

CARSON CITY BOARD OF SUPERVISORS

Minutes of the August 4, 2011 Meeting

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A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, August 4, 2011 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell
Supervisor Karen Abowd, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor John McKenna, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Randal Munn, Chief Deputy 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 (8:28:59) - Mayor Crowell called the meeting to order at 8:28 a.m. Mr. Glover called the roll; a quorum was present. Seventh Day Adventist Church Pastor Ron Torkelson provided the invocation. Mr. Glover led the pledge of allegiance.

5. PUBLIC COMMENTS AND DISCUSSION (8:30:04) - Mayor Crowell entertained public comment. (8:30:40) Andrea Engelman discussed the importance of civility. Mayor Crowell entertained additional public comment; however, none was forthcoming.

6. POSSIBLE ACTION ON APPROVAL OF MINUTES - July 7, 2011 (8:31:41) - Supervisor Aldean noted a correction to page 13, and **moved to approve the minutes, as amended. Supervisor Abowd seconded the motion. Motion carried 5-0.**

7. POSSIBLE ACTION TO ADOPT THE AGENDA (8:32:25) - Mayor Crowell entertained modifications to the agenda and, when none were forthcoming, deemed it adopted as published. (5:10:58) Mayor Crowell modified the agenda to address item 31 prior to item 29(G).

8. CONSENT AGENDA (8:32:35) - Mayor Crowell entertained requests to hear items separate from the consent agenda; however, none were forthcoming. Relative to item 8-7, Supervisor Aldean disclosed that she is a member of the Capital City Circles Initiative Board of Directors. She advised that she would vote on the consent agenda. Mayor Crowell disclosed that he also serves as a member of the Capital City Circles Initiative Board of Directors, and that he would be abstaining from voting on item 8-6. Mayor Crowell entertained a motion to adopt the consent agenda. **Supervisor Aldean moved to adopt the consent agenda, consisting of three items from the Sheriff's Department, under item 8-1(A) through (C); one item under the District Attorney's Office, 8-2; one item under the Assessor's Office, 8-3; three items under Finance, 8-4(A) through (C); a total of two items under Public Works, 8-5; one item under the Airport Authority, 8-6; and one item under Parks and Rec, 8-7. Supervisor Walt seconded the motion. Motion carried 5-0; Mayor Crowell abstaining on item 8-6 (4-0-1); and item 8-7 (4-0-1).**

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8-1. SHERIFF

8-1(A) POSSIBLE ACTION TO APPROVE ACCEPTANCE OF THE OFFICE OF CRIMINAL JUSTICE ASSISTANCE GRANT, REGIONAL GANG INITIATIVE, IN THE AMOUNT OF \$229,500

8-1(B) POSSIBLE ACTION TO APPROVE ACCEPTANCE OF THE FY12 ENFORCING UNDERAGE DRINKING LAWS GRANT, IN THE AMOUNT OF \$15,000.00

8-1(C) POSSIBLE ACTION TO APPROVE ACCEPTANCE OF THE OFFICE OF CRIMINAL JUSTICE ASSISTANCE GRANT, TRINET NARCOTICS TASK FORCE, IN THE AMOUNT OF \$136,000.00

8-2. DISTRICT ATTORNEY - POSSIBLE ACTION TO APPROVE, PURSUANT TO SECTION 3.070(3) OF THE CARSON CITY CHARTER, AN INDEPENDENT CONTRACTOR AGREEMENT BETWEEN THE DISTRICT ATTORNEY AND THE LAW FIRM OF TAGGERT & TAGGERT, LTD., FOR SPECIAL DEPUTY DISTRICT ATTORNEY SERVICES, ON AN HOURLY BASIS, AS ENGAGED BY THE DISTRICT ATTORNEY'S OFFICE, TO REPRESENT THE PUBLIC WORKS DEPARTMENT PRIMARILY IN CONTRACT MATTERS INVOLVING WATER RIGHTS AND RELATED MATTERS

8-3. ASSESSOR - POSSIBLE ACTION TO APPROVE THE REMOVAL OF TAXES AND PENALTIES FROM THE UNSECURED 2007 / 2008 TAX ROLL, IN THE AMOUNT OF \$1,058.13, AND FROM THE UNSECURED 2008 / 09 TAX ROLL, IN THE AMOUNT OF \$6,140.67, PURSUANT TO NRS 361.5607, FOR A TOTAL AMOUNT OF \$7,198.80

8-4. FINANCE DEPARTMENT

8-4(A) POSSIBLE ACTION TO CONFIRM THE ENGAGEMENT OF SWENDSEID AND STERN AS BOND COUNSEL TO CARSON CITY, NEVADA IN CONNECTION WITH THE \$3,615,000 CARSON CITY, NEVADA GENERAL OBLIGATION (LIMITED TAX) WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2011 AND THE \$2,175,000 CARSON CITY, NEVADA GENERAL OBLIGATION (LIMITED TAX) SEWER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 2011

8-4(B) POSSIBLE ACTION TO APPROVE THE APPLICATION TO REMOVE THE UNCOLLECTIBLE ACCOUNTS RECEIVABLE FROM THE RECORDS OF THE LANDFILL DIVISION OF THE GENERAL FUND, IN THE AMOUNT OF \$11,950.18, OUT OF ESTIMATED BILLINGS THROUGH JUNE 30, 2011, OF APPROXIMATELY \$2,750,000

8-4(C) POSSIBLE ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY THROUGH JULY 26, 2011, PURSUANT TO NRS 251.030

8-5. PUBLIC WORKS DEPARTMENT

8-5(A) POSSIBLE ACTION TO APPROVE AN AGREEMENT FOR THE CITY TO PURCHASE A PERMANENT STORM DRAIN EASEMENT FROM PROPERTY OWNER LAURA HALE, TO ALLOW CONSTRUCTION OF PUBLIC STORM DRAIN SYSTEM AND ASSOCIATED IMPROVEMENTS ACROSS 152 PAUL WAY, APN 008-046-03, ASSOCIATED

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WITH THE PAUL WAY AND SOUTH SUTRO TERRACE STORM DRAIN SYSTEM IMPROVEMENTS

8-5(B) POSSIBLE ACTION TO APPROVE AN AGREEMENT FOR THE CITY TO PURCHASE A PERMANENT STORM DRAIN EASEMENT, FROM PROPERTY OWNER YVON WEAVER, TO ALLOW CONSTRUCTION OF PUBLIC STORM DRAIN SYSTEM AND ASSOCIATED IMPROVEMENTS ACROSS 4696 WEST SUTRO TERRACE, APN 008-035-02, ASSOCIATED WITH THE PAUL WAY AND SOUTH SUTRO TERRACE STORM DRAIN SYSTEM IMPROVEMENTS

8-6. CARSON CITY AIRPORT AUTHORITY - POSSIBLE ACTION TO APPROVE ASSIGNMENT OF THE AIRPORT LEASE, RECORDED AS DOCUMENT NO. 239343, ON LEASE LOT 35-B (2963 ARROWHEAD DRIVE) CURRENTLY HELD BY WAYNE BROOKS TO TRI-MOTOR, LLC (JOHN SEIBOLD, MEMBER / MANAGER)

8-7. PARKS AND RECREATION DEPARTMENT - POSSIBLE ACTION TO APPROVE THE LEASE OF SUITE 10 AT 2621 NORTHGATE LANE TO THE CAPITAL CITY CIRCLES INITIATIVE ("CIRCLES"), A NON-PROFIT CHARITABLE ORGANIZATION, AS IT WILL BE IN THE BEST INTERESTS OF CARSON CITY, PURSUANT TO NRS 244.284

9. RECESS BOARD OF SUPERVISORS (8:34:56) - Mayor Crowell recessed the Board of Supervisors at 8:34 a.m.

LIQUOR AND ENTERTAINMENT BOARD

10. CALL TO ORDER AND ROLL CALL (8:35:02) - Chairperson Crowell called the Liquor and Entertainment Board to order at 8:35 a.m. Mr. Glover called the roll; a quorum was present. Member Furlong was absent.

11. POSSIBLE ACTION ON APPROVAL OF MINUTES - July 7, 2011 (8:35:40) - Member Abowd moved to approve the minutes. Member Walt seconded the motion. Motion carried 5-0.

12. PUBLIC WORKS DEPARTMENT BUSINESS LICENSE DIVISION - POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 13, LIQUOR BOARD AND LIQUOR LICENSING AND SALES, BY AMENDING SECTION 4.13.125, ISSUANCE OR DENIAL OF A LICENSE, ADDING THAT A CARSON CITY EMPLOYEE WHO OVERSEES OR ENFORCES THE RULES AND REGULATIONS OF LIQUOR LICENSES MAY NOT HAVE ANY INVOLVEMENT IN AN ESTABLISHMENT THAT SERVES, SELLS, OR DISPENSES ALCOHOL; SECTION 4.13.220, DEFINITIONS, CHANGING SHORT-TERM PERMITS TO SPECIAL EVENT LIQUOR PERMITS; SECTION 4.13.240, APPLICATION FOR A SPECIAL EVENT LIQUOR PERMIT, CLARIFYING WHEN A SPECIAL EVENT LIQUOR PERMIT IS REQUIRED, AND THE APPLICATION PROCESS (8:36:02) - Chairperson Crowell introduced this item, and Principal Planner Jennifer Pruitt reviewed the agenda materials. In response to a question, she provided background information on the subject item and advised of having met, together with Senior Business License Technician Lena Tripp, with several business owners in the community. In response to a question, Ms. Tripp read into the record Section 4.13.240(5). Chairperson Crowell provided clarification of the three-tier system, pursuant to NRS 369, and a brief discussion ensued. In response to

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a further question, Ms. Tripp provided additional background information on the subject item. At Member Aldean's request, Ms. Tripp reviewed the proposed amendments which were included in the agenda materials. Ms. Tripp responded to questions of clarification, and extensive discussion ensued, regarding special events.

Chairperson Crowell entertained public comment. (8:57:21) In response to a question, Ms. Tripp advised Carol Howell that events held in City parks are permitted by the Parks and Recreation Department, which requires a temporary liquor permit in order to serve alcohol. Mr. Werner and Chairperson Crowell provided additional clarification and background information.

Following a brief discussion regarding the proposed amendments, Chairperson Crowell entertained a motion. **Member Aldean moved to introduce, on first reading, Bill No. 107, an ordinance amending the Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 13, Liquor Board and Liquor Licensing and Sales, by amending Section 4.13.125, Issuance or Denial of a License, adding that a Carson City employee who oversees or enforces the rules and regulations of liquor licenses may not have any involvement in an establishment that serves, sells, or dispenses alcohol; Section 4.13.220, Definitions, changing short-term permits to special event liquor permits; Section 4.13.240, Application for a Special Event Permit, clarifying when a special event liquor permit is required and the application process, subject to the following amendments: In Section 4.13.125, Issuance or Denial of License, subparagraph 9(E), the language will be amended to read, as follows: "Any Carson City employee who oversees or enforces the rules and regulations of liquor licenses shall not have any involvement with, interest in, or management of any establishment that possesses a liquor license;" that provision will be clarified to exempt members of the Liquor and Entertainment Board; however, there will be a requirement that a member of the board disclose the fact that they hold a liquor license; under Section 4.13.240, Application for a Special Event Liquor Permit, subsection 4, shall be reworded to read: "That all liquor sold, served, or dispensed at a special event must be purchased and invoiced from a State of Nevada licensed liquor wholesaler, pursuant to NRS 369.487; subparagraph 5 will be amended to read: "A special event liquor permit is not required when a business or resident is serving, selling, or dispensing liquor within the footprint of their building as a complimentary service to their customers and is not the primary nature of their business; the ordinance, as amended, will include a cross reference to the regulations pertaining to the use of parks within the City, pursuant to the current rules enforced by the Parks and Recreation Department. Member Walt seconded the motion.** In response to a question, Mr. Munn expressed the opinion that the proposed amendments were sufficiently clear as to be transferred into second reading of the ordinance. "It stays within the notice of the bill and is not inconsistent with what has been noticed that we're considering today." Chairperson Crowell entertained additional discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

13. ACTION TO ADJOURN LIQUOR AND ENTERTAINMENT BOARD (9:09:54) - Chairperson Crowell adjourned the Liquor and Entertainment Board at 9:09 a.m.

14. RECONVENE BOARD OF SUPERVISORS (9:09:57) - Mayor Crowell reconvened the Board of Supervisors at 9:09 a.m.

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

15. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (9:10:02) - None.

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16. PUBLIC WORKS DEPARTMENT BUSINESS LICENSE DIVISION

16(A) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.03, NATIONAL BACKGROUND CHECKS, BY ADDING LOCKSMITHS OR SAFE MECHANICS AND TAXICAB LICENSES TO THE LIST OF BUSINESSES REQUIRING A BACKGROUND CHECK (9:10:07) - Mayor Crowell introduced this item, and Principal Planner Jennifer Pruitt reviewed the agenda materials. In response to a question, Mr. Munn explained that locksmiths, safe mechanics, and taxicab drivers are required to have work permits, but were not included in the specific statute regarding background investigation. He advised that the Sheriff intended to ensure that his duty to issue a work card is also supported by his right to investigate. Discussion took place regarding the purpose for the ordinance, and Ms. Tripp provided additional clarification. She acknowledged that the cost for the background check is not additional.

Mayor Crowell entertained public comment. (9:15:25) Bill Prowse described a situation which occurred in the past couple years which the subject ordinance may help to address.

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to introduce, on first reading, Bill No. 108, an ordinance amending the Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.03, National Background Checks, by adding locksmiths, safe mechanics, and taxicab drivers to the list of businesses requiring a background check. Supervisor Abowd seconded the motion. Motion carried 5-0.**

16(B) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04, BUSINESS LICENSE, BY DELETING SECTION 4.04.014, OFF-PREMISE SALES; CHANGING THE NAME OF SECTION 4.04.077 TO SPECIAL EVENT PERMIT; AMENDING SECTION 4.04.005, DEFINITIONS, BY ADDING AND EXPANDING DEFINITIONS; AMENDING SECTION 4.04.020, FEES AND EXEMPTIONS FROM FEES TO INCREASE FEES; AND BY AMENDING SECTION 4.04.031, SQUARE FOOTAGE FEES TO INCREASE FEES; AND BY AMENDING SECTION 4.04.040, FEES FOR EMPLOYEES, BY INCREASING FEES; AND BY AMENDING SECTION 4.04.075, SHORT-TERM BUSINESS LICENSE, BY CHANGING THE PERIOD OF CONSECUTIVE DAYS A SHORT-TERM LICENSE CAN BE HELD; AND BY AMENDING SECTION 4.04.077, CHANGING THE SPECIAL EVENT PERMIT SECTION BY PROVIDING A MORE DETAILED APPLICATION PROCESS AND EXPANDING THE CONDITIONS AND REQUIREMENTS OF A SPECIAL EVENT PERMIT TO INCLUDE THE FORMER CHAPTER 4.28, ASSEMBLIES, INTO THE SPECIAL EVENT PERMIT SECTION; AND BY AMENDING SECTION 4.04.180, ISSUANCE OF LICENSE OR PERMIT APPEAL, TO PROVIDE GROUNDS FOR DENIAL; AND AMENDING OTHER CHAPTER 4.04 SECTIONS REGARDING MATTERS PROPERLY RELATED THERETO (9:16:36) - Mayor Crowell introduced this item, noting it as the companion to the Liquor and Entertainment Board item. Ms. Tripp reviewed the agenda report, and Mr. Werner provided background information. Ms. Tripp responded to questions regarding the provisions of Chapter 4.28, Assemblies. Mr. Werner and Ms. Pruitt provided additional clarification. Supervisor Aldean reviewed necessary clerical corrections. Ms. Tripp acknowledged there are no new fees as a result of the proposed ordinance.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to introduce, on first reading, Bill No. 109, an ordinance amending the Carson City**

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Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.04, Business License, by deleting Section 4.04.014, Off-Premise Sales, changing the name of Section 4.04.077 to Special Event Permit, amending Section 4.04.005, Definitions, by adding and expanding definitions, amending Section 4.04.020, Fees and Exemptions from Fees, to increase fees, and by amending Section 4.04.031, Square Footage Fees, to increase fees, and by amending Section 4.04.040, Fees for Employees, by increasing fees, and by amending Section 4.04.075, Short-Term Business License, by changing the period of consecutive days a short-term license can be held, and by amending Section 4.04.077, changing the Special Event Permit section by providing a more detailed application process and expanding the conditions and requirements of a special event permit to include the former Chapter 4.28, Assemblies, into the Special Event Permit section, and by amending Section 4.04.180, Issuance of License or Permit Appeal, to provide grounds for denial, and amending other Chapter 4.04 sections regarding matters properly related thereto; this does not include any increases in existing fees. Supervisor Walt seconded the motion. Motion carried 5-0.

16(C) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.28, ASSEMBLIES, BY DELETING THE CHAPTER IN ITS ENTIRETY (9:29:36) - Mayor Crowell introduced this item, and Ms. Pruitt reviewed the agenda materials. Mayor Crowell entertained public comment; however, none was forthcoming. Supervisor Walt thanked staff for their efforts and expressed the hope that the processes will be easier for the public. Mr. Werner provided historic information on Chapter 4.28. Mayor Crowell entertained additional discussion and, when none was forthcoming, a motion. Supervisor Walt moved to introduce, on first reading, Bill No. 110, an ordinance amending Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.28, Assemblies, by deleting the chapter in its entirety. Supervisor Abowd seconded the motion. Motion carried 5-0. Mayor Crowell thanked Ms. Pruitt and Ms. Tripp.

17. CITY MANAGER

17(A) REVIEW OF THE CARSON CITY SCORECARD WHICH INCLUDES STRATEGIC PLAN OBJECTIVES AND ASSOCIATED PERFORMANCE MEASURES FOR THE PERIOD ENDING JUNE 30, 2011 (9:31:58) - Mayor Crowell introduced this item, and Special Projects Coordinator Linda Ritter noted the subject business review was for the past quarter. She introduced Grants Coordinator / Associate Planner Heidi Eskew-Herrmann, and provided background information on her responsibilities relative to compiling information for the operations scorecard. Ms. Ritter advised that a page for the strategic plan is being developed for the City's website, including initiatives, the scorecards, and the quarterly business reviews.

Ms. Ritter presented the quarterly business review and the operations scorecard, which were displayed in the meeting room and copies of which were included in the agenda materials. Discussion took place regarding the quarterly business review format and various methods by which to present the information. Ms. Ritter responded to various questions and discussion ensued throughout the presentation. She advised that the next quarterly review will include status reports on the initiatives approved as part of the strategic plan. Mayor Crowell entertained public comment; however, none was forthcoming. In response to a question, Ms. Ritter explained that most of the data used for the operations scorecard and business review already exists. "It's a matter of dropping a number in a spreadsheet and pushing a button and it uploads. It's very, very fast to upload the data." She advised of software upgrades which would provide for automatic update. At Supervisor Walt's request, she agreed to check with Sheriff Furlong regarding the amount of time his staff spends compiling the operations scorecard data. Mr. Werner provided additional clarification.

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Ms. Ritter advised of having spoken to the Carson City Audit Committee about performance auditing. She reminded the Board that “this is a performance system. How are our programs, our processes performing?” She provided an example of identification of an error which would trigger an audit. She noted the system “allows us to be ... proactive rather than just reactive.” Mayor Crowell entertained additional questions or comments and, when none were forthcoming, thanked Ms. Ritter for her presentation.

17(B) DISCUSSION AND POSSIBLE ACTION TO DETERMINE THE FUTURE ROLE OF THE AUDIT COMMITTEE (10:16:30) - Mayor Crowell introduced this item, and thanked Audit Committee Chair Bill Prowse for his service to the community. Mr. Prowse provided background information on this item, and read prepared remarks into the record, a copy of which he provided to the Clerk. Mayor Crowell suggested that the strategic plan provides a platform for risk assessment, and that the Audit Committee consider the strategic plan benchmarks “that would help provide more transparency for City government as well as providing a better analysis ... of risk assessment issues for Carson City.” Mr. Prowse requested the Board’s guidance.

Mayor Crowell entertained public comment. (10:22:31) Andrea Engelman advised of having attended the July 19th Audit Committee meeting, and expressed the opinion that the majority of the committee were more interested in financial audit.

(10:23:18) Lori Bagwell expressed support for utilizing the Audit Committee, and suggested that performance audits will likely lead to financial audits. Discussion followed.

(10:26:05) Amy Clemens expressed support for utilizing the Audit Committee in consideration of “transparency for the taxpayers.” She agreed with Mayor Crowell’s comment that the strategic plan concept is on the cutting edge of what municipalities should be doing across the country.

Mr. Werner advised that an annual financial audit is conducted by the external auditors, and that an audit report is available for public review. He explained the intent of the Audit Committee relative to “process problems or issues that we wanted to look at ...”

(10:27:52) In response to a question, Mr. Werner advised Carol Howell that the City Charter requires an internal auditor; state law requires an annual financial audit. In response to a further question, Mr. Werner advised that the City had a contract internal auditor, but “ran into problems with trying to get performance.” He noted the next item would address the method by which to retain an internal auditor. Ms. Howell expressed concern over internal auditor review of the City’s operations scorecard, and support for an internal auditor and the Audit Committee working together. Supervisor Aldean clarified the purpose of the subject item was relative to whether or not the Carson City Municipal Code should be amended to ensure the Audit Committee has adequate flexibility to perform its function.

Mayor Crowell entertained additional public comment; however, none was forthcoming. Mr. Werner acknowledged that funding is available for an internal auditor “with conditions.” Supervisor Aldean noted the Audit Committee’s unanimous vote that “their job description does not need to be amended by a revision to the Carson City Municipal Code. **Supervisor Aldean moved to determine that the future role of the Audit Committee is to comply with its responsibilities under the current municipal code. Supervisor McKenna seconded the motion.** In response to a question, Supervisor Aldean suggested that the Audit Committee concluded “based on the current description that they had the adequate flexibility to deal with any and all” performance and financial issues. Mr. Werner provided an overview of discussion which took place at the July Audit Committee meeting relative to the Audit Committee’s value to the Board

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of Supervisors. Mr. Prowse provided additional clarification. "... given the limited resources we've got, ... the issue ... is where to focus at this point ... The basic question that came during the discussion was 'Should be go out and do an audit? Or should we do some preliminary review and analysis and try to ... put together some kind of audit plan and audit suggestions?'" He requested the Board's guidance "as to what they would like to see in terms of which one of those general routes to take in the near term; ... six months to a year and a half to do this kind of review once we can find somebody ..." In response to a question, Mr. Prowse expressed the opinion that the Code is sufficiently broad to provide for the committee to use the performance measures and the strategic plan as benchmarks to identify areas for consideration. "Our concern is we don't have the resources to do everything so is it better to do a broader review and then more narrowly focused audits or to immediately pick audit areas and to do go an audit?" Supervisor Aldean suggested the discussion should include the current audit plan, and the areas which were supposed to have been reviewed by the contract internal auditor. Discussion followed with regard to the intent of the pending motion. In response to a question, Mr. Werner provided additional information on the recent history of the Audit Committee and the contract internal auditor. Mayor Crowell entertained additional discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

17(C) DISCUSSION AND POSSIBLE ACTION TO HIRE A CONTRACT-TYPE AUDITOR VERSUS AN ACTUAL EMPLOYEE OF THE CITY FOR THE POSITION OF INTERNAL AUDITOR (10:42:35) - Mayor Crowell introduced this item, and Audit Committee Chair Bill Prowse reviewed the agenda report. In response to a question, Mr. Prowse discussed the preference for the internal auditor to report directly to the Audit Committee. "... have us involved in establishing the qualifications and meeting with applicants, and ultimately making a recommendation to the Board in terms of the best potential contractor." Mr. Prowse expressed the opinion that a contract internal auditor "should be able to work if we can find the right person. Part of the problem is it is very difficult to find people with the type of internal audit background the City's interested in. Generally, the financial audit community has limited experience in this area. ... given adequate monitoring and oversight and interchange, a contract should work."

In response to a question, Mr. Werner recalled receiving three proposals in response to the original request. He explained the difficulty in interviewing and selecting a firm in that "there's no guarantee that you're going to have that person." He expressed a preference for an internal auditor to be employed by the Board, reporting to the Audit Committee, who could act as staff to the Audit Committee. Mr. Prowse discussed concerns relative to the scope of the contract. "You have to be pretty specific in terms of what you want as a deliverable from the contractor so you don't have the flexibility, at this stage, ... especially with the strategic plan coming in." He expressed the opinion that the Audit Committee needs flexibility "so that whoever we work with can grow with us ... One of the advantages internal auditors have over external auditors is the degree of knowledge and insight into the organization. It's an advantage that, over a longer term, hopefully an employee would have versus a contractor."

In response to a question, Finance Department Director Nick Providenti provided background information on the employment status of the previous internal auditor. He discussed the benefits of an internal auditor being employed by the City. Mr. Werner discussed the possibility of starting with a part-time internal auditor, who would not be eligible for benefits. Depending upon the work load, the position could be converted to a full-time position at a later date. In response to a question, Mr. Werner advised that most other jurisdictions have an internal audit department within the organization. "They're full-time employees but they're independent of the rest of the organization. They report directly to the governing board." Mr. Prowse described the structure of the State Executive Branch Audit Division, for which he previously worked. Extensive discussion followed.

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Mayor Crowell entertained public comment. (10:58:06) Amy Clemens advised that her employer is audited on a regular basis by an outside, independent auditor. She expressed the opinion “that keeps us on the straight and narrow ... and should be the same expectation of the City; that the audits shouldn’t be known to the staff when they’re coming in ...” She expressed a preference for a request for proposals process seeking responses from an outside firm. She responded to questions regarding the audit process and associated costs.

(11:00:28) Lori Bagwell discussed the importance of contract specifics in consideration of the request for proposal process. She expressed the opinion that a City employee should be independent of the City Manager’s Office, and that the internal auditor should report to the Audit Committee. She expressed the further opinion that the Eagle Valley Golf Course is a specific target. She suggested a part-time, two-year position to start out.

(11:04:03) Carol Howell expressed agreement with Supervisor Aldean and disagreement with Ms. Bagwell. She discussed a preference for a contract internal auditor.

(11:06:02) Andrea Engelman commended the Audit Committee’s enthusiasm, and expressed the opinion that the committee “felt that a contract person rather than an employee would be the best for checks and balances ...”

(11:07:20) In response to a question, Mayor Crowell explained to Amy Clemens that a contract could be developed on a billable-hour basis, “but we have to know what ... a maximum is and that’s the problem.”

(11:07:58) Mike Guter expressed the opinion that there are “many, many audits that you could probably go for for the next year or two from [Linda Ritter’s] report that will keep your auditing business very well supplied.” Ms. Guter suggested hiring an outside auditor on a trial basis “to hire an auditor to keep that business going to see how that period of time would work to get the auditing done for that period of time.” She discussed her experience in Santa Clara, California.

Mayor Crowell entertained additional public comment and, when none was forthcoming, additional questions or comments of the Board members. Supervisor McKenna discussed the goal to ensure the Audit Committee “feels empowered and independent so I have an encouraging role there.” He inquired as to other audit functions for other governments that the City could “tag onto. Could the City of Las Vegas send an internal auditor to become our internal auditor on a need basis?” He discussed the importance of a “successful event.” Mr. Werner suggested the possibility of an interlocal agreement with another governmental agency, and Mr. Munn agreed that “as long as it is consistent with our own Code, we could interlocal with anybody to provide the service.” He noted the importance of the individual “learn[ing] the City to be able to adequately audit.” Supervisor Walt suggested including an external auditor, an internal auditor, and an interlocal agreement as part of the request for proposals process. Supervisor Aldean expressed an interest in Supervisor McKenna’s suggestion in that government auditors “understand the basic fundamentals of auditing government ...” Discussion followed, and Mr. Werner recommended following the Audit Committee’s suggestion to develop the request for proposal criteria. He suggested the additional possibility of utilizing the existing job descriptions of previous internal auditors.

Supervisor Aldean discussed the importance of the Audit Committee developing the auditor’s work plan. Following additional discussion, Mayor Crowell entertained a motion. **Supervisor Aldean moved to direct staff to prepare a statement of qualifications and to direct the Audit Committee to develop a tentative work plan, conferring with Linda Ritter, as to content; and to recommend to the Board of**

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Supervisors a contract auditor or part-time employee to fill the role of Carson City Internal Auditor. Supervisor Abowd seconded the motion. Motion carried 5-0.

17(D) DISCUSSION AND POSSIBLE ACTION TO INCREASE THE ANNUAL BUDGET OF THE INTERNAL AUDIT DEPARTMENT FROM \$54,000 TO \$110,000 FOR FY 2012 (11:25:14) - Mayor Crowell introduced this item. Mr. Prowse provided background information, and reviewed the agenda report.

Mayor Crowell entertained public comment. (11:27:27) Andrea Engelman expressed a preference for a contract employee and for increasing the annual budget. She suggested funding the position by cost allocation. Mr. Prowse advised that the State of Nevada funds its indirect functions, such as the audit branch, through cost allocation.

(11:28:36) Carol Howell suggested that “whatever an auditor costs you, it should be able to save you.”

(11:29:48) Mary Magic suggested the possibility of conducting a salary survey of similar-sized municipalities.

Mayor Crowell entertained additional public comment; however, none was forthcoming. In response to a question, Finance Department Director Nick Providenti advised that the last City auditor was paid over \$100,000. He noted the various possibilities “budget-wise.” He suggested that since the position will likely not be in place until December or January, “\$54,000 is probably going to be okay for this year.” He further suggested the possibility of augmenting the budget at the end of the year with contingency funds. He expressed the opinion that \$54,000 is “okay to start with and then we could ... see how it goes, see what you think we’re going to need and then just augment the budget later. We don’t have to necessarily make a decision today on that number.”

Discussion followed, and Mayor Crowell entertained a motion. **Supervisor Aldean moved to increase the budget of the internal audit division of the Carson City general fund from \$54,000 up to \$110,000 for FY 2012. Supervisor Abowd seconded the motion. Motion carried 5-0.** Mayor Crowell thanked Mr. Prowse for his participation, and requested him to convey the Board’s appreciation to the Audit Committee. Mayor Crowell recessed the meeting at 11:34 a.m. and reconvened at 11:50 a.m. He announced that Raif Tackes had informed him of his recent graduation from Naval Flight School and that he will be flying F-35s.

18. PUBLIC WORKS DEPARTMENT PLANNING DIVISION - POSSIBLE ACTION TO ADOPT A RESOLUTION PROVIDING FOR THE TRANSFER OF CARSON CITY’S SHARE OF THE 2011 PRIVATE ACTIVITY BOND CAP TO THE NEVADA RURAL HOUSING AUTHORITY, AND OTHER MATTERS PROPERLY RELATED THERETO (11:50:32) - Mayor Crowell introduced this item. In response to a question, Management Assistant Janice Brod advised “there is no reason to not do it again.” She discussed the Nevada Rural Housing Authority’s past use of the private activity bond cap.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to adopt Resolution No. 2011-R-28, a resolution providing for the transfer of Carson City’s share of the 2011 private activity bond cap to the Nevada Rural Housing Authority, and other matters property related thereto. Supervisor McKenna seconded the motion. Motion carried 5-0.**

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19. PUBLIC WORKS DEPARTMENT PLANNING AND ENGINEERING DIVISIONS - POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY, FB HOLDINGS, LLC, AND RYDER-DUDA CARSON, LLC, REGARDING THE DEVELOPMENT OF A COMMON OPEN SPACE DEVELOPMENT, KNOWN AS SCHULZ RANCH, LOCATED BETWEEN CENTER DRIVE AND SCHULZ DRIVE, APNs 009-311-64, -65, -67, -68, 010-671-06, -07, -08, -09, -10, -11, -12, -13, AND -15, TO EXTEND APPROVAL OF THE TENTATIVE MAP, AND OTHER MATTERS PROPERLY RELATED THERETO (11:51:48) - Mayor Crowell introduced this item. In response to a question, City Engineer Jeff Sharp advised of no reason not to introduce the bill. He reviewed the agenda report, and acknowledged staff's recommendation to approve the extension.

Mayor Crowell entertained public comment; however, none was forthcoming. (11:52:38) Mark Rotter, representing the project, expressed agreement with the staff report. Mayor Crowell entertained a motion. **Supervisor Aldean moved to introduce, on first reading, Bill No. 111, an ordinance approving a development agreement between Carson City, FB Holdings, LLC, and Ryder-Duda Carson, LLC, regarding the development of a common open space development, known as Schulz Ranch, located between Center Drive and Schulz Drive, APNs 009-311-64, -65, -67, -68, 010-671-06, -07, -08, -09, -10, -11, -12, -13, and -15, to extend the approval of the tentative map, and other matters properly related thereto. Supervisor Abowd seconded the motion. Motion carried 5-0.**

20. PARKS AND RECREATION DEPARTMENT OPEN SPACE DIVISION - POSSIBLE ACTION TO AUTHORIZE THE MAYOR AND THE CITY MANAGER TO SIGN A LETTER TO CONVEY CARSON CITY LANDS, LOCATED AT THE UPPER REACHES OF ASH CANYON WITHIN THE CARSON RANGE, TO THE UNITED STATES AS PROVIDED FOR IN SUBTITLE G, SECTION 2601, OF THE OMNIBUS PUBLIC LANDS MANAGEMENT ACT OF 2009 (11:54:09) - Mayor Crowell introduced this item, and Open Space Property Manager Juan Guzman reviewed the agenda materials. Mr. Guzman acknowledged that funding has been allocated for maintenance of the lands. Supervisor Aldean provided background information on past discussions relative to maintenance. Mr. Guzman acknowledged that some of the lands will require more active involvement in terms of maintenance.

Mayor Crowell entertained public comment; however, none was forthcoming. Supervisor Aldean noted a clerical correction to the letter. Mayor Crowell entertained a motion. **Supervisor Abowd moved to authorize the Mayor and City Manager to sign a letter to convey Carson City lands, located at the upper reaches of Ash Canyon within the Carson Range, to the United States, as provided for in Subtitle G, Section 2601, of the Omnibus Public Lands Management Act of 2009. Supervisor Walt seconded the motion. Motion carried 5-0.**

21. RECESS BOARD OF SUPERVISORS (11:56:52) - Mayor Crowell recessed the Board of Supervisors, and passed the gavel to Redevelopment Chairperson Shelly Aldean.

REDEVELOPMENT AUTHORITY

22. CALL TO ORDER AND ROLL CALL (11:57:00) - Chairperson Aldean called the Redevelopment Authority to order, noting the presence of a quorum.

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23. POSSIBLE ACTION ON APPROVAL OF MINUTES - June 16, 2011 and July 7, 2011 (11:57:12) - Vice Chairperson Abowd moved to approve the minutes. Member Walt seconded the motion. Chairperson Aldean entertained public comment and, when none were forthcoming, called for a vote on the pending motion. Motion carried 5-0.

24. OFFICE OF BUSINESS DEVELOPMENT - POSSIBLE ACTION TO MAKE A RECOMMENDATION TO THE BOARD OF SUPERVISORS REGARDING EXPENDITURE OF \$12,000 FROM THE FISCAL YEAR 2011 - 12 REVOLVING FUND OF THE REDEVELOPMENT AGENCY TO SUPPORT THE GHOST WALK EVENT IN CARSON CITY AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN (11:57:43) - Chairperson Aldean introduced and provided background information on this item. Mr. Werner reviewed the agenda report. Vice Chairperson Abowd discussed an interest in “decreas[ing] dependency on redevelopment for these types of events ...” Mr. Werner advised that direction will be given to the event organizers to develop and provide such a plan. Chairperson Aldean noted the desire of the Redevelopment Authority Citizens Committee (“RACC”) to “use redevelopment money as seed money ... to initiate these special events but to encourage them to find alternate sources of funding so that we can use that money to ... incentivize other people who have thoughts about how we can promote tourism in Carson City ...”

Member Walt invited Mary Bennett to the podium. (12:00:33) Ms. Bennett introduced herself for the record. Member Walt conveyed concerns relative to “the amount that is being paid for the actors.” In response to a question, Ms. Bennett advised that the Ghost Walk is a one-day event. In response to a further question, she reviewed details associated with the \$7,000 cost to “costume the actors and then ... about \$2,300 of that money pays ... [her] fee.” She provided background information on her independent contract with the Redevelopment Authority and the Carson City Convention and Visitors Bureau (“CCCVB”), beginning in 2001, “to plan the walks and to write the scripts ...” In response to a further question relative to ownership of the scripts, Ms. Bennett advised of having participated in “this ... artistic endeavor ... for almost 18 years.” She suggested discussing ownership of the scripts. “This event, as a titled event, The Ghost Walk, is something that Carson City could choose to own.” Ms. Bennett advised that she conducts a ghost walk every third Saturday during the summer months in Carson City, and uses the scripts for that. “It could be licensed, so ... if the City of Carson wanted to continue to do the Ghost Walk that there would be a royalty fee just as, if you wanted to do a play, you would pay a royalty to the playwright.” Ms. Bennett expressed “100 percent” belief in the Ghost Walk and “want[s] to find a way to be able to continue to produce it.” She discussed the importance of “keep[ing] these stories alive” and expressed no interest in “dropping this project ... as an artist.” She expressed understanding for the previous comments, and suggested that the funding amount is “always negotiable.”

Member Walt noted the various non-profit organizations which request redevelopment events funding. In response to a question, Ms. Bennett advised that the Ghost Walk event has never profited. “It’s always made ... a little bit less. I’ll always cut my fee depending on what we end up making at the end of the day. It pays for itself.” Ms. Bennett expressed the opinion “there’s always ways to assess how it can pay for itself ...” She expressed the hope and belief that the CCCVB will continue to work with her relative to logistics. She expressed the opinion “it’s a self-funded event and so all of those monies do go into the event. It does pay artists which ... is very valid. A lot of those artists do come from Carson City ... The money does remain in the community ...” In response to a further question, Ms. Bennett advised that the question of CCCVB staff assisting with this year’s event has not yet been addressed “because of the transition.” She offered to “completely take it and then give it a completely different phone number and a way for people to buy tickets.” She expressed the belief that the Ghost Walk event attracts overnight participants. She expressed the opinion that the CCCVB will continue to get calls for this year’s event.

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“It’s been a 17-year event ...” Following a brief discussion, Member Walt discussed the CCCVB Special Events Committee’s directive of no involvement by the CCCVB in this year’s event. Ms. Bennett offered to schedule a meeting with CCCVB Executive Director Candace Duncan to discuss specifics. “... there is a transition that needs to happen and it needs to be good and solid so that there isn’t any miscommunication.”

Chairperson Aldean encouraged Member Walt to encourage the CCCVB’s cooperation in consideration of their association with the Ghost Walk event. “If this Ghost Walk is not successful, they’ll be the ones to receive the criticism because people will not know that this transition is in place; that we have somebody else at the helm organizing the event.” She requested Member Walt to act as an intermediary to encourage the cooperation in consideration of the awkward position in which Ms. Bennett finds herself. In response to a question, Ms. Bennett advised of the intent to utilize the CCCVB’s advertising plan from last year “and then go from there ... as opposed to trying to recreate the wheel at this point.”

Member Walt expressed concern over the position in which she was being placed, as a member of the CCCVB Board of Directors and having been “very instrumental in starting that special events committee.” In response to a question, Ms. Bennett advised that she has the CCCVB marketing plan and “only want[s] a little communication ...” She expressed no desire to “step on toes or make anything political. I want to create a beautiful event. That’s my job and I’ve done it for years.” A brief discussion followed.

In reference to the financial information included in the agenda materials, Chairperson Aldean noted the number of fairly substantial overruns. She emphasized there was only \$12,000 to offer the event with the approval of the Redevelopment Authority. In response to a comment, Ms. Bennett explained that the 22 walks include two paths. Chairperson Aldean emphasized the importance of accurately quantifying the impacts of the event. In response to a question, Ms. Bennett was not aware that any application for funding had been submitted to the Nevada Commission on Tourism. She acknowledged the understanding that the funding is allocated on a reimbursement basis. Chairperson Aldean entertained additional questions or comments of the Redevelopment Authority members and, when none were forthcoming, Ms. Bennett thanked the Redevelopment Authority.

Chairperson Aldean entertained public comment and, when none was forthcoming, a motion. **Vice Chairperson Abowd moved to approve and recommend to the Board of Supervisors approval of the expenditure of \$12,000 from the FY 2011 / 12 revolving fund of the redevelopment agency to support the Ghost Walk event in Carson City as an expense incidental to carrying out the redevelopment plan. Member Crowell seconded the motion. Motion carried 3-2.** Chairperson Aldean wished Ms. Bennett great success, noting that anecdotal information indicates “it is an event that people look forward to ...”

25. ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (12:19:19) - Member Walt moved to adjourn. Vice Chairperson Abowd seconded the motion. Motion carried 5-0. Chairperson Aldean returned the gavel to Mayor Crowell.

26. RECONVENE BOARD OF SUPERVISORS (12:19:33) - Mayor Crowell reconvened the Board of Supervisors at 12:19 p.m.

27. OFFICE OF BUSINESS DEVELOPMENT - POSSIBLE ACTION TO ADOPT A RESOLUTION AUTHORIZING THE EXPENDITURE OF \$12,000 FROM THE FISCAL YEAR 2011 / 12 REVOLVING FUND OF THE REDEVELOPMENT AGENCY TO SUPPORT THE

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GHOST WALK EVENT IN CARSON CITY AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN (12:19:56) - Mayor Crowell introduced this item and entertained additional comments from Mary Bennett or the public. When none were forthcoming, he entertained Board member comments. Supervisor Walt expressed support for the CCCVB Special Events Committee. "They are spending an enormous amount of time in volunteering on this ... And, without that transition policy in place," she was uncertain as to "how CCCVB staff is going to walk away from it this year."

Mayor Crowell entertained a motion. **Supervisor Aldean moved to adopt Resolution No. 2011-R-29, a resolution authorizing the expenditure of \$12,000 from the FY 2011 / 12 revolving fund of the redevelopment agency to support the Ghost Walk event in Carson City, as an expense incidental to carrying out the redevelopment plan.** Supervisor Aldean noted the "multiple hats" worn by each of the Board members, and expressed understanding for the awkwardness associated with this item and the previous Redevelopment Authority item "because of the recent actions taken by the [CCCVB]. But I think we have to be mindful of what role we're currently in ... either accepting or refusing to accept the recommendation of our advisory group." **Supervisor Abowd seconded the motion.** Supervisor Walt expressed appreciation for Supervisor Aldean's comments. As a member of the Arts and Culture Commission, Supervisor Abowd expressed understanding for the awkwardness of the transition period, and the opinion that Ms. Bennett should be afforded the opportunity to make the transition so that the Ghost Walk can become independent. Mayor Crowell agreed, and expressed support for community events weaning themselves from City funding sources. Supervisor Walt advised that the "transition was not brought to the CCCVB Board. It was not brought to the special events committee. It was taken away from them and then put on this agenda and that's how we heard about it. ... So there was not discussion about how this transition was going to take place and that's where I have huge heartburn." Supervisor Aldean acknowledged the unfortunate series of events, but expressed the opinion that Ms. Bennett should not be faulted; rather that her efforts to make the Ghost Walk event independent should be applauded and encouraged. Mayor Crowell entertained additional discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion failed 3-2.** Supervisor Aldean advised Ms. Bennett that the funding allocation was, therefore, denied and apologized.

RECESS AND RECONVENE BOARD OF SUPERVISORS (12:24:54) - Mayor Crowell recessed the Board of Supervisors at 12:24 p.m., and reconvened at 1:59 p.m.

28. FINANCE DEPARTMENT

28(A) POSSIBLE ACTION TO ADOPT A RESOLUTION CONCERNING THE FINANCING OF WATER PROJECTS AND SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSALS TO ISSUE GENERAL OBLIGATIONS THEREFORE, PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH, AND PROVIDING THE EFFECTIVE DATE HEREOF (2:00:00) - Mayor Crowell introduced this item, and Finance Department Director Nick Providenti reviewed the agenda materials. In response to a question, Public Works Department Director Andy Burnham advised that the subject resolution is not part of the regional water plan. "This is all new projects." Mr. Burnham reviewed the projects, as follows: "generally ... the freeway relocation projects and ... water rights purchase and then the sewer bonds are also related to the freeway relocation as well as Conte Drive sewer that's under construction right now."

In response to a question, Mr. Providenti explained that the only way to issue the subject bonds is for the franchise fee increases to pass. This will "bring us up into the one times coverage ratio. Without rates, ... we couldn't issue bonds." In response to a comment, Mr. Providenti explained that issuing bonds takes

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approximately four to five months. “This is the very beginning of the process, just asking the Debt Management Commission to hear it. Once they hear it, then they’ll recommend to you that we issue the bonds and then you’ll hear it again and then we have ... a 90-day waiting period.”

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to adopt Resolution No. 2011-R-29, a resolution concerning the financing of water projects and sewer projects, directing the Clerk to notify the Carson City Debt Management Commission of the City’s proposals to issue general obligations therefor; providing certain details in connection therewith and providing the effective date hereof. Supervisor Aldean seconded the motion. Motion carried 5-0.**

28(B) POSSIBLE ACTION ON A MOTION FINDING THAT THE PROPOSED ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04, BUSINESS LICENSES, SECTION 4.04.107, PUBLIC UTILITIES, BY INCREASING BUSINESS LICENSE FEES ON ELECTRIC SERVICES BY 1 PERCENT AND NATURAL GAS SERVICES BY .5 PERCENT, EFFECTIVE SEPTEMBER 1, 2011, DOES IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT FORMATION, OPERATIONS OR EXPANSION OF A BUSINESS, THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED, AND IS ON FILE WITH THE BOARD OF SUPERVISORS, AND THAT THE REQUIREMENTS OF THE ACT HAVE BEEN MET (2:03:52) - Mayor Crowell introduced this item, and Mr. Providenti reviewed the agenda materials. He advised of having received no objections from any business representative, to date.

Mayor Crowell entertained public comment. (2:05:25) Carol Howell referred to her objections expressed at the July 21st Board of Supervisors meeting, and advised of having gone “to Transparent Nevada ... but the difference between 2009 and 2010 employee numbers was a net 6 positive in 2010 versus 2009. There was a change in the payroll ... From 2009 to 2010, the payroll was increased by \$607,978.10.” She expressed the opinion “that’s not any big deal when you’re looking at this many employees until you take a look at the top 180 employees.” “There are 118 of them that got pay raises from 2009 to 2010. The average pay raise for that 118 was over \$7,000 a year.” Ms. Howell expressed the understanding “there’s not been any COLA, there’s not been any merit raises for some of our City employees, but there’s a good number of our employees that got a very large increase ...” She suggested the Board “seem[s] to be sheltered from what’s happening out in the real world. You’re not seeing the 30 percent of the seniors in this town that can’t afford another \$90 tacked on to their utility bills. ... that’s a month’s heating for a lot of people and they can’t afford to do what they’re doing now without pay raises.” She referenced Mr. Werner’s salary and the salaries of five Fire Department captains, and “yet you guys keep raising the rates on the 30 percent of us that are seniors in this community and haven’t had a pay raise in two years.” She noted the 12 percent unemployment, and noted that the utility fees were increased 30 percent last year. “This year, you’re wanting to increase the franchise taxes and the water rates. Guys, there comes a time that, unlike you, we’re not making that kind of money.” She requested the Board’s consideration “before you start increasing the rates again.” She submitted to the Clerk a printout of the “118 people that are making that kind of pay raises.” “As bad as that seems in itself, raising our rates and increasing our fees to cover costs the state passed down to us is one thing. But the agenda for the Nugget project was posted on Monday and it looks like you need \$500,000 out of the utility funds to put toward that Nugget project, a project that most people in this community don’t want right now, not in this economy. If that’s the reason for this increase, ... this is not the way to do that. That’s not fair for you, our representatives, to continue to shove the Nugget project and pay for it by increasing our rates.”

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Mayor Crowell advised that the only recent pay raises of which he was aware were “in early 2009 when there were COLAs and merits done and there was an issue about that, but that was done.” He expressed the understanding that last fiscal year’s gross payroll costs for Carson City declined \$1.3 to \$1.4 million. Ms. Howell expressed disagreement “when you ... take a look at the increases that those top 118 City employees received.” She advised she didn’t “begrudge any of you the pay raises ... What I do object to is you increasing the taxes and rates and fees on people that cannot afford it. And that is better than 42 percent of our residents in this town.”

At Supervisor McKenna’s request, Mr. Providenti reviewed the purpose of this agenda item. “We’re not really even dealing with the rate increase on this agenda item. That would be next agenda item.” Supervisor Abowd explained that the \$500,000 included in the City Center project budget “was penciled-in improvements for that area that they were going to be doing anyway.” In response to a request for further clarification, Mr. Burnham advised that the \$500,000 “is not in any of the numbers we’re talking about today. That would be a future issue that the Board would have to approve a year from now or whenever we took it up.” In response to a question, Mr. Burnham further clarified “we would have to look at some way to pay for that half million dollars, either out of operating funds or increases. It would be a Board decision at that time. We would look at the project to see how it’s going to be done ... at the point when it would be authorized. But that’s not within the rate increases that we’re looking at today.”

Supervisor Aldean expressed appreciation for Ms. Howell’s comments, and suggested that everyone is suffering in some way in this economy. She advised that the Capital City Circles Initiative participants are “in poverty and the whole purpose of our efforts is to elevate them out of poverty by giving them the tools they need to become self-sufficient.” She expressed understanding, on behalf of the Board, for “what’s happening out there.” Ms. Howell expressed appreciation for the difficulty of the Board’s decision, “but that doesn’t resolve the issue of the continued increase in taxes, in fees, in rates. And there comes a point, people don’t have it.” She reiterated the suggestion to convene a citizens group to consider ways to cut costs. She described the previously-referenced salary increases as “absurd.” Supervisor Aldean advised that, in the last two fiscal years, merit and COLA increases were suspended. She clarified that the classified employees are protected by collective bargaining agreements “which have to be reopened and renegotiated.” She advised that, as a general policy, the Board has attempted to provide parity between the classified and unclassified employees. “... that’s not necessarily in defense of the raises that were received but that’s an acknowledgment of what we have adopted as kind of an informal policy. There’s no reason for our unclassified employees to be penalized because they don’t have union representation.” She noted the importance of considering that “cut[ting] back on the number of people who are working for the City, somebody has to do their job and so the burden is shifted to somebody else who’s still on the payroll. So, even though you may think that the increase is unwarranted, ... if the work load has increased significantly ... That’s the delicate balance we have to strive for.” Ms. Howell reiterated the objection to the previously-referenced increases.

In response to a question, Mr. Providenti explained that “merits and COLAs stopped on July 1, 2010 which was fiscal year 2011. So, before then, there were merit and COLAs built into the contracts.” In response to a further question, he advised that pay raises are effected through a merit or COLA. “There have been promotions as well.” Mr. Providenti advised of having recently visited the Transparent Nevada website to compare salaries throughout the region. He “looked at 2010 comparing Carson City with Reno, Washoe and Sparks, the top 50 employees of each. And ... the top 50 ... Carson City employees ... were paid about 20 percent less than the Reno folks, about 17 percent less than Washoe, and probably about 12 to 15 percent less than Sparks.” He noted the importance of comparing salaries regionally, and reiterated “we’re quite a bit below what those folks are making.” In response to a comment, he reiterated “there were COLA

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and merits during 2010. In 2011, there was no increase ...” He advised of having compared fiscal 2010 to fiscal 2011 and expressed the belief that “total salaries ... and benefits are down over \$2 million. ... the salaries are about \$1.3 million.” He advised Ms. Howell that she was comparing two and three years ago. He acknowledged that overtime costs for firefighters who travel out of state to fight fire are included on the Transparent Nevada website. He expressed the belief that it also includes all of the sick leave that you have on the books. “They assume that you’re going to get paid for every nickel of sick leave ... You have to know what you’re comparing on that site as well.” Mayor Crowell noted the importance of considering “what’s behind the numbers.”

Mayor Crowell agreed with considering the possibility of talking with the bargaining units about making further concessions. He expressed the understanding that the City Manager has requested every department head to re-review every efficiency and every savings “they can pull out of salary or out of operations ...” He advised that the City Manager is in the process of talking with the bargaining unit representatives about what concessions, if any, can be made in order to weather the storm. “In the meantime, [we’re] getting billed by the state, commencing July 1 ...” In trying to determine the possibility of a transition period, Mayor Crowell expressed concern over being back billed. He acknowledged the timing issue, and agreed with earlier comments that the Board is in a difficult position. In response to a comment, he reiterated there have been no pay increases “other than the one that happened in 2009 that stopped July 1, 2010.” In consideration of concern relative to the community, he pointed out that every time, since 2009, that the state has authorized a property tax increase, “we’ve declined to do that. As a matter of fact, the property tax rates ... dropped four cents per \$100 last year. We have not raised any other taxes in this community, other than water and sewer ...”

In response to a question, Mr. Werner reviewed the CCEA contract, from 2009, relative to cost of living increases, and the differences in the unclassified employees’ increases over the same period. “So, the unclassifieds took 1.25 percent less pay increase during the years when we started this ...” Mr. Werner reviewed the various Fire and Police Department contract provisions relative to increases. He provided background information on the provisions of the City Manager’s contract. Mr. Providenti reviewed the upcoming salary decrease for unclassified employees as a result of a recent Public Employees Retirement System increase. Extensive discussion took place regarding the information available via Transparent Nevada and the information available from the City Manager’s Office. Mr. Werner offered to make the records and information available to anyone who wished to review it.

Supervisor Aldean provided background information on the systematic reduction of FTEs which has been taking place since 2007. In response to a question, Mr. Werner advised of having prepared a letter for the Mayor’s signature requesting of the State the reason they are not complying with NRS 353 with respect to preparation of a transition plan. He advised of having received one invoice from the state. “We responded back, saying, ‘Thank you very much, but we find we have an inability to comply with your request due to NRS 353.’” He advised of having met with representatives of the Department of Public Safety, Presentencing Investigations on Monday, August 1st. Until the matter is resolved, the City has not paid the invoice. In response to a further question, Mr. Werner advised that the matter must be resolved by October 1st, at which time the State has the authorization to remove the corresponding amount of money from the sales tax distribution to the City.

Mayor Crowell entertained additional public comment. (2:44:27) In consideration of the contention associated with the proposed franchise fee increases, and “recogniz[ing] there is a host of people that figure there’s some hocus pocus going on with this arrangement,” Maurice White suggested the possibility of creating a separate budget line item “so that the people can see directly and specifically where these funds

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will be spent.” Mayor Crowell expressed appreciation for the suggestion, and Mr. White further clarified it. Supervisor McKenna explained that “this money that goes to the general fund cannot go to other projects, cannot go to the City Center project, etc. It has to be used for this purpose only.” Supervisor McKenna expressed the understanding that the amounts the State will be charging can increase or decrease. He agreed with Mr. White’s suggestion “to have exactly the tracking that you’re thinking about here ...” With regard to the water and sewer rates, he advised of the intention to request that “those increases that are purportedly caused by the lack of usage because of a wet spring ... as people use more water ... and we have a whole bunch of new water revenue, those increases are reversed.” He suggested the possibility of “temporary increases or maybe even permanent increases, but permanent increases for a specific purpose, as long as the purpose exists. And once the purpose no longer exists, then these things get rolled back and there’s accountability so that you know it’s time to roll them back.” Mr. White expressed agreement.

Mr. Providenti advised that staff annually reviews revenues versus expenses and determines how much is needed. “Right now, we’re barely scraping by. We have no money for capital. We have barely enough money in our reserve funds, in our ending fund balance. We’re just barely making it. ... we have cash flow issues. We’re at the point now where we’ve used all our reserves. We’ve done what the Board has asked us to do. We’ve been asking you for these increases for three years and you basically said, ‘No, don’t increase taxes; don’t increase franchise fees; use the reserves and let’s hope that the economy comes back.’ And that’s where we’re at right now. We’re at the point now where we’re going to need this money and we’re going to have to cut expenses by probably half a million to a million dollars just in order to make that four percent ending fund balance in 2013. We’re at the point now where it’s dire. Without these, we’re going to have to cut probably \$2 million to \$3 million in expenses. With them, we’re still going to have to cut.”

Supervisor McKenna inquired as to whether “government, as the citizens require it now, is too expensive for the citizens of Carson City.” Mr. Providenti stated, “that’s a Board decision.” He explained “we’re a lot less in taxes, in franchise fees, in rates than our neighbors.” He referenced Douglas and Lyon Counties, as examples, and reviewed corresponding figures. “That’s why they’re having problems because they can’t raise revenues anymore. They’re at the top of their revenue stream. ... So Carson City has places to go because we’ve decided not to raise these fees while the other counties and the other cities have raised the fees over the past three years.” Mr. Providenti advised of having recently attended a Performance Institute Seminar at which it was recommended to increase revenues by thirty percent and cutting expenses by seventy percent. “Carson City has not raised their revenues at all. The only revenues that we’ve raised are water and sewer fees and the only reason we raised the water fees is because the federal government told us that our arsenic and our uranium levels were too high so we had to bring them down. That’s facts. That’s reality.” Mr. Providenti expressed understanding for the concerns expressed and objection to paying higher fees as well. He reiterated that the City’s financial records are available for public review at any time.

Supervisor Abowd expressed understanding for the issues, and noted that commercial business rates will be even higher. She expressed further understanding for the “greater good that we need to accomplish and we’ve got to get there. If we’re going to have other companies, hopefully, relocating to our area, we have to be desirable. The level of service that our government provides has to show that. We have to shine as a City. There’s certain things that we have to do. There’s a price to live here.” Supervisor Abowd reiterated her understanding of the necessity for the subject item.

Mayor Crowell entertained additional public comment. (2:53:37) Fred Brown acknowledged the City’s financial situation and stated, “the community is hurting even more.” He noted Carson City’s uniqueness,

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and suggested “people that live here live here because they want to live here. Just because Washoe County, Sparks, Reno, and Douglas County charge more for certain fees, pay more in wages, doesn’t mean that the people want to leave Carson City to go there ...” Mr. Brown suggested that comparisons should not be made between counties. He further suggested that “the biggest problem with raising fees isn’t that it hurts people that work for government. Any government agency, basically, they have fixed salaries, fixed raises, fixed benefits and so on and so forth. The people in the private sector do not have that opportunity. They are locked. If they have a job, they’re fortunate. If they don’t have a job, they’re very unfortunate.” In reference to Mr. Providenti’s comments, Mr. Brown suggested that “these people from the private sector who’ve run out of money and have no place to get it from are eating up their savings, they’re eating up their retirement, they’re eating up everything they can in order to survive. Every time you raise a fee, it hurts the lowest people living in the community, those that have the least amount of income, those that are set on fixed benefits.” In reference to the three percent in property taxes available to the City every year, Mr. Brown stated, “If you need the money but the community cannot afford that three percent, don’t take the three percent.”

Supervisor Walt expressed objection to previous comments indicating that the Board members are insensitive to the needs of the community, and the hope that the citizens had taken the opportunity to express their objections to their legislative representatives. She described her experiences sitting “in coalition meetings for months on end, every other week, trying to work with the state by saying, ‘If you gave us these services, if we could take over these services, this is how much the City would save.’ We could, as a City, ... take over these services and do a better job, more efficient job with less money ... Now, what would the state have to do? They would probably have to lay off some individuals and we would, then, take over those services. And the state, in turn, ... said, ‘No. We’re still going to do those services. We’re still going to charge you for those services and, in fact, we’re only going to give you two months to start paying for those services.’ Now that is not ... fair.” Supervisor Walt acknowledged the difficulty associated with increased rates in consideration of the community and her own family.

Mayor Crowell entertained additional public comment. (3:01:19) Lona White expressed the opinion that “taxes and rate hikes don’t cause a community to flourish. Letting the people keep more of their own money enables them to go buy that car or buy clothes or eat out more and cause the businesses to flourish. So people do need to have more money in their own pockets.” She advised that Sheriff Furlong spoke at a recent meeting, and named “the number one problem in Carson City right now [as] hopelessness. We don’t have a lot of homicides but we have an awful lot of suicides, and I’m sure a lot of that is because of economic pressures.”

Mayor Crowell advised of having received a recent memo from Sheriff Furlong advising that the “fleet is about ready to go ... and that we’re going to be required to upgrade our Tiburon software equipment.” Mayor Crowell discussed the associated costs and acknowledged “it’s not easy times ...”

(3:03:03) Jeff Denton acknowledged that “everybody is facing hard times ..., but the bottom line is there is no more money to pay for taxes so we need to back this off. We are all facing financial times. ... I alone am left at my company from a large company and, of course, I picked the wrong industry to be in at this time.” Mr. Denton requested the Board “to stop raising taxes.”

(3:03:58) Andrea Engelman advised of having spent a lot of time at the legislature and provided background information on the bill that passed the health care costs to Carson City. “Assemblyman Pete Livermore and Senator Settemeyer didn’t even see this bill until it hit the floor and they both voted against it. ... there was nothing in their minds about re-election. At the Legislature the process is very different

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than it is here.” Ms. Engelman expressed concern over the “distressed people in Carson City ... that Sheriff Furlong told us about last week and ... every little bit is an extra burden to them.” She distinguished between fees and taxes. “Fees are what you pay and get a service for it. Taxes are to generate revenue and that’s what this is for.” She expressed more concern “that we share the pain. We have a lot of people on staff that don’t live in Carson City. They will not be sharing the pain. So, in some way, we need to see that the City employees are sharing the pain the same as the residents.”

(3:06:23) Janice Baldwin advised that her husband is a State employee who received a five percent decrease in pay. “This is a trickle down effect. It takes a while for these things to hit.” Ms. Baldwin thanked the Board members, and discussed the importance of “looking at what if it goes down ...” She expressed support for the Board and offered to “help in any way [she] can as we face this together.” She expressed the hope that no increases will be made “because none of us can afford it, but we’ve got to figure it out and we’ve got to work together ...”

(3:08:37) An unidentified female citizen advised she is “one of those people that are going to be badly affected by this ...” She discussed her monthly Medicare expenses. She expressed agreement with Supervisor McKenna’s suggestion to track the revenue as a separate line item. “If you meet your goals ... and not have to put it into another general fund that that money goes somewhere else.” She expressed a willingness to pay increased fees, but requested the Board to “keep these special taxes and extra taxes down to a minimum if it is at all possible ...”

(3:10:49) In reference to the City Center project, Michael Pollard expressed “shock ... that we need more money to pay for these costs coming down from the State because obviously we had the money to pay a million dollars to the Nugget garage.” Mayor Crowell advised that the parking garage project has not been implemented, and he expressed the belief that the Board is not interested in using general funding for the City Center project.

(3:12:06) Frank Page expressed appreciation, on behalf of Mrs. Page, for the hanging flower baskets. Mr. Page discussed his experience with the federal government which “will threaten to sue you any time.” He cautioned against allowing the federal government to “push you into a position. Arsenic? Big deal. It’s not been that big a problem. We all seem to survive. And tell them to sue.” Mr. Page advised that his water bill is “double what it was before.”

Supervisor Walt advised of having received an e-mail from Assemblyman Pete Livermore who advised of having voted against the State budget.

(3:14:32) Chet Alexander advised that he lives on a fixed income, and expressed concern that “the people who are passing these fees don’t all live here.”

(3:15:07) Emily Sermak advised of having received her tax bill and inquired as to the reason for the \$100 increase in her property taxes. Mayor Crowell explained that the Board has control over the tax rate not over the tax assessment or the tax collection. He clarified that the Board has never changed the tax rate in the three years he’s been in office. In fact, the tax rate has decreased by four cents.

(3:16:39) Lori Bagwell expressed the opinion that “the taxpayer is looking to all of you to assure us that all the rocks were looked under first before you raise fees to meet the issues passed down by the State.” She commended the earlier discussion relative to the internal auditor, and expressed the hope that the Audit Committee can provide guidance “on areas that maybe the City is now providing services that we should

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not be doing anymore or that it is too expensive. ... When you touch water and sewer, that will touch everyone and it sounds good that the burden is spread out everywhere and that helps, but there are a ton of people on fixed incomes that really can't afford those which then they will go for more energy assistance from the State which watch out next time, I bet they hit you on that one and turn around and say ... 'We had to help ... 500 families in Carson City on low income assistance for their ... energy bills.'" She expressed the hope that the Board will utilize the Audit Committee to consider "functions that can be eliminated or reduced so that you don't have to pass on fees to the taxpayers."

In reference to previous comments, Mr. Burnham clarified that anyone sweeping streets with brooms would be prison trustees. "We don't pay a lot for them."

Mayor Crowell entertained additional public comment and, when none was forthcoming, Mr. Providenti reiterated the purpose of the subject agenda item. Mayor Crowell entertained a motion. **Supervisor Aldean moved to find that the proposed ordinance amending Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.04, Business Licenses, Section 4.04.107, Public Utilities, by increasing business license fees on electric services by 1 percent and natural gas services by .5 percent, effective September 1, 2011, does impose a direct and significant economic burden on a business or directly restrict formation, operations, or expansion of a business; that a business impact statement has been prepared, accepted, and is on file with the Board of Supervisors; and that the requirements of the act have been met. Supervisor Walt seconded the motion. Motion carried 5-0.**

28(C) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE, TITLE 4, LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04, BUSINESS LICENSES, SECTION 4.04.107, PUBLIC UTILITIES, BY INCREASING BUSINESS LICENSE FEES ON ELECTRIC SERVICES BY 1 PERCENT AND NATURAL GAS SERVICES BY .5 PERCENT, EFFECTIVE SEPTEMBER 1, 2011 (3:20:05) - Mayor Crowell introduced this item, and Mr. Providenti reviewed the agenda report. Mayor Crowell entertained public comment and, when none was forthcoming, comments or questions of the Board members. Mr. Werner acknowledged the possible ramifications of not paying the bills sent by the State include that they can withhold the equivalent amount of the City's sales tax revenues. Supervisor Aldean noted that the City is awaiting an Attorney General's opinion relative to the provisions of NRS 353, which may "buy us some additional time." She explained the provisions of NRS 353 relative to "some sort of transition plan which would enable us to negotiate with the State to actually, in some cases, perform these services if we felt we could perform them more efficiently and more cost effectively which could, in fact, reduce the rate increase accordingly. Mr. Werner acknowledged the accuracy of her statement, but cautioned that the City's budget preparations begin in November "and if we don't have this resolved by November, then we will be looking at ... some significant staff reductions. We can't risk to put the City in a bad fiscal situation." Discussion followed, and Mr. Providenti reiterated "we're going to have to reduce the budget by probably half a million to a million dollars even with these fees. In response to a question, he advised that the proposed fee increases are less than what the State will bill the City. In response to a question, Mr. Burnham explained the purpose of the proposed landfill fee increases.

At Supervisor Abowd's request, Mr. Werner and Mr. Providenti reviewed the list of health and human services fees which are being passed from the State to the City. Discussion followed. Supervisor McKenna advised that he would be voting against the proposed ordinance because we shouldn't "encourage what happened by bailing out the State. The second part of it is I don't think we're done with the recession yet and I don't know that ... many seniors can handle these increases." Supervisor McKenna acknowledged the likelihood that staff reductions would result in the ordinance not passing.

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Mr. Werner acknowledged that layoffs would be certain if the proposed ordinance does not pass. Supervisor Walt inquired as to whether a pay cut had been considered in order to preserve positions. Mr. Werner advised of having discussed the possibility, and referred to Mr. Providenti's previous discussion of salary comparisons between adjacent counties. "The cuts ... we'd have to do ... are bigger than what you could realistically approach under a salary reduction so you might save 50 percent of what you'd have to lay off, but the question comes and what we got back from the associations, 'Well, if you can't save everybody, then we're not going to do it.' In other words, just ... at that point, lay them off and we'll deal with what's left because, at that point, everybody is being underpaid throughout Carson City compared to its neighbors and we still have to figure out who's going to get laid off. It didn't appear to be very feasible." Supervisor Walt suggested comparing State employee salaries. Mr. Werner discussed a study commissioned by the Las Vegas Chamber of Commerce. "For the most part, general government employees were paid more than state government employees. In ours, they actually used the Carson City School District and not Carson City government and that showed that the employees there were at par or a little bit more. Our people were less than that ... if you look position to position ..." Mr. Providenti noted that the City is required to negotiate with employee unions where the State doesn't necessarily have to.

In response to a question, Mr. Burnham advised that the proposed increase in landfill fees is expected to generate approximately \$1 million. Supervisor Aldean provided historic information on landfill revenues, and commended the City's operation. She acknowledged the meritorious objectives to convert the landfill to a state-of-the-art facility to increase the diversion rate and lengthen the life of the landfill, but expressed concern over timing. She expressed a preference "to increase the landfill rates, use that revenue to offset the cost of these State programs ..., wait until the storm passes, and then take another look at entering into a contract with Recology ..."

In response to a question, Mr. Providenti estimated the increase will affect individual households by approximately \$2.50 per month. Mr. Werner provided additional clarification. In response to a further question, Mr. Providenti advised that reductions in franchise fee revenues have been evident over the last couple years because of the economy. He advised of the assumption that the proposed increases will not have "that big an affect as the thirty percent water rate increase would." Mr. Werner reiterated "there will be expense reductions. ... this will help modify some of those but it won't solve it and if they don't come in as anticipated, those expense reductions will have to occur. We have to have a balanced budget."

Mayor Crowell discussed the Board's responsibility to the community, and expressed the opinion that "unless we do this and bite the bullet, that we are just going to be running into a problem down the road that's even worse." He read into the record portions of an e-mail from a company that is interested in locating in Carson City, and discussed the corresponding benefits.

Mayor Crowell entertained a motion. **Supervisor McKenna moved to not approve an ordinance amending Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.04, Business Licenses, Section 4.04.107, Public Utilities, that would increase business license fees on electric services by 1 percent and natural gas services by .5 percent, effective September 1, 2011. Supervisor Aldean seconded the motion. Motion failed 2-3.**

Mayor Crowell entertained a motion. **Supervisor Walt moved to approve, on first reading, Bill No. 112, an ordinance amending Carson City Municipal Code, Title 4, Licenses and Business Regulations, Chapter 4.04, Business Licenses, Section 4.04.107, Public Utilities, by increasing business license fees on electric services by 1 percent and natural gas services by .5 percent, effective September 1, 2011. Supervisor Abowd seconded the motion. Motion carried 3-2.**

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29. PUBLIC WORKS DEPARTMENT

29(A) POSSIBLE ACTION TO FIND THAT THE PROPOSED ORDINANCE, AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.12, SOLID WASTE MANAGEMENT, SECTION 12.12.047, LANDFILL RATES AND FEES, BY CONSOLIDATING AND MODIFYING RATE CLASSES, INCREASING OUT-OF-COUNTY RATES FOR COMPACTED, UNCOMPACTED MUNICIPAL SOLID WASTE, AND CLASS III WASTE, INCREASING IN-COUNTY RATES FOR COMPACTED, UNCOMPACTED MUNICIPAL SOLID WASTE AND CLASS III WASTE, EFFECTIVE SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATED THERETO, DOES IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION, OR EXPANSION OF A BUSINESS; THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED, AND IS ON FILE WITH THE BOARD OF SUPERVISORS, AND THAT THE REQUIREMENTS OF THE ACT HAVE BEEN MET (3:48:21) - Mayor Crowell introduced this item, and Public Works Department Director Andrew Burnham reviewed the agenda report.

Mayor Crowell entertained public comment. (3:48:56) Lori Bagwell suggested “a compromise to everything that I just heard ... that maybe you want to implement one-half of the fee increases that you just were proposing and use the other half out of Supervisor Aldean’s idea and then you can assess it six months later into the process to see what you work out with the State, but that the burden on the taxpayer would be reduced in half to start this fiscal year.”

Mayor Crowell entertained a motion. **Supervisor Aldean moved to find that the proposed ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.12, Solid Waste Management, Section 12.12.047, Landfill Rates and Fees, by consolidating and modifying rate classes, increasing out-of-county rates for compacted, uncompact municipal solid waste and Class III waste, increasing in-county rates for compacted, uncompact municipal solid waste and Class III waste, effective September 1, 2011, and other matters properly related thereto, does impose a direct and significant economic burden on a business or directly restrict the formation, operation, or expansion of a business; that a business impact statement has been prepared, accepted, and is on file with the Board of Supervisors, and that the requirements of the act have been met. Supervisor Walt seconded the motion. Motion carried 5-0.**

29(B) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.12, SOLID WASTE MANAGEMENT, SECTION 12.12.047, LANDFILL RATES AND FEES, BY CONSOLIDATING AND MODIFYING RATE CLASSES, INCREASING OUT-OF-COUNTY RATES FOR COMPACTED, UNCOMPACTED MUNICIPAL SOLID WASTE AND CLASS III WASTE, INCREASING IN-COUNTY RATES FOR COMPACTED, UNCOMPACTED MUNICIPAL SOLID WASTE AND CLASS III WASTE, EFFECTIVE SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATED THERETO (3:53:24) - Mayor Crowell introduced this item, and Mr. Burnham reviewed the agenda materials. In response to a question, he advised that it is nearly impossible to acquire used landfill equipment according to purchasing laws. He responded to questions regarding the additional fee increase which will be required if the City does not enter into the Recology contract. In response to a question, he reviewed rate comparisons between the Carson City Landfill and adjacent counties. In response to a further question, he expressed the opinion that the City’s rates could be increased rather substantially “and still gain most of the refuse that we’re gaining today. Our rates are very much a bargain and people drive a fair distance to come to us.” Discussion followed, and

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Supervisor McKenna requested consideration for increasing the out-of-county rates to “the maximum possible, reasonable rate.”

In response to a further question, Mr. Burnham provided an overview of negotiations between Carson City and Douglas County to increase the waste stream “which would help offset some of the costs and increase our diversion rate more.” He advised that a diversion rate requirement is anticipated. “This was really why we started down this path because we wanted to be prepared for that. When that happens, then Douglas County, we think, will come back into play and be part of the operation here because it will be a lot less expensive than some of the other operations.” Mr. Burnham advised of Recology’s interest in increasing the waste stream component. He further advised of having been charged, by the City Manager and the Finance Department, “to keep the revenue stream to the general fund whole, at the million dollars a year, ... that we have currently and keep ... the ... new consolidated rate in order to preserve that income stream so it didn’t reduce any.” He expressed a willingness to consider increasing the rate.

In consideration of Supervisor McKenna’s earlier suggestion to consider mandatory garbage collection, Supervisor Walt inquired as to the possibility of an every-other-week pickup. Mr. Burnham expressed the opinion that a weekly pickup would likely still be required. “But having a mandatory pickup then spreads the burden amongst 40 percent more people so, potentially, if you kept the rate the same, you’re revenues are going to increase.” Mr. Burnham clarified that the revenue would be allocated to Waste Management, Incorporated, not to the City. In response to a question, he advised that the fiscal impact would be \$1 million in new revenue.

Supervisor Aldean expressed concern over illegal dumping in consideration of increasing fees, and suggested that any motion indicate the increase should not be directly related to the proposed contract with Recology. Supervisor Abowd inquired as to the maximum rate increase to still keep Douglas County in future negotiations. Mr. Burnham provided background information on previous negotiations with Douglas County. He advised that Douglas County has the ability, under their franchise agreement, to designate where their refuse goes.

Mayor Crowell entertained public comment. (4:07:52) Bruce Kittess inquired as to the Recology contract, and Mayor Crowell informed him that the item was agendaized for later in the meeting. Mr. Kittess opted to reserve his comments until that time. Mayor Crowell entertained additional public comment; however, none was forthcoming.

Mayor Crowell entertained a motion. **Supervisor Aldean moved to introduce, on first reading, Bill No. 113, an ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.12, Solid Waste Management, Section 12.12.047, Landfill Rates and Fees, by consolidating and modifying rate classes, increasing out-of-county rates for compacted, uncompacted municipal solid waste and Class III waste, increasing in-county rates for compacted, uncompacted municipal solid waste and Class III waste, effective September 1, 2011, and other matters properly related thereto; this increase shall not be directly related to the proposed contract with Recology. Supervisor Abowd seconded the motion.** Mr. Burnham acknowledged that the proposed water fee increase is separate from the landfill rates increase. Mayor Crowell called for a vote on the pending motion. **Motion carried 5-0.**

29(C) POSSIBLE ACTION TO FIND THAT THE PROPOSED ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING RATES 5 PERCENT, EFFECTIVE ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011;

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AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES 5 PERCENT ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.057, RIGHT-OF-WAY TOLL, BY INCREASING FROM 1 PERCENT TO 2 PERCENT, ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATED THERETO, DOES IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION, OR EXPANSION OF A BUSINESS; THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED, AND IS ON FILE WITH THE BOARD OF SUPERVISORS, AND THAT THE REQUIREMENTS OF THE ACT HAVE BEEN MET (4:11:17) - Mayor Crowell introduced this item, and Mr. Burnham reviewed the agenda report. Mayor Crowell entertained public comment; however, none was forthcoming. In response to a question, Mr. Providenti and Mr. Burnham advised of having received no objections from the business community on the proposed rate increases other than those expressed at this meeting.

Mayor Crowell entertained a motion. **Supervisor Abowd moved to find that the proposed ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.01, Water Connection Charges and Use Rates, Section 12.01.020, Schedule of Rates, by increasing rates 5 percent, effective on bills dated on or after September 1, 2011, amending Section 12.01.030, Schedule of Water Connection Charges, Lateral, and Meter Box Sets and Meter Set Fees, by increasing charges and fees 5 percent, on bills dated on or after September 1, 2011, amending 12.01.057, Right-of-Way Toll, by increasing from 1 percent to 2 percent, on bills dated on or after September 1, 2011, and other matters properly relating thereto, does impose a direct and significant economic burden on a business or directly restrict the formation, operation, or expansion of a business; that a business impact statement has been prepared, accepted, and is on file with the Board of Supervisors, and that the requirements of the act have been met. Supervisor Walt seconded the motion. Motion carried 5-0.**

29(D) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING RATES 5 PERCENT, EFFECTIVE ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES BY 5 PERCENT ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.057, RIGHT-OF-WAY TOLL, BY INCREASING FROM 1 PERCENT TO 2 PERCENT, ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATED THERETO (4:13:35) - Mayor Crowell introduced this item, and Mr. Burnham reviewed the agenda materials. In response to a question, Mr. Providenti suggested taking two separate actions, one on the water rates and one on the right-of-way toll. Supervisor McKenna expressed the opinion that the City is locked into the four percent debt service. The 1 percent includes power costs, chemicals, and water sampling costs. "That's just the cost of operating." Supervisor McKenna noted that the right-of-way toll goes back to the State and provides money for the general fund because of State action, "and I oppose that." A brief discussion followed, and Mayor Crowell expressed the opinion that taking the actions separately is within the scope of the Nevada Open Meeting Law.

Supervisor Aldean inquired as to the use of water funds to acquire the Joost property, and Mr. Burnham advised that the item will be agendized in the near future. In response to a further question, he provided

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background information regarding two parcels, one to be acquired by the Open Space Program and one to be acquired by the Public Works Department. "The portion that's being acquired by Public Works will be restricted ... not to be used for open space for 50 years, according to the negotiations ... That's similar to the property that was donated ... a year or two ago by the Joost family." In response to a further question, Mr. Burnham advised that the two parcels are valued at approximately \$20,000 an acre. Discussion followed. Mr. Providenti responded to questions regarding allocations to the general fund resulting from the proposed increases, and the corresponding cuts if the ordinance is not passed.

Mayor Crowell entertained public comment. (4:22:34) Gil Yanuck expressed the opinion that staff did not receive responses relative to the business impact statements "because businesses in this town have a way to pass those costs on to the people who use their services, visit their establishments, eat their food ... So, we're all paying that cost that they pass on." Residential customers "don't have anybody to pass those costs or increases on to." Mr. Yanuck expressed the opinion that "it's totally discriminatory to have one rate for businesses that use a lot of water and add what you call a conservation rate to the residential user who uses a lot of water and can't pass those costs on to anybody else. That is just not right." He advised of having purchased his property with landscape and associated equipment installed by the previous owner, and that "there's no payback" to reduce the size of his lawn. He distributed copies of a chart to the Board members and the Clerk, representing a history of his water usage from 2007, and reviewed the same. He requested the Board to defer implementing the increases until November 1, 2011, and to "do something to make it equal between [the residential] and commercial [customers]. I have nobody to share those costs with."

Mayor Crowell advised of sharing a concern relative to one rate for all water users, and suggested that rate design work should be conducted. He expressed understanding that residential users cannot pass along the increase, but "that is not a financial argument ...; that's a value of service argument ..." Relative to value of service arguments, Mayor Crowell suggested "you can't find a ... financial justification for them. You're throwing a concept out as to what you believe the actual value of that service is to you." He noted the difficulty in "quantifying a rate around ability to pay or not to pay as a general proposition." He reiterated the recommendation to consider a single rate for every customer, and expressed the opinion that the conservation tier should be revisited.

Mr. Yanuck responded to questions of clarification regarding the previously distributed chart. He suggested "there ought to be some incentive to ... live with the challenge we have to keep it green and not have it die. That fine line between stress and dying is what we're trying to achieve." He discussed opposition to the conservation tier. "It isn't a question that I can work to prevent getting into it. It's set so low for a property that's got over 40,000 square feet of lawn to get there. I'll never, ever get there." Mayor Crowell assured Mr. Yanuck that independent of the action on the subject item, the conservation tier will be revisited.

Supervisor Abowd expressed understanding for Mr. Yanuck's concerns and of never having understood "the penalty for conservation." In consideration of her restaurant, she advised "there's no peak and valley. You use the same amount all the time. You can't conserve. There's just not that option and so these water rates are penalizing us just as much as you. And we cannot pass the cost onto our customers ... because, at this point, in order to remain competitive in this market and your purveyors and everybody else are charging service charges for traveling to supply food and products and that sort of thing. You can't pass all that on." In response to a comment, Supervisor Abowd advised that prices at her restaurant have been lowered to remain competitive. Discussion followed.

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Supervisor Aldean advised that when she was first appointed to fill former Supervisor Jon Plank's position, "commercial was subsidizing residential. ... That's when we made the adjustment." Supervisor Aldean advised of having provided Mr. Yanuck a copy of the white paper provide to her by Mr. Burnham. After the previous discussion, staff did consider incentives. Unfortunately, one of the funding sources considered was connection fees. Supervisor Aldean suggested drilling in the buffalo grass. "... as aggressive ... as it is, it'll probably in time take over your turf grass." She agreed with Mayor Crowell that the conservation tier needs to be revisited. In response to a question, Mr. Providenti estimated that \$250,000 was lost last year by delaying the implementation. Supervisor Aldean suggested delaying the implementation until October 1st.

(4:48:40) Richard Schneider expressed doubt that "anybody's thought through if this is going to pay the City any revenue." He discussed his water bills, and expressed concern that the rates on essential services are being increased. Discussion followed.

(4:56:37) Frank Page advised of having made adjustments to irrigation equipment. He inquired as to the reason for the City paying to relocate lines associated with the freeway project. Mr. Burnham explained that the payment is associated with "who was there first."

(4:58:39) Gene Lepire expressed concern over continuing to maintain the trees on his RV park property. He suggested reducing the room tax rate by 1 percent to maintain lodging property landscape.

Mayor Crowell entertained additional public comment and, when none was forthcoming, entertained a motion on the 5 percent water rate increase. **Supervisor McKenna moved to approve, on first reading, Bill No. 114, an ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.01, Water Connection Charges and Use Rates, Section 12.01.020, Schedule of Rates, by increasing rates 5 percent, effective on bills dated on or after October 1, 2011; amending Section 12.01.030, Schedule of Water Connection Charges, Lateral and Meter Box Sets, and Meter Set Fees, by increasing charges and fees by 5 percent, on bills dated on or after October 1, 2011, and other matters properly pertaining thereto. Supervisor Aldean seconded the motion. Motion carried 5-0.** Discussion took place with regard to the effect of the action and, in response to a comment, Mr. Providenti estimated the right-of-way toll at a \$175,000 to \$200,000 "impact to the general fund that we won't get ..."

29(E) POSSIBLE ACTION TO FIND THAT THE PROPOSED ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.03, SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 14 PERCENT, AMENDING SECTION 12.03.037, RIGHT-OF-WAY TOLL, BY INCREASING FROM 1 PERCENT TO 2 PERCENT, AND OTHER MATTERS PROPERLY RELATED THERETO, DOES IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION, OR EXPANSION OF A BUSINESS; THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED, AND IS ON FILE WITH THE BOARD OF SUPERVISORS, AND THAT THE REQUIREMENTS OF NRS 237.080 AND 237.090 HAVE BEEN MET (5:06:58) - Mayor Crowell introduced this item, and Mr. Burnham reviewed the agenda report. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to find that the proposed ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.03, Sewer Connection Charges and Use Rates, Section 12.03.020, Schedule of Rates, by increasing all rates 14 percent, amending Section 12.03.037, Right-of-Way Toll, by increasing from 1 percent to 2 percent, and other matters properly related thereto, does impose a direct and significant economic burden**

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on a business or directly restrict the formation, operation, or expansion of a business, and that a business impact statement has been prepared, accepted, and is on file with the Board of Supervisors, and that requirements of NRS 237.080 and 237.090 have been met. Supervisor Walt seconded the motion. Motion carried 4-0-1; Supervisor McKenna had temporarily left the meeting room.

29(F) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE, AND DRAINAGE, CHAPTER 12.03, SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 14 PERCENT, ON BILLS DATED ON OR BEFORE SEPTEMBER 1, 2011, AMENDING SECTION 12.03.037, RIGHT-OF-WAY TOLL, BY INCREASING FROM 1 PERCENT TO 2 PERCENT, ON BILLS DATED ON OR AFTER SEPTEMBER 12, 2011, AND OTHER MATTERS PROPERLY RELATED THERETO (5:08:26) - Mayor Crowell introduced this item and entertained public comment. None was forthcoming. In response to a comment, Mr. Providenti expressed an interest in comparing current revenues with those in drier weather years. Mayor Crowell expressed the opinion that the decreased revenues are demand rather than weather-related. He entertained a motion. **Supervisor McKenna moved to introduce, on first reading, Bill No. 115, an ordinance amending Title 12, Water, Sewerage, and Drainage, Chapter 12.03, Sewer Connection Charges and Use Rates, Section 12.03.020, Schedule of Rates, by increasing all rates 14 percent, on bills dated on or after October 1, 2011, and other matters properly related thereto. Supervisor Walt seconded the motion. Motion carried 5-0.** Mayor Crowell recessed the meeting at 5:11 p.m. and reconvened at 5:30 p.m.

29(G) POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE MAYOR TO SIGN A CONTRACT WITH RECOLOGY ENVIRONMENTAL SOLUTIONS, INC. FOR OPERATION OF THE LANDFILL AND A PHASED PROGRAM FOR WASTE RECOVERY (6:18:47) - Mayor Crowell introduced this item, and Public Works Department Director Andrew Burnham provided background information and an overview of the agenda materials. (6:21:05) Recology Environmental Solutions, Inc. CEO Mike San Giacomo provided additional background information, and narrated a SlideShow presentation. He and Mr. Burnham responded to corresponding questions of clarification relative to the presentation and to the proposed contract.

Mayor Crowell entertained public comment. (6:39:46) Bruce Kittess advised of having reviewed the agenda materials, and expressed two concerns, "one from the budget, the other from the V&T." With regard to the current budget, he noted the expectation of \$1.2 million in revenue, and expressed concern that "the only way ... we can really increase the revenue is we got to take more trash from California and since they're operating like Waste Management in California, I had visions of truckloads of trash coming over Highway 50, going up Fairview and using our new bypass." He inquired as to a limit on the amount of trash "import[ed] from California ..." He expressed surprise over the proposal to "give or loan for ten years" the City's equipment. He suggested selling it for scrap or requesting Recology to pay something for the equipment. Mr. Burnham explained that the City's equipment would be loaned to Recology "and they have to keep it maintained and / or replace it and the reason to do that is otherwise they would invest even more and the costs would be higher to us. So we actually talked about that at some length and it was a much better deal for us. One, you can't get ... anything for equipment by selling it for scrap, unfortunately. ... As a result, it's better for them to use it and use up the life of the equipment and then they will replace it as they need to because they have requirements for performance for equipment, as a part of that. The waste streams from California, they can't bring any other waste streams into the facility without [the City's] permission. So if we don't want them to bring waste stream in from California, we just say no and they have to ask us before they can do that."

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In response to a further question, Mr. Burnham advised that the \$125,000 is considered to be the base payment. “That’s what it takes if they didn’t accept any waste ... in order to operate the landfill with the equipment and their fixed costs. Then you have the \$8 fee on top of that which is based on the volume coming in. So, as the volume increases, that \$8 just continues to go on. ... the more volume they get, the better off it is in the model, the way we looked at it. We gain more of the revenue than we would if we increased the base fee. So the base fee basically sets their fixed costs and then the balance, the \$8 fee, is the variable cost based on the amount of tonnage that comes in.”

(6:46:03) Mr. Kittess reiterated skepticism over three-party agreements. In reference to the Serpa Agreement, included in the agenda materials as Exhibit A, he expressed surprise over no provision relative to removal of waste material. In response to a question, Mr. Burnham explained that the Serpa agreement “merely allows them to bring the old landfill material to the new landfill and dispose of it and they have to pay for the costs of placing it ... This is really, from Recology’s standpoint, they just have to know that that may be an incident that they have to deal with.”

Mr. Kittess discussed the proposed wind turbine adjacent to the V&T track, and expressed concern over the amount of landfill traffic near the V&T Railroad. “... just a lot going on that does not appear to be compatible with an historic railroad.” He expressed appreciation that Mr. San Giacomo attended the meeting personally to provide the presentation.

In response to a further question, Mr. Burnham advised that a City water line and water tank are in the area. “We currently provide free water to the landfill.” In response to a further question, he explained the calculations relative to credit from sales of recovered materials, as outlined in the proposed contract. In response to a further question, Mr. Burnham clarified that “Recology has not proposed that any waste streams come from California. It’s something we’ve talked about because we’ve tried to attract South Lake Tahoe to come to us as a part of this, but they’re not ready yet ...” In response to a further question, Mr. Burnham advised there is no change contemplated relative to the current trash collection process.

Mayor Crowell entertained additional public comment. (6:54:58) Michael Pollard inquired as to whether the amount of recycling is dependent upon the activity of the customers. “Like, right now, we have bins but not everybody uses them. To get to the diversion levels, is it ... assumed that the public is going to react differently than they currently are?” Mr. Burnham advised of the anticipation that “it’ll stay just exactly like it is. It’s dependent upon Recology in order to make the waste diversion goals by using the materials that come on site. They have to sort and use those materials, the composting operation, the sorting on the ground ..., as well as other issues that they would look at.”

(6:55:53) Craig Witt advised that he has had a compost business in Carson City for the last six years. “It’s been an entertaining, exciting adventure in developing this business in the State of Nevada, which is not the leader in the United States in their recycling incentive. In Douglas County, we do a little better job of recycling than any other county in the state.” Mr. Witt expressed support for Recology “due to the fact that they do such a good job at what they do and they encourage small businesses ... and help support the economy by stimulating the recycling industry.” He discussed the benefits of the subject opportunity, and highly recommended Recology.

(6:57:44) In response to a question, Mr. Burnham explained to Bruce Kittess that Waste Management cannot pass on a rate increase without the City’s permission.

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Mayor Crowell expressed a preference for providing the Board members an opportunity to consider the presentation and testimony relative to this item. He requested an analysis to identify waste streams, other than South Lake Tahoe, and relative to the issue of the truck traffic. He thanked the Recology representatives for their patience “as we go down this road.” He expressed the opinion that the State of Nevada is “probably looking at single-stream disposal and mandatory recycling rates,” and advised that an interim legislative committee is considering these issues. Supervisor Aldean expressed agreement for deferring action, and requested to have a “reopener” provision included in the contract in consideration of the diversion rate. Mayor Crowell reiterated his appreciation to the Recology representatives, and requested their continued forbearance. Consensus of the Board was to defer action on this item.

30. BOARD OF SUPERVISORS NON-ACTION ITEMS:

STATUS REVIEW OF PROJECTS, INCLUDING PUBLIC WORKS WATERLINE PROJECT (7:01:33) - None.

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS - None.

CORRESPONDENCE TO THE BOARD OF SUPERVISORS - None.

STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (7:02:09) - Supervisor Abowd thanked “the concerned citizen who made an anonymous phone call that led to the recovery of one of the flower baskets. And we’re still looking for the other one.” Mayor Crowell expressed appreciation for the flower baskets.

STAFF COMMENTS AND STATUS REPORT - None.

31. CITY MANAGER - POSSIBLE ACTION TO APPOINT ONE MEMBER TO THE CONVENTION AND VISITORS BUREAU REPRESENTING THE HOTEL / MOTEL INDUSTRY FOR A TWO-YEAR TERM, EXPIRING JULY 2013 (5:30:23) - Mayor Crowell introduced this item, and reviewed the agenda report. He invited Linda Barnett to the podium.

(5:31:13) Linda Barnett introduced herself for the record. In response to a question, she discussed her interest in serving as a member of the Carson City Convention and Visitors Bureau (“CCCVB”) Board. She thanked Terri McNutt for her service as a member of the CCCVB Board. “She has truly been the voice of the lodging properties.” Mayor Crowell discussed his understanding of tension between the CCCVB Board, the CCCVB staff, and the lodging property representatives. He requested Ms. Barnett to discuss “ideas on how [to] bridge some of those gaps ... to make the CCCVB” more unified in its approach to development of business in Carson City. Ms. Barnett expressed the opinion that development of the recent strategic plan represents “major strides;” that “the lodging properties have enthusiastically embraced this plan. It does lay out what should be done, who should be doing it. We have formed the events committee.” She discussed support for the events center project. She advised of resistance to the recent strategic plan, and that “it’s frustrated a lot of us.” She acknowledged that the lodging property representatives “have not been a very cohesive group ... in the past. There had not been a lot of participation. But, on the other hand, it had been not exactly welcome, our participation. ... we’ve gotten to the point, now, where ... we know what we want, we know what brings our properties business and we’re here to tell you what that is.” Ms. Barnett reiterated support for moving forward according to the strategic plan.

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Supervisor Abowd inquired as to Ms. Barnett's position "on the direction marketing should take ..." Ms. Barnett expressed the opinion that "we have to look at what has been giving us a return on investment ..." She advised of having requested an audit "or put our advertising out to bid and bring in new marketing ideas." She further advised that "most CVBs in other areas, ... every couple of years, they put out to bid their marketing and their advertising and ... bring in those new ideas." She expressed a preference for "opening ourselves up to other entities that can bring in some new ideas."

Supervisor Aldean recalled having read in the strategic plan that the V&T "could be an asset." She inquired as to Ms. Barnett's proposals for making the V&T an asset to the lodging properties. Ms. Barnett acknowledged the V&T as an asset. "... it's just not the be-all and end-all. It is not the drawing force that was promised. It's great after people get here." She expressed opposition to "all of our advertising dollars [going] to just the V&T and the Divine 9. We have to spread that pot around ..." She described 2009 as "the worst year ever in the hospitality business." After that year, lodging property representatives began to work together on a solution. "The proposal was ... that we have to do a short-term fix, a medium fix, and a long-term fix. Our short-term, what's bringing us in the bucks now is ... youth sports, adult sports." Ms. Barnett reiterated support for the events center in consideration of the "medium-term to the long-term." She expressed the personal opinion that the V&T "has to be taken out of the CVB. That's not where a railroad should be run." She expressed the further opinion that so much of the CCCVB staff time has been focused on the V&T "that they've pretty much lost focus on everything else." In response to a further question, she expressed the opinion that the V&T "somewhat has passed its relevance ... Had it open 15 years ago, ... you would have had 15 years of marketing ... It is going to be a difficult situation." She was uncertain as to how to make the V&T relevant to her hotel property. "I can't discount rates enough to put a package together to draw people ..."

Ms. Barnett acknowledged having attended all of the CCCVB Board meetings. Supervisor Walt inquired as to the role of the CCCVB Board in consideration of enhancing tourism. Ms. Barnett expressed the opinion that "there needs to be a willingness by the CVB staff to take into consideration the recommendations of what goes on." In reference to the strategic plan, she suggested "they need to start following that and to be willing to change." She discussed the importance of flexibility in consideration of current trends, and the importance of enthusiasm. Supervisor Walt inquired as to the method by which Ms. Barnett would address concerns relative to Open Meeting Law compliance and the lack of civility at CCCVB Board meetings. Ms. Barnett discussed the importance of improved communication, and accountability "from the CVB to that [CCCVB] Board." She expressed concern that the CCCVB Board "has lost focus as to what they're actually supposed to be overseeing."

Mayor Crowell thanked Ms. Barnett for her application, and commended The Hampton Inn as "a first-class hotel." Ms. Barnett advised that The Hampton Inn has been in the top one percent of all Hampton Inns in the country for the past 17 quarters.

(5:52:16) Carson City Hotels, LLC CEO Jaswinder Singh Dhimi introduced himself for the record and, in response to a question, discussed his interest in serving as a CCCVB Board member. Mr. Dhimi agreed there has been a fair amount of tension surrounding the CCCVB, between the lodging properties and the CCCVB Board and between the lodging properties and the CCCVB staff. He discussed the importance of changing marketing efforts in accordance with the changing times. In response to a question, Mr. Dhimi discussed his experience in the area of tourism, and methods by which to generate more tourism.

Supervisor McKenna inquired as to the part the V&T Railroad would play in plans to bring tourism to Carson City. Mr. Dhimi acknowledged the V&T as an "important part of our town ... so we cannot step

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back.” He described the V&T as “almost like a monument ... so we should find out ways where it actually becomes a driving revenue, where it actually brings in people who stay a minimum one or two nights.” He expressed the opinion that “selling ... the attraction” should be moved to “somebody who can bring more visitors to that and actually bring revenue to the V&T and revenue to the hotels, retail, and other businesses in town.”

Supervisor Aldean discussed the RTC staff’s investigation into the possibility of a shuttle between the temporary V&T depot and downtown Carson City. She inquired as to whether Mr. Dhami would support such an effort in order to make the V&T more relevant. In response to a question, she discussed the intent for the shuttle to “bring people into downtown Carson City so they can visit the various museums, become acquainted with the lodging facilities and where they’re located because the objective is to have them ... spend the night, generate some additional revenue for the City and the lodging properties.” Mr. Dhami discussed his recent visit to Juneau, Alaska, and expressed support for the shuttle concept. “First try to run it on the weekends, see the traffic; maybe seasonal because ... our winters are harsh. Make it a two or three hour guided tour rather than just like a trip because we want to promote it to families, we want to make it fun and attractive.” He discussed logistical considerations and commended the concept as “a great idea to promote more tourism.”

Supervisor Abowd inquired as to Mr. Dhami’s position relative to the direction marketing should take from the CCCVB Board “to promote all the aspects of what we own, not just the V&T, but hiking, biking, skiing, river rafting, golf, all of it.” Mr. Dhami discussed past marketing of the Divine 9, but was uncertain as to “any direct efforts as far as hiking, biking, or any activities ...” He expressed the opinion that recreational activities are not being promoted as well as they should be; that the history of “what has brought people into town ... over the last three to four years” must be considered.” He discussed the success of sports tournaments, and suggested “small shows like ... gun shows, auto shows ... but then our challenge becomes that we don’t have an events center.” He expressed the opinion that “until we get the events center, we need to more focus on the great location we have in terms of hiking, biking ...” Mayor Crowell thanked Mr. Dhami for his application and commended his quality hotel property. Mr. Dhami thanked Mayor Crowell and the Board members.

Mayor Crowell thanked both applicants and Terri McNutt for her previous service on the CCCVB Board and in Carson City over many, many years. The Board members discussed the experience and qualifications of the applicants. Consensus was to appoint Mr. Dhami, and Mayor Crowell entertained a motion.

At Mr. Munn’s suggestion, Mayor Crowell entertained public comment. (6:09:32) Gene Lepire discussed support for CCCVB Board member term limits. He suggested a flat-rate addition to the City’s property tax rate which should be allocated to the V&T Railroad.

(6:12:00) Lori Bagwell made suggestions relative to the Board’s interview process. Following a brief discussion, she expressed support for Mr. Lepire’s suggestion to limit CCCVB Board member terms.

Mayor Crowell entertained a motion. **Supervisor Abowd moved to appoint Jesse Dhami to the Carson City Convention and Visitors Bureau Board to represent the hotel / motel industry for a two-year term, expiring July 2013. Supervisor Aldean seconded the motion. Motion carried 5-0.** Mayor Crowell thanked everyone for their participation.

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32. PUBLIC COMMENT (7:01:44) - Mayor Crowell entertained public comment; however, none was forthcoming.

33. ACTION TO ADJOURN (7:02:57) - Supervisor Aldean moved to adjourn the meeting at 7:02 p.m. Supervisor Walt seconded the motion. Motion carried 5-0.

The Minutes of the August 4, 2011 Carson City Board of Supervisors meeting are so approved this _____ day of September, 2011.

ROBERT L. CROWELL, Mayor

ATTEST:

ALAN GLOVER, Clerk - Recorder