010,” for the purpose of financing the cost of refunding certain outstanding bonds of the City; ratifying action previously taken toward issuing the proposed bonds, and effecting the purpose of this issuance; providing other matters relating thereto. Supervisor Aldean seconded the motion. Motion carried 5-0.**

18(B) ACTION TO ADOPT, ON SECOND READING, BILL NO. 115, AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE “CARSON CITY, NEVADA GENERAL OBLIGATION (LIMITED TAX) PARK REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2010,” FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING BONDS PREVIOUSLY ISSUED FOR PARKS, TRAILS, AND RECREATIONAL FACILITIES; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; PROVIDING OTHER MATTERS RELATING THERETO (11:27:29) - Mayor Crowell introduced this item. Mr. Providenti provided an overview and a market update. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to adopt, on second reading, Bill No. 115, Ordinance No. 2010-13, an ordinance authorizing the issuance by the City of its negotiable “Carson City, Nevada, General Obligation, Limited Tax, Park Refunding Bonds, additionally secured by pledged revenues, Series 2010,” for the purpose of refinancing certain outstanding bonds previously issued for parks, trails, and recreational facilities; ratifying action previously taken toward issuing the proposed bonds, and effecting the purpose of their issuance; providing other matters relating thereto. Supervisor Walt seconded the motion. Motion carried 5-0.**

19. RECESS BOARD OF SUPERVISORS (11:28:58) - Mayor Crowell recessed the Board of Supervisors at 11:28 a.m., and passed the gavel to Redevelopment Authority Chairperson Robin Williamson.

REDEVELOPMENT AUTHORITY

20. CALL TO ORDER AND ROLL CALL (11:29:12) - Chairperson Williamson called the Redevelopment Authority to order at 11:29 a.m. A quorum was present.

21. ACTION ON APPROVAL OF MINUTES - October 21, 2010 (11:29:27) - Vice Chairperson Aldean noted a correction to item 16(D), and **moved to adopt the minutes, as amended. Member Crowell seconded the motion.** Chairperson Williamson entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

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22. OFFICE OF BUSINESS DEVELOPMENT

22(A) ACTION TO CONSIDER AND MAKE A RECOMMENDATION TO THE BOARD OF SUPERVISORS REGARDING A REQUEST FOR THE EXPENDITURE OF \$2,500 FROM THE REVOLVING FUND OF THE REDEVELOPMENT AGENCY TO SUPPORT THE ANNUAL PRODUCTION OF THE PINKERTON BALLET THEATRE'S ANNUAL NUTCRACKER BALLET, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES; THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN AND THAT THE AMOUNT OF THE EXPENSES TO BE GIVEN ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (11:30:15) - Chairperson Williamson introduced this item, and Planning Division Director Lee Plemel reviewed the agenda materials. Member Walt disclosed she is President of Pinkerton Ballet Theatre, and advised that she would abstain from discussion and action on this item.

Chairperson Williamson noted that Pinkerton Ballet Theatre representatives were present in the meeting room, and entertained questions or comments. When none were forthcoming, she entertained a motion. **Member Crowell moved to approve and recommend to the Board of Supervisors approval of the expenditure of \$2,500 from the revolving fund for the Redevelopment Agency to support the annual production of Pinkerton Ballet Theatre's Nutcracker Ballet, as an expense incidental to carrying out the redevelopment plan which has been adopted by the Carson City Board of Supervisors, and based upon the findings that there is a causal connection between the redevelopment effort and the need for the expenses; the expenses are needed to ensure the success of the redevelopment plan; and that the amount of the expenses to be given are minor in comparison to the money required for the overall redevelopment plan. Vice Chairperson Aldean seconded the motion.** At Chairperson Williamson's request, Denise Gillott, representing Pinkerton Ballet Theatre, reviewed the performance schedule and ticket availability. Chairperson Williamson entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 4-0-1, Member Walt abstaining.**

22(B) ACTION TO CONSIDER AND MAKE A RECOMMENDATION TO THE BOARD OF SUPERVISORS REGARDING A REQUEST FOR THE EXPENDITURE OF \$7,550 FROM THE REVOLVING FUND OF THE REDEVELOPMENT AGENCY TO SUPPORT THE SILVER AND SNOWFLAKES HOLIDAY TREE LIGHTING AND ORNAMENT PROGRAM, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES; THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN AND THAT THE AMOUNT OF THE EXPENSES TO BE GIVEN ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (11:33:54) - Chairperson Williamson introduced this item, and Mr. Plemel reviewed the agenda materials. Chairperson Williamson advised that the Redevelopment Authority Citizens Committee's ("RACC") recommendation to allocate \$5,050 will cover the Silver and Snowflakes event scheduled for December 2nd.

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Chairperson Williamson invited Fred and Maxine Nietz, of the Arlington Group, to the podium, and provided background information on the ornament program. (11:36:34) Ms. Nietz provided background information on the Silver and Snowflakes event, and reviewed details of this year's program. She reviewed the ornament program, listing the various depictions over the years. She advised of having combined the Silver and Snowflakes event and the ornament program into a single application, "at the recommendation of [Office of Business Development Manager Joe] McCarthy." She expressed uncertainty as to the RACC's recommendation which left out compensation for the ornament program.

Vice Chairperson Aldean commended the ornament program, but noted that "the last time we made a profit was in 2008. We've actually lost money in the last two years." In consideration of the RACC's recommendation, Vice Chairperson Aldean requested staff to work with the Nietzes to "formalize the arrangement, not only for the production of the ornament but for the distribution and sale. ... maybe we can bring that profit margin up and then negotiate with them some sort of compensation based on a percentage of the net." She advised of having discussed the concept with Ms. Nietz by telephone yesterday. Chairperson Williamson reviewed the method by which the ornament program is marketed and the ornaments sold. She advised that the ornament program is funded separately from the Redevelopment Authority revolving fund.

(11:42:57) Mr. Nietz advised of having discussed, on several occasions, the need to market the ornaments more aggressively. He suggested assembling commemorative sets and newspaper advertising, as possibilities. Mr. Nietz acknowledged having participated in the ornament program, as a volunteer, over the past eight years. He further acknowledged having decided he wanted to be compensated as of this year. Member McKenna inquired as to the basis for the RACC's recommendation to not approve compensation for the ornament program. Mr. Nietz stated that Mr. McCarthy had suggested, "No one works for free," and for the Nietzes to "roll this in to the Christmas tree lighting program." Mr. Nietz advised of having submitted the application in August. He suggested that including the request for compensation with the Silver and Snowflakes application is "what caused the problem." Member McKenna inquired as to whether Mr. Nietz would continue to participate in the ornament program if not compensated this year. Mr. Nietz stated, "I'll think twice about it ..." Vice Chairperson Aldean advised of the understanding that the RACC members had a problem with compensating the Nietzes retroactively for their past participation in the ornament program. She reiterated the suggestion to consider reorganizing the process. In response to a question, Mr. Nietz stated that the requested \$2,500 "is a one-shot situation ... for the past and then going forward, we'll just have to rethink the whole arrangement." He reiterated the suggestion to more aggressively market and advertise the ornaments.

In response to a comment, Chairperson Williamson provided historic information on ornament sales. She reiterated that the RACC members were hesitant to provide compensation retroactively. She agreed with Vice Chairperson Aldean's suggestion to consider the program details. Mr. Nietz expressed a preference to "keep it as a volunteer ... situation." Discussion followed, and Chairperson Williamson commended the Nietzes on their coordination of the Silver and Snowflakes event over the years.

Chairperson Williamson entertained public comment and, when none was forthcoming, a motion. **Vice Chairperson Aldean moved to approve and recommend to the Board of Supervisors approval of the expenditure of \$5,050 from the revolving fund for the Redevelopment Agency to support the Silver and Snowflakes Holiday Tree Lighting program as an expense incidental to carrying out the redevelopment plan, which has been adopted by the Carson City Board of Supervisors, and based**

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upon the findings that there is a causal connection between this redevelopment effort and the need for the expenses; the expenses are needed to ensure the success of the redevelopment plan and that the amount of the expenses to be given are minor in comparison to the money required for the overall redevelopment plan. Member Crowell seconded the motion. Chairperson Williamson entertained additional comments. (11:51:11) Ms. Nietz advised of "some actual expenses in connection with this year's ornament," and inquired as to whether these should be submitted. Chairperson Williamson directed Ms. Nietz to discuss the matter with Mr. Werner. Chairperson Williamson called for a vote on the pending motion; **motion carried 5-0.**

23. ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (11:51:40) - Chairperson Williamson adjourned the Redevelopment Authority at 11:51 a.m., and returned the gavel to Mayor Crowell.

24. RECONVENE BOARD OF SUPERVISORS (11:51:53) - Mayor Crowell reconvened the Board of Supervisors at 11:51 a.m.

25. OFFICE OF BUSINESS DEVELOPMENT

25(A) ACTION TO ADOPT A RESOLUTION AUTHORIZING THE EXPENDITURE OF \$2,500 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE ANNUAL PRODUCTION OF THE PINKERTON BALLET THEATRE'S ANNUAL NUTCRACKER BALLET, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES; THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN AND THAT THE AMOUNT OF THE EXPENSES TO BE GIVEN ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (11:51:58) - Mayor Crowell introduced this item, noting its correspondence with the previous Redevelopment Authority item. He incorporated the comments relative to that item, and advised that the Redevelopment Authority's action would be taken into account. He entertained additional information and, when none was forthcoming, a motion. **Supervisor Aldean moved to adopt Resolution No. 2010-R-58, a resolution authorizing the expenditure of \$2,500 from the revolving fund for the Redevelopment Agency to support the annual production of the Pinkerton Ballet Theatre's Nutcracker Ballet, as an expense incidental to carrying out the redevelopment plan, which has been adopted by the Carson City Board of Supervisors, and based upon the findings that there is a causal connection between this redevelopment effort and the need for the expenses; the expenses are needed to ensure the success of the redevelopment plan and that the amount of the expenses to be given are minor in comparison to the money required for the overall redevelopment plan. Supervisor Williamson seconded the motion. Motion carried 4-0-1, Supervisor Walt abstaining.**

25(B) ACTION TO ADOPT A RESOLUTION AUTHORIZING THE EXPENDITURE OF \$7,550 FROM THE REVOLVING FUND OF THE REDEVELOPMENT AGENCY TO SUPPORT THE SILVER AND SNOWFLAKES HOLIDAY TREE LIGHTING AND ORNAMENT PROGRAM, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN WHICH HAS BEEN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS AND BASED UPON THE FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN

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THIS REDEVELOPMENT EFFORT AND THE NEED FOR THE EXPENSES; THE EXPENSES ARE NEEDED TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN AND THAT THE AMOUNT OF THE EXPENSES TO BE GIVEN ARE MINOR IN COMPARISON TO THE MONEY REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (11:53:33) - Mayor Crowell introduced this item, noting its correspondence with the previous Redevelopment Authority item. He incorporated into the record the previous comments, and entertained additional information. When none was forthcoming, he entertained a motion. **Vice Chairperson Aldean moved to adopt Resolution No. 2010-R-59, a resolution authorizing the expenditure of \$5,050 from the revolving fund for the Redevelopment Agency to support the Silver and Snowflakes Holiday Tree Lighting as an expense incidental to carrying out the redevelopment plan, which has been adopted by the Carson City Board of Supervisors, and based upon the findings that there is a causal connection between the redevelopment effort and the need for the expenses; the expenses are needed to ensure the success of the redevelopment plan, and that the amount of the expenses to be given are minor in comparison to the money required for the overall redevelopment plan. Supervisor Williamson seconded the motion. Motion carried 5-0.**

26. CITY MANAGER

26(A) ACTION TO APPROVE THE SUBMITTAL OF AN APPLICATION TO THE U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION, FOR THE AMOUNT OF \$2.1 MILLION, TO BE USED FOR INFRASTRUCTURE IMPROVEMENTS AT THE PROPOSED CITY CENTER PROJECT (11:54:49) - Mayor Crowell introduced this item. Mr. Werner provided background information, and reviewed the agenda materials. He advised that the subject infrastructure improvements are already programmed for upgrade as part of a standard water, sewer, and storm drainage project. He advised that the \$2.1 million would offset anticipated costs to be allocated from the water and sewer funds. He emphasized that, whether or not the City Center project is approved, the infrastructure improvements are programmed. He suggested that the City Center project provides the opportunity to “actually reach into the EDA project to be able to qualify because of the kinds of activities that go on at the library ... that make it a little better for meeting the expectations.”

In response to a question, Mr. Werner advised that justification for the grant “saves the rate payers from having to pay 100 percent of the project.” He acknowledged that the infrastructure cost estimate is \$5 million. In response to a further question, he advised that the City Center project would not create a “needed capacity” issue. “... the size of the lines that we have going through this area are sufficient to carry the activities that are there. There would be no demand, on the part of a developer, to add increased capacity.” Mr. Werner explained there are extremely old lines in the area. “That’s been 100 percent rate based cost. In this case, we’d have the same requirement. We’d still have to go in and we’d have to do the upgrade of the water system. We’d have to do the upgrade of the sanitary sewer system mainly because of age. So that would be 100 percent rate-based cost, whether the project went in or not because, again, the loading that would come from there is not significant in comparison to the size of the lines.” He acknowledged the infrastructure improvements were always anticipated. He responded to corresponding questions of clarification regarding the infrastructure improvements, the EDA grant application, matching funds and the requirement for the Board to accept the grant. He reviewed the public process associated with the Board’s acceptance of the grant, and advised that all grant conditions and requirements will be known at that time. In response to a further question, he advised that the City’s Envision comprehensive master plan update, together with master plans developed by the State, will be incorporated into the application.

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Mayor Crowell entertained public comment. (12:01:42) Rob Joiner expressed understanding for the need to improve the downtown infrastructure, and inquired as to the geographic specificity of the application “so that if we have a wide master plan downtown ..., if we don’t see this project ready or, politically, it’s not a go, can it be directed to another place where a private developer comes in and wants to do a project in the downtown. Mr. Werner advised that the subject infrastructure improvements are project-specific “because of the size of the line and the nature of the grant.” He reiterated this will help fulfill the regional water system intertie requirements. “And then because we’ve got the streets torn up, it makes sense to do the sewer lines and, then, because of that, it makes sense to do the storm sewer. So, if this was not to go forward, then we would not try to find someplace else.”

(12:02:42) Frank Page expressed the understanding that the existing infrastructure will be upgraded. Mr. Werner acknowledged the accuracy of the statement. He further acknowledged that the infrastructure improvements do not commit the City to any development.

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. Supervisor Williamson noted that the subject item represents the “first step.” **Supervisor Williamson moved to approve the submittal of an application to the U.S. Department of Commerce, Economic Development Administration, for a grant in the amount of \$2.1 million, to supplement required funds for infrastructure improvements at the proposed City Center project. Supervisor Walt seconded the motion. Motion carried 5-0.**

26(B) ACTION TO ADOPT, ON SECOND READING, BILL NO. 113, AN ORDINANCE TO AMEND CHAPTER 4, LICENSES AND BUSINESS REGULATIONS, BY AMENDING CHAPTER 4.04, BUSINESS LICENSES, BY DELETING SECTION 4.04.015, ANNUAL FEE INCREASE, IN ITS ENTIRETY, AND OTHER MATTERS PROPERLY RELATING THERETO (12:03:44) - Mayor Crowell introduced and provided background information on this item. Supervisor McKenna provided historic information on the subject section of the Carson City Municipal Code. He suggested retaining the section and revising the language of Section 4.04.015(1) to indicate business license fees “may be increased ...” He explained that this revision will “protect businesses so that the amount of any business license increase is limited to the CPI for the last twelve months ending.” He further suggested the alternative of eliminating Section 4.04.015(2). He expressed concern that deleting the entire section “puts us back to the days when a Board could want to raise business license [fees] 100 or 110 percent. There was no limit on how much they can raise them and this section was put in specifically to limit the amount that any business license [fee] could be raised.” He expressed the opinion the subject section should remain.

Mr. Werner reviewed the corresponding statutory provisions, and Finance Department Director Nick Providenti provided additional clarification. Supervisor McKenna expressed appreciation for the clarification, and advised that he had no problem with the subject action provided “we all understand that the business license [fees] cannot be increased any more than CPI by state law ...” Mr. Werner acknowledged that the statutory language is permissive rather than mandatory. Mr. Providenti clarified that business license fees are not required to be annually increased. Discussion followed.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to adopt, on second reading, Bill No. 113, Ordinance No. 2010-14, an ordinance to**

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amend Chapter 4, Licenses and Business Regulations, by amending Chapter 4.04, Business Licenses, by deleting Section 4.04.015, Annual Fee Increase in its entirety, and other matters properly related thereto. Supervisor Walt seconded the motion. Motion carried 5-0.

26(C) DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF TO PREPARE A BUSINESS IMPACT STATEMENT AND DRAFT ORDINANCE TO INCREASE THE ROOM RENTAL TAX BY THREE PERCENT (12:09:12) - Mayor Crowell introduced this item, and Mr. Werner reviewed the agenda report. Mayor Crowell inquired as to whether this matter should be addressed by the Carson City Convention and Visitors Bureau Board of Directors, and as to the method by which a business impact statement is prepared without the “spending side ...” A brief discussion took place and Mayor Crowell entertained public comment.

(12:12:12) Gold Dust West General Manager Jonathan Boulware advised that he was “speaking on behalf of some of the lodging properties ...” He provided background information on “how we went from no tax increase to where we are today.” In response to Mayor Crowell’s question regarding the reason for not “going through the CCCVB,” he advised “it was consistently reminded to us that they’re just recommendations. We can spend the money how we want to spend the money. Okay. But it was aggressively reminded to us.” Mr. Boulware expressed a problem in that “98 to 99 percent of the hotel room nights in the Marriott, the Holiday Inn, the Hampton, Gold Dust West, and others, are generated by on-property efforts; by the staff at our hotels. ... One percent is generated by leads that we get from the Visitors Bureau.” He advised that lodging property managers “know what it takes to sell our properties. We know what we need to do to get people here. We have some ideas about how we’d be able to drive additional business here. So the question is, how can an organization that provides 1 percent of the room nights dictate to you how they’re going to spend the money or they may not spend it to drive tourism.” Mr. Boulware described this as “a big problem.” He expressed the opinion that the attitude was unacceptable. He expressed the willingness to repair the relationship, but stated, “This is what it’s going to take. It’s going to take a blank sheet of paper. It’s going to take, let’s think outside the box. It’s going to take, ... let’s get creative. Let’s do things that we haven’t done before. Let’s try things. Let’s not say, ‘Well, we’ve tried this. We can’t do this.’ Let’s not say, ‘Well, we’ve done this for twenty years. We’re not going to change.’ Let’s not be closed. Let’s open our minds to things that we can do because that’s how things get done. ... This is too important to entrust to individuals that will only go in one direction.” Mr. Boulware commended the CCCVB Board of Directors and staff as very intelligent; “they have a lot to give, as demonstrated by the V&T Railroad ...” He advised that the lodging property managers “view this as something that’s really critical to our success, to the success of the City, as far as room tax dollars, to the success of the community.” He requested the Board’s approval to direct staff to prepare a business impact statement. He advised that the lodging property managers are “very excited about facing the challenge ...” He advised of no further agenda “than just to drive business.”

Supervisor Aldean thanked Mr. Boulware for his passion and advised that he made a “very compelling case.” In consideration of process, she inquired as to suggestions for determining allocation if the question is not to be presented to the CCCVB Board of Directors. Mr. Boulware assured the Board he was not suggesting the possibility of alienating the CCCVB Board of Directors. He suggested “a new line of thinking; that we are able to sit down and say, ‘Let’s work together and let’s identify ... the particular issues.’ Let’s not work against each other. Let’s not do back door lobbying. ... Let’s first come with a common mission statement that says, ‘These are the goals that we’re trying to achieve,’ and let’s work together because we can do that. We were doing that. ... And so then the next time that we’re standing

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up here, it's not just the lodging properties versus the Visitors Bureau. It's all of us together." He expressed a preference to attempt to repair the relationship between the lodging property managers and the CCCVB Board of Directors, "but only under the condition that it's a blank sheet of paper. Let's start from the beginning. Let's be creative. Everything's on the table. Let's look at every idea. Let's look at every suggestion. Let's debate it. Let's talk about it. Every lodging property is invited because everyone has a good idea. ... Let's get everyone involved in this process." He suggested that history is important to "give us perspective on things that were tried in the past that didn't work and things that were tried in the past that did work. ... Everyone brings value to the table so I really want to try through that process first and see how it goes. One thing we're not ready to do is just ... have, everyone has to have the same agenda."

In response to a further question, Mr. Boulware clarified that he was asking for approval of the business impact statement. "... we're still in workshops and we're still meeting pretty regularly to decide on what we think are the best ways to drive tourism. So, today, it's just ... we're here to ask for an impact statement ... and then, at some point, whatever that time frame is, we'll be back and we'll say, 'Okay, through our workshops, through meeting with everyone, this is our recommendations on how we think the money should be best allocated to drive tourism dollars here to the community.'" In reference to a recent newspaper headline, Supervisor McKenna inquired as to whether Mr. Boulware considered the possibility of "accomplish[ing] your results with the existing room tax." Mr. Boulware stated, "We're seeking the three percent because those additional funds will be used for areas that we've discussed that don't have the funding now or have very little funding. That's where the 3 percent number came from. And also 3 percent's important because, even though ten percent is competitive, we do want to remain competitive. So, in most areas, it's around 13, 14 percent. We need to keep in that range from a competitive standpoint." In response to a further question, Mr. Werner explained the requirement for the Board to direct staff to prepare a business impact statement and report back to the Board. He assured the Board that staff will work with the lodging property managers to develop the business impact statement.

Supervisor Williamson discussed the likelihood that the business impact statement will indicate an impact on business. She further discussed the years-long "difficulty in reaching out to the lodging properties because there were so many out-of-area owners and managers that really didn't have a lot of influence ..." She commended the "active, involved lodging property managers and owners that are identifying ... new paths ... or new perspectives." She thanked Mr. Boulware for his attendance and participation. She encouraged all involved to continue communicating "and not be locked into certain positions ..." She acknowledged the challenges associated with the off-season, and agreed with developing different activities and outreach that profits the lodging properties. "If you're profitable, Carson City's profitable." Mr. Boulware assured the Board that "everyone will be included. ... Everyone brings value to the table."

(12:29:17) Carson City Convention and Visitors Bureau Executive Director Candace Duncan advised that CCCVB Board of Directors Chair Stephen Lincoln was unable to attend the meeting. On his behalf, she further advised "we would have loved to have been able to hear" Mr. Boulware's passionate presentation. "It was put on our agenda in October and pulled before we were able to have a discussion or a debate, which is very unfortunate, because what Jonathan just said, I think the whole [CCCVB] Board needed to hear and it needed to be heard at our Bureau meeting so that we could hear from him and the rest of the properties what they were thinking, what they needed from us, so we would have a chance to have an open and honest and public debate with these people and answer their concerns. Nothing was set in stone that day, still isn't." Ms. Duncan expressed a willingness to "have an open discussion with them so that we

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could then come to a ... compromise we could all agree on and be together and solid and come to you and say, 'Here, we need to raise room tax 3 percent and this is why and this is what we want to use it for,' and I don't think that's a challenge that can't be met and that we can't do." Ms. Duncan advised there is "no one on the [CCCVB] Board or at staff level ... who isn't open to hearing this debate and coming up with a compromise."

Mayor Crowell inquired as to whether the CCCVB has a position on whether or not the Board should direct staff to prepare a business impact statement. Ms. Duncan acknowledged the eventuality of the business impact statement. She was uncertain as to how the business impact statement will be prepared if the revenue allocation is not yet known. Mr. Werner explained the method by which the revenue allocation would be speculated. "We didn't have a specific recommendation." Ms. Duncan expressed the opinion that the CCCVB Board "would be open to hearing that and to having that discussion with the lodging properties so we could come back with a cohesive request."

Supervisor Aldean inquired as to whether preparing the business impact statement would be productive if percentage allocations are not yet known. She noted the possibility of preparing the business impact statement in such a general fashion that it would be a value moving forward, whether it comes as a recommendation from the CCCVB Board or a recommendation from the lodging properties. Mr. Werner advised that the business impact statement is prepared for the businesses that would be impacted. The lodging properties could request to "get this process started and the impact statement itself could be very simple or it could be fairly complex." Supervisor Aldean noted that business impact statements are generally not very specific. "... taxes have a negative impact with respect to cash flow for the businesses they impact. There are some benefits, obviously, that accrue to those businesses if the money is used to promote business." Mr. Werner noted that the Board would direct allocation of the tax revenue, pursuant to statute. He acknowledged the parties would not be precluded from meeting to discuss the matter and coming forward, as a unified body, to present a recommendation. (12:35:22) Mr. Boulware assured the Board of a willingness for the parties to work together to develop an allocation recommendation.

In response to a question, Mr. Rombardo advised that the business impact statement does not have to be presented to the Board in two weeks. In reference to an earlier question, he further advised that the business impact statement could be prepared by the involved parties for presentation to the Board.

Mayor Crowell entertained additional public comment. (12:37:15) Dwight Millard suggested that representing room tax by a percentage is unfortunate "because it's also by a percentage it's an increase. So it is a three percent increase in terms of actual dollars. It's too bad we don't say dollars because, really, this is a 30 percent increase not a three percent increase. We're going from 10 to 13. And, so, to that degree, the impact will be a little more specific." He advised of having served as a member of the CCCVB Board of Directors for a number of years and of having voted in favor of two tax increases. He discussed his position to "vote for tax increase only if and when somebody brought forward something that I felt that I could vote for would be specifically an enhancement to heads in beds and tourism in Carson City." He suggested, "What we're discussing right now is none of that. It's shall we just raise the three percent or 30 percent and we have no idea quite exactly how to spend it." He commended Mr. Boulware's presentation as "very eloquent," and expressed agreement "except on ... two counts. One is I do feel that tourism puts more heads in beds than 1 percent and I think that could be verified. And, number two, ... we need more off-season tourism, and I agree, but what was presented to us, through the lodging properties, of which I'm also a member, was different than that. It was a presentation of how the money wanted to be

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spent; was not debated openly like it should have been in the tourism board and it was presented in a different way of which I didn't make a decision on. We didn't hear it, but I think what Jonathan has said is very, very correct. With the bypass of the freeway, we've really got some problems and some money needs to be spent." Mr. Millard looked forward to "coming together with that blank sheet of paper and somebody telling me what they feel would work that we could all agree upon that would be better." He expressed the opinion that the revenue allocation needs to be determined. He suggested determining "what we need to spend and keep it as small as possible and then raise the tax. Let's not raise the tax and then scurry around and try to find something to spend it on."

Supervisor Walt clarified that the subject item does not increase the room tax. Mayor Crowell summarized the discussion as relevant to generating additional business for the lodging properties in the off-season. He expressed concern with regard to considering whether the CCCVB gave an adequate hearing to the lodging properties or vice versa. "At the end of the day, all that is is a debate." Mayor Crowell suggested that the Board was being asked to move forward in a uniform manner. He expressed agreement with the difficulties associated with preparing a business impact statement prior to determining the method by which the revenue will be allocated. He emphasized the importance of the parties communicating in a different format, and suggested that the business impact statement may encourage communication without "bind[ing] anybody's hands ..." He expressed hesitation with the lodging properties preparing the business impact statement in consideration of the Board's duty, but encouraged the participation of the lodging property representatives.

Supervisor McKenna expressed no hesitation with a business impact statement, but inquired as to the likelihood of the State Legislature taking three percent and the associated timing. Mayor Crowell expressed the belief that it's not very likely. Discussion followed, and Supervisor McKenna looked forward to "a good discussion on the Parks and Recreation budget in the future." He suggested "many of these things may be taken care of through general fund budgeting." He expressed the opinion that a tax increase in this economy "is not a good thing." In consideration of Supervisor-elect Karen Abowd's experience and background, he suggested delaying a decision until such time as she has taken office. Discussion took place regarding the business impact statement time line. Mayor Crowell emphasized the importance of communication between the involved parties, and expressed the hope that a unified recommendation will result. He expressed opposition to raising taxes on a particular industry without their consent.

Mayor Crowell entertained additional public comment. (12:47:48) In reference to earlier comments, Hampton Inn and Suites Owner David Friedrich inquired as to the likelihood of the State increasing the room tax. Mayor Crowell expressed the opinion there are insufficient room tax revenues for the State to increase the rate. Mr. Werner provided an overview of discussion from the November 15th legislative coalition meeting, and advised "that was not on the list of things still being debated. We're assuming that's probably not on the list, but it could change by the moment."

(12:49:08) Dwight Millard inquired as to costs associated with preparing a business impact statement. Mr. Werner advised that it is a staff function. Mr. Millard recommended that the Board direct staff to prepare the business impact statement. "That's not something that's obligating us to anything. ... We need to do something sooner than later."

(12:50:01) Donna Curtis advised of Parks and Recreation Commission discussions relative to this item, and expressed the opinion that "we need to have some more" in consideration of "off-season."

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(12:50:40) Mr. Boulware acknowledged the greatest challenge is the off-season, but advised “we’re ... looking to drive room rates all year round.” He expressed no concern over the State tax. “It’s more about the excitement of being able to come up with creative ideas to drive tourism to our community. ... Either way, ... we’d still be in discussions about it.” Mr. Boulware advised that a “very detailed plan” will be presented to the Board regarding revenue allocation. He acknowledged that the lodging property representatives are requesting the Board to take the recommended action.

Mayor Crowell entertained further public comment and, when none was forthcoming, a motion. **Supervisor Walt moved to direct staff to prepare a business impact statement and draft ordinance to increase the room rental tax by three percent. Supervisor McKenna seconded the motion. Motion carried 5-0.**

27. BOARD OF SUPERVISORS NON-ACTION ITEMS:

STATUS REVIEW OF PROJECTS (12:52:49) - Mr. Werner reported that City staff has been in discussion with P3 Development representatives regarding the feasibility report. It is tentatively scheduled for presentation to the Carson Nugget Development Advisory Committee on Monday, November 22nd. Mr. Werner advised that P3 Development’s recommendation is that the project is feasible. The CNDAC will be requested to review the feasibility study and make a recommendation to the Board of Supervisors to approve the report as feasible and to move forward with preparing a development agreement. Mr. Werner acknowledged that a Notice of Possible Quorum would also be posted.

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (12:54:02) - Mr. Werner acknowledged a special Board meeting scheduled for Tuesday, November 23rd at 9:00 a.m. He provided an explanation relative to the need for the special meeting, and a brief discussion followed.

CORRESPONDENCE TO THE BOARD OF SUPERVISORS

STATUS REPORTS AND COMMENTS FROM THE BOARD MEMBERS (12:56:08) - Supervisor Walt announced the Nutcracker Ballet scheduled to open Friday, November 26th. The Board members wished everyone Happy Thanksgiving. Mayor Crowell commended the Prayer Breakfast which the Board members attended earlier in the day.

STAFF COMMENTS AND STATUS REPORT

28. ACTION TO ADJOURN (12:57:16) - Supervisor Aldean moved to adjourn the meeting at 12:57 p.m. The motion was seconded and carried unanimously.

The Minutes of the November 16, 2010 Carson City Board of Supervisors meeting are so approved this _____ day of December, 2010.

ATTEST:

ROBERT L. CROWELL, Mayor

ALAN GLOVER, Clerk - Recorder