

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 1

DRAFT

A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, May 18, 2017 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Mayor Robert Crowell
Supervisor Karen Abowd, Ward 1
Supervisor Brad Bonkowski, Ward 2
Supervisor Lori Bagwell, Ward 3
Supervisor John Barrette, Ward 4

STAFF: Nick Marano, City Manager
Sue Merriwether, Clerk - Recorder
Adriana Fralick, Chief Deputy District Attorney
Kathleen King, Chief Deputy Clerk

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 Recording Secretaries Division of the Carson City Clerk's Office, during regular business hours.

1 - 4. CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE

(8:31:05) - Mayor Crowell called the meeting to order at 8:31 a.m. Ms. Merriwether called the roll; a quorum was present. First Christian Church Pastor Ken Haskins provided the invocation. At Mayor Crowell's request, Don Leonard led the Pledge of Allegiance.

5. PUBLIC COMMENT (8:33:35) - Mayor Crowell entertained public comment; however, none was forthcoming.

6. POSSIBLE ACTION ON APPROVAL OF MINUTES - April 20, 2017 (8:34:09) - Mayor Crowell entertained suggested revisions and, when none were forthcoming, a motion. **Supervisor Bonkowski moved to approve the minutes, as presented. The motion was seconded and carried unanimously.**

7. POSSIBLE ACTION ON ADOPTION OF AGENDA (8:34:32) - Mayor Crowell entertained modifications to the agenda. Mr. Marano advised that, for item 34(E), the applicant had withdrawn his application. Mayor Crowell entertained additional modifications and, when none were forthcoming, deemed the agenda adopted, as published, with the exception of item 34(E).

8. SPECIAL PRESENTATION OF LENGTH OF SERVICE CERTIFICATES TO CITY EMPLOYEES (8:35:33) - Mayor Crowell introduced this item and, at his request, the Board members moved to the meeting floor. Mayor Crowell presented a Longevity Award to Parks Shop Coordinator Duane Bottoms, commemorating fifteen years of dedicated service to Carson City. Mr. Bottoms acknowledged his retirement, effective next week. Mayor Crowell presented a Longevity Award to Landfill Gate Attendant Abel Arellano, commemorating five years of service to Carson City. Mayor Crowell presented a Longevity Award to Deputy Sheriff Darin Riggan, commemorating ten years of dedicated service to Carson City. Mayor Crowell presented Deputy Sheriff Christopher Rivera a Longevity Award, commemorating fifteen years' continuous and dedicated service to the City. The Board members, City staff, and citizens present applauded each of the honorees.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 2

DRAFT

9. RECESS BOARD OF SUPERVISORS (8:40:42) - Mayor Crowell recessed the Board of Supervisors meeting at 8:40 a.m.

LIQUOR AND ENTERTAINMENT BOARD

10. CALL TO ORDER AND ROLL CALL (8:40:45) - Chairperson Crowell called the meeting to order at 8:40 a.m., noting the presence of a quorum, including Member Ken Furlong.

11. PUBLIC COMMENT (8:40:56) - Mayor Crowell entertained public comment; however, none was forthcoming.

12. POSSIBLE ACTION ON APPROVAL OF MINUTES - April 6, 2017 and April 20, 2017 (8:41:03) - Mayor Crowell entertained suggested revisions and, when none were forthcoming, a motion. **Member Bonkowski moved to approve the minutes, as presented. The motion was seconded, and carried unanimously.**

13. COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION - POSSIBLE ACTION TO APPOINT HOPE SULLIVAN, AICP, PLANNING MANAGER, AS A LIQUOR LICENSE HEARINGS OFFICER (8:41:35) - Chairperson Crowell introduced this item. Community Development Director Lee Plemel provided background information and reviewed the agenda materials. Mr. Plemel responded to questions of clarification. Chairperson Crowell entertained public comment and, when none was forthcoming, a motion. **Member Bagwell moved to appoint Hope Sullivan as a liquor license hearings officer. Member Barrette seconded the motion.** Chairperson Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [6 - 0]
MOVER:	Member Lori Bagwell
SECOND:	Member John Barrette
AYES:	Members Bagwell, Barrette, Abowd, Bonkowski, Furlong, and Chair Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

14. PUBLIC COMMENT (8:43:42) - Chairperson Crowell entertained public comment; however, none was forthcoming.

15. ACTION TO ADJOURN LIQUOR AND ENTERTAINMENT BOARD MEETING (8:43:52) - Chairperson Crowell adjourned the meeting at 8:43 a.m.

16. RECONVENE BOARD OF SUPERVISORS MEETING (8:43:57) - Mayor Crowell reconvened the Board of Supervisors meeting at 8:43 a.m.

CONSENT AGENDA

(8:43:58) Mayor Crowell entertained requests to hear items separate from the consent agenda. Supervisor Bonkowski requested to separately hear item 19. Mayor Crowell entertained a motion. **Supervisor Bonkowski moved to approve the consent agenda, consisting of items 17 and 18. Supervisor Bagwell**

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

seconded the motion. Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Lori Bagwell
AYES:	Supervisors Bonkowski, Bagwell, Abowd, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

17. CITY MANAGER - POSSIBLE ACTION TO RATIFY THE APPROVAL OF BILLS AND OTHER REQUESTS FOR PAYMENTS BY THE CITY MANAGER, FOR THE PERIOD OF APRIL 8, 2017 THROUGH MAY 5, 2017

18. FINANCE DEPARTMENT - POSSIBLE ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY, AND THE STATEMENTS OF RECEIPTS AND EXPENDITURES, THROUGH MAY 5, 2017, PURSUANT TO NRS 251.030 AND NRS 354.290

19. PURCHASING AND CONTRACTS - POSSIBLE ACTION TO APPROVE THE FORENSIC SUPPORT SERVICES AGREEMENT, BETWEEN WASHOE COUNTY, ON BEHALF OF THE WASHOE COUNTY SHERIFF'S OFFICE, AND CARSON CITY, ON BEHALF OF THE CARSON CITY SHERIFF'S OFFICE, FILE NO. 1718-003, FOR A FEE NOT TO EXCEED \$127,910, TO BE FUNDED FROM THE PROFESSIONAL SERVICES / LABORATORY EXPENSE ACCOUNT; THE TERM OF THIS AGREEMENT IS JULY 1, 2017 THROUGH JUNE 30, 2018 (8:44:42) - Mayor Crowell introduced this item, and Purchasing and Contracts Administrator Laura Rader reviewed the agenda materials. Sheriff Ken Furlong acknowledged that the subject contract is paid as services are rendered, which is different than other contracts. Ms. Rader and Sheriff Furlong responded to questions of clarification.

Mayor Crowell entertained additional questions or comments and, when none were forthcoming, public comment. When no public comment was forthcoming, Mayor Crowell entertained a motion. **Supervisor Bonkowski moved to approve the Forensic Support Services Agreement, between Washoe County, on behalf of the Washoe County Sheriff's Office, and Carson City, on behalf of the Carson City Sheriff's Office, for a fee not to exceed \$127,910, to be funded from the professional services / laboratory expense account. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Karen Abowd
AYES:	Supervisors Bonkowski, Abowd, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 4

DRAFT

ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

20. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (8:44:37) - Please see the minutes for item 19.

21. CARSON CITY AIRPORT AUTHORITY - POSSIBLE ACTION TO APPROVE AND ACCEPT THE 2016 FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT GRANT NO. 3-32-0004-31, IN THE APPROXIMATE AMOUNT OF \$440,625.00, FOR USE IN CONDUCTING A NEW AIRPORT MASTER PLAN STUDY (8:49:19) - Mayor Crowell introduced this item, read a prepared disclosure statement into the record, and advised that he would abstain from deliberation and action in consideration of a previous professional relationship with Airport Authority Counsel Steve Tackes. Mayor Crowell passed the gavel to Mayor *Pro Tem* Karen Abowd, and left the meeting room.

(8:50:26) Airport Authority Counsel Steve Tackes introduced Airport Manager Tim Rowe, and reviewed the agenda materials. In reference to the late material which was distributed to the Board members, the Clerk, and made available to the public, Mr. Tackes stated, "... candidly, the statements in that letter are patently false. ... we've dealt with this before but he states that the FAA has sent a notice to the Carson City Airport Authority for not being in full compliance and they're conducting a reinspection for not enforcing Title 19. That's not true. What the FAA sent us, and the letter that's attached is a letter from the FAA saying they got a complaint from Mr. Vaccaro and they want us to look into it. We did look into it fairly extensively. We provided a response, which is considerably thicker than the complaint letter, in which we went through and explained to them the steps that we're taking to develop a hangar-use monitoring policy at the airport in compliance with the FAA's adoption of the new policy this last summer, which actually goes into effect in July of this year. In addition to that, the chair of the Airport Authority actually went out, on a Saturday, ... to visit as many of the hangars that were complained about. And, in every case, she found the hangar was used primarily for aviation, had a working airplane in position in the hangar that demonstrated that was the primary use of the hangar. So, we've got no facts to support it. We've relayed that information back to the FAA, and we've requested the FAA to close this complaint.

"Notably, the complaint was never in writing. So when the FAA ... sent us that letter, our first response was '... send us a copy of the complaint so that we can make sure that we're responsive.' And the response we got back was, 'Well, we never got a complaint. We got a bunch of phone calls from Mr. Vaccaro.' And so their letter was their best attempt at trying to put, in their writing, the complaints that they had heard. And that's what they responded to.

"In addition, he's got a statement in here about my law firm having been paid a very large amount of money over the last ten years. I wish that was true. I'm sure the value of my services was that much but I can tell you right now, if you look at the audited financials, the amount that I've been paid over the last ten years is significantly less than that. And then he makes the statement that we've not enforced Title 19 for the past ten years. It's not helpful to get statements like that without any specifics. We attempt, very diligently, to enforce Title 19 at the airport. That's kind of our guiding document at the airport and so broad statements like that are not helpful without specifics." Mr. Tackes advised that Mr. Rowe was directed to respond to the FAA and "did in fact provide what I've showed you before ..."

Mr. Tackes requested the City's approval "on a grant that the Airport Authority has already approved that we expect to get from the FAA. We don't know when but, when it comes, it has a very short turn around time period to accept it. It's too short to wait to get it and then get approval. ... As with all FAA grants,

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 5

DRAFT

the funds that are supplied to us, 94% of the project is paid for by the FAA, 6% is paid for out of the airport funds. The City is not being asked to contribute any money. It's all financed through the airport's own funds."

In response to a question, Mr. Tackes was uncertain as to a connection between the subject item and Mr. Vaccaro's letter. He suggested that the "premise of Mr. Vaccaro's letter is that you shouldn't approve this because something else is going on. Certainly, if there is something else going on, we want to know about it. We've asked Mr. Vaccaro on previous occasions, many times, to provide us with the evidence so we can track it down but each time we're provided with information, for example, the list of hangars that he gives, when we go out and check it, it's not evidence of a violation of Title 19. So, I don't know what the connection is."

In response to a question, Mr. Tackes advised that the last master plan study of the airport was conducted in 2002. He advised that the master plan was amended in 2008. Mr. Tackes responded to additional questions of clarification, and discussion ensued.

Mayor *Pro Tem* Abowd entertained additional Board member questions or comments and, when none were forthcoming, public comments. When no public comments were forthcoming, Mayor *Pro Tem* Abowd entertained a motion. **Supervisor Bonkowski moved to approve and accept the FAA AIP Grant, in the approximate amount of \$440,625, for use in conducting a new airport master plan study, conditioned on receipt of FAA funding, and to authorize the execution of such documents as may be necessary to receive the FAA funds. Supervisor Barrette seconded the motion.** Mayor *Pro Tem* Abowd entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [4 - 0 - 1]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor John Barrette
AYES:	Supervisors Bonkowski, Barrette, Bagwell, and Mayor <i>Pro Tem</i> Abowd
NAYS:	None
ABSENT:	None
ABSTAIN:	Mayor Robert Crowell

Mayor *Pro Tem* Abowd returned the gavel to Mayor Crowell, who had returned to the meeting room.

22. PURCHASING AND CONTRACTS - POSSIBLE ACTION TO APPROVE THE PURCHASE OF ONE FIRE DEPARTMENT TYPE 1 AMBULANCE FROM THE HOUSTON - GALVESTON AREA COUNCIL ("HGAC") BUY PROGRAM COOPERATIVE PURCHASING AGREEMENT FOR A NOT-TO-EXCEED AMOUNT OF \$224,560, TO BE FUNDED FROM THE VEHICLE REPLACEMENT ACCOUNT (9:06:16) - Mayor Crowell introduced this item, and Purchasing and Contracts Administrator Laura Rader reviewed the agenda materials. At Mayor Crowell's request, Fleet Supervisor Zach Good discussed the need for the vehicle. Mr. Good acknowledged that the purchase is budgeted. In response to a further question, he advised that the vehicle was auctioned for "residual value."

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to approve the purchase of one Fire Department Type 1 Ambulance from HGAC Buy Program Cooperative Purchasing Agreement, for a not-to-exceed amount of \$224,560, to be funded**

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

from the vehicle replacement account. Supervisor Bagwell seconded the motion. Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Karen Abowd
SECOND:	Supervisor Lori Bagwell
AYES:	Supervisors Abowd, Bagwell, Bonkowski, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

23. HUMAN RESOURCES DEPARTMENT

23(A) DIRECTION AND POSSIBLE ACTION TO FIND THAT THE CITY HAS SUFFICIENT FINANCIAL RESOURCES TO PAY THE INCREASED SALARIES FOR CITY OFFICERS AND THE BOARD OF SUPERVISORS, FOR FISCAL YEAR 2018, AND TO APPROVE THE INCREASE AS OUTLINED IN STATE LAW (9:08:42) - Mayor Crowell introduced this item, and Human Resources Department Director Melanie Bruketta reviewed the agenda materials. In response to a question, Ms. Bruketta advised of having been informed by the Chief Financial Officer that the City has sufficient financial resources to pay the increased salaries. Mayor Crowell entertained public comment; however, none was forthcoming. Supervisor Barrette advised that he would decline the increase. Supervisor Abowd advised that she had declined the increase in the past and would do so again. Supervisor Bonkowski concurred. Supervisor Bagwell and Mayor Crowell also declined. Mayor Crowell reviewed the process for the Board members to send individual correspondence to Ms. Bruketta declining the increase. Mayor Crowell called again for public comment and, when none was forthcoming, entertained a motion. **Supervisor Bagwell found that the City has sufficient financial resources to pay the increased salaries for elected city officers and the Board of Supervisors for FY 2018, and moved to approve the increases as outlined in state law and allow the Human Resources Department Director to receive letters opting out. Supervisor Bonkowski seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Lori Bagwell
SECOND:	Supervisor Brad Bonkowski
AYES:	Supervisors Bagwell, Bonkowski, Abowd, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

23(B) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE RELATING TO PUBLIC EMPLOYMENT; AMENDING TITLE 2, ADMINISTRATION AND PERSONNEL, BY REPEALING, AS OBSOLETE, SECTION 2.04.371, SCHEMATIC OF CLASS SERIES; REPEALING SECTION 2.04.383, PERSONNEL COMPENSATION SCHEDULE; AMENDING SECTION 2.04.400, PUBLIC OFFICERS, TO CLARIFY THE IDENTITY OF “PUBLIC OFFICERS” FOR PURPOSES OF ETHICS IN GOVERNMENT; REPEALING SECTION 2.04.410, ELECTED AND APPOINTED OFFICERS AND EMPLOYEES ANNUAL, SICK, AND DISABILITY LEAVE (9:11:55) - Human Resources Department Director Melanie Bruketta

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

introduced this item, and reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, Board member questions or comments. When no Board member questions or comments were forthcoming, Ms. Fralick explained a typographical error in the title of the Code. Ms. Fralick advised of the possible need to clarify the definition of “public officers” depending on the outcome of a pending legislative bill.

Supervisor Bagwell commended the District Attorney’s Office on coordinating with City department heads to ensure efficient updates to the Carson City Municipal Code. “This fits one of our audit requirements.” Mayor Crowell entertained a motion. **Supervisor Bonkowski moved to introduce, on first reading, Bill No. 110, an ordinance relating to public employment; amending Title 2, Administration and Personnel, by repealing, as obsolete, Section 2.04.371, Schematic of Class Series; repealing Section 2.04.383, Personnel Compensation Schedule; amending Section 2.04.400, Public Officers, to clarify the identity of “Public Officers” for purposes of ethics in government; repealing Section 2.04.410, Elected and Appointed Officers and Employees Annual, Sick, and Disability Leave; and providing other matters properly related thereto. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Karen Abowd
AYES:	Supervisors Bonkowski, Abowd, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

23(C) DISCUSSION AND POSSIBLE ACTION TO APPROVE THE EMPLOYEE / RETIREE HEALTH INSURANCE CONTRACT WITH PROMINENCE HEALTH PLAN; DENTAL AND LIFE INSURANCE CONTRACTS WITH STANDARD; AND VISION INSURANCE CONTRACT WITH EYEMED (9:16:35) - Mayor Crowell introduced this item, and Human Resources Department Director Melanie Bruketta introduced L/P Insurance Vice President Kevin Monaghan. Ms. Bruketta reviewed the agenda materials. Mr. Monaghan and Ms. Bruketta responded to questions of clarification.

Mayor Crowell entertained additional Board member questions or comments and, when none were forthcoming, public comments. When no public comment was forthcoming, Mayor Crowell entertained a motion. **Supervisor Abowd moved to approve the employee / retiree health insurance contract with Prominence Health Plan, dental and life insurance contracts with Standard, and vision insurance contract with EyeMed. Supervisor Barrette seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Karen Abowd
SECOND:	Supervisor John Barrette
AYES:	Supervisors Abowd, Barrette, Bonkowski, Bagwell, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 8

DRAFT

24. FINANCE DEPARTMENT

24(A) POSSIBLE ACTION TO ADOPT A RESOLUTION SETTING THE AD VALOREM TAX RATE FOR COUNTY COOPERATIVE EXTENSION FOR FY 2018 AT 1.28 CENTS PER \$100 OF ASSESSED VALUATION (9:24:32) - Mayor Crowell introduced this item, and entertained disclosures. Supervisor Abowd read a prepared disclosure statement into the record, and advised that she would abstain from participating in discussion and action on this item. Mayor Crowell entertained additional disclosures; however, none were forthcoming. Chief Financial Officer Nancy Paulson introduced Deputy Chief Financial Officer Sheri Russell, and reviewed the agenda materials.

At Supervisor Bonkowski's request, Cooperative Extension Educator Lindsey Chichester discussed future programming and associated costs. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Bonkowski moved to adopt Resolution No. 2017-R-9, a resolution setting the ad valorem tax rate for County Cooperative Extension for FY2018 at 1.28 cents per \$100 of assessed valuation. Supervisor Bagwell seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [4 - 0 - 1]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Lori Bagwell
AYES:	Supervisors Bonkowski, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	Supervisor Karen Abowd

24(B) POSSIBLE ACTION TO ADOPT A RESOLUTION CREATING THE SCHULZ RANCH LANDSCAPE MAINTENANCE FUND, A SPECIAL REVENUE FUND (9:32:35) - Mayor Crowell introduced this item, and Chief Financial Officer Nancy Paulson reviewed the agenda materials. Mayor Crowell entertained Board member and public questions or comments and, when none were forthcoming, a motion. **Supervisor Bonkowski moved to adopt Resolution 2017-R-10, a resolution creating the Schulz Ranch Landscape Maintenance Fund, a special revenue fund. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Karen Abowd
AYES:	Supervisors Bonkowski, Abowd, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

24(C) POSSIBLE ACTION TO APPROVE THE CARSON CITY FINAL BUDGET FOR FISCAL YEAR 2018 (9:33:42) - Mayor Crowell introduced and opened the public hearing on this item. Chief Financial Officer Nancy Paulson reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, closed the public hearing.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Mayor Crowell entertained discussion of the Board members. Supervisor Barrette reiterated his priority for road improvement / maintenance. Mayor Crowell entertained additional questions or comments of the Board members and, when none were forthcoming, a motion. **Supervisor Abowd moved to approve the Carson City Final Budget for FY 2018, as presented. Supervisor Bagwell seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Karen Abowd
SECOND:	Supervisor Lori Bagwell
AYES:	Supervisors Abowd, Bagwell, Bonkowski, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

25. RECESS BOARD OF SUPERVISORS (9:40:33) - Mayor Crowell recessed the Board of Supervisors meeting at 9:40 a.m.

REDEVELOPMENT AUTHORITY

26. CALL TO ORDER AND ROLL CALL (9:40:48) - Chairperson Karen Abowd called the Redevelopment Authority meeting to order at 9:40 a.m., noting the presence of a quorum.

27. PUBLIC COMMENT (9:40:55) - Chairperson Abowd entertained public comment; however, none was forthcoming.

28. POSSIBLE ACTION ON APPROVAL OF MINUTES - April 6, 2017 and April 20, 2017 (9:41:06) - Chairperson Abowd entertained a motion to approve the minutes. **Member Bonkowski moved to approve the minutes, as presented. Member Crowell seconded the motion. Motion carried 5-0.**

29. FINANCE DEPARTMENT - POSSIBLE ACTION TO APPROVE THE CARSON CITY REDEVELOPMENT AUTHORITY FINAL BUDGET FOR FISCAL YEAR 2018 (9:41:33) - Chairperson Abowd introduced this item and opened the public hearing. Chief Financial Officer Nancy Paulson reviewed the agenda materials. Chairperson Abowd entertained public comment and, when none was forthcoming, closed the public hearing.

Chairperson Abowd entertained Redevelopment Authority member discussion. Vice Chairperson Bagwell reviewed the purpose for, and the mechanism of, redevelopment funding, for the benefit of the public. Following a brief discussion, Chairperson Abowd entertained a motion. **Vice Chairperson Bagwell moved to approve the Carson City Redevelopment Authority Final Budget for FY 2018. Member Barrette seconded the motion.** Chairperson Abowd called for a vote on the pending motion.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

RESULT:	Approved [5 - 0]
MOVER:	Vice Chair Lori Bagwell
SECOND:	Member John Barrette
AYES:	Vice Chair Bagwell, Members Barrette, Bonkowski, Crowell, and Chair Abowd
NAYS:	None
ABSENT:	None
ABSTAIN:	None

30. PUBLIC COMMENT (9:45:17) - Chairperson Abowd entertained public comment; however, none was forthcoming.

31. ACTION TO ADJOURN REDEVELOPMENT AUTHORITY (9:45:23) - Chairperson Abowd adjourned the Redevelopment Authority meeting at 9:45 a.m.

32. RECONVENE BOARD OF SUPERVISORS MEETING (9:57:49) - Mayor Crowell reconvened the Board of Supervisors meeting at 9:57 a.m.

33. PUBLIC WORKS DEPARTMENT

33(A) POSSIBLE ACTION TO ADOPT A RESOLUTION DETERMINING THAT CARSON CITY'S INTEREST IN WATER PERMIT 36079, CERTIFICATE NO. 11627, LOCATED IN WASHOE VALLEY, TOTALING 8.62 ACRE FEET, IS NO LONGER REQUIRED FOR PUBLIC USE AND THE SALE OF THESE WATER RIGHTS IS DESIRABLE AND IN THE BEST INTERESTS OF THE CITY, PURSUANT TO NRS 533.550 AND NRS 332.185, AND TO AUTHORIZE A METHOD OF OPEN MARKET SALE FOR SAID PERSONAL PROPERTY THROUGH THE CITY'S ONLINE BID MANAGEMENT SYSTEM, GIVING STAFF THE AUTHORITY TO ACCEPT FINAL AND HIGHEST BID (9:57:52) - Mayor Crowell introduced this item. Real Property Manager Stephanie Hicks introduced Consultant Bruce Scott, and reviewed the agenda materials. Mr. Scott clarified that "this is not a water right that we can easily use in any other manner as Carson City Municipal Water System. It's in Washoe Valley and we have no other location from which we could pump it. And it's not a big enough water right to justify seriously looking to drill a well for a little less than nine acre feet of water. So, it's really of no great use to the utility and ... is much better off being maintained as an asset in the Washoe Valley Groundwater Basin under somebody else's ownership with a little bit of a bump in the utilities budget as a result."

Supervisor Bonkowski advised that the value was established at \$50,000 "because there's been no sales of water rights. So, in appraisal-speak, that means they don't know what the value is and so they've based it on the last sales data that they could find. So it'll be interesting to see where bids come in." In response to a comment, Mr. Scott advised that the word will be out "in a ... bigger way." He stated, "I would never second-guess the appraisal but I'm very optimistic with regard to the sales." Supervisor Bonkowski anticipates that the water right will sell for more than \$50,000. In response to a question, Mr. Scott advised that, in order for the water rights to be used for agricultural purposes, "they would have to be approved by the State Engineer for a change in the manner of use." He "would not sell them or represent them as being able to be converted to an agricultural use because the State Engineer's tendency in a critical ground water basin ... is not to allow what they consider to be a non-preferred use, which would be irrigation. ... It could be residential and somebody, for example, who had a pond. ... there are a number of folks in Washoe Valley with ponds and other water uses that would be kind of expanded landscaping and site improvements

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 11

DRAFT

that wouldn't necessarily have to be classified as irrigation that could be utilized under the municipal heading." Discussion followed.

Mr. Scott acknowledged the water right is under a "use it or lose it scenario." In response to a further question, he explained "we are under an approved extension of time for the working of a forfeiture on this water right. ... the State Engineer has said, and this has evolved over the last couple of years, 'You haven't used the water right. It doesn't appear to us that you're in a position to use it. You've got to do something,' and they gave us a year. We applied for an extension for one year, which we've received, and so we are in good shape ... with plenty of time to go through the process of selling this water right and having a buyer move it to a more suitable location. But we are definitely on a time line that says we really need to move forward."

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Bonkowski moved to adopt Resolution No. 2017-R-11, determining that Carson City's interest in Water Permit 36079, Certificate 11627, located in Washoe Valley, totaling 8.62 acre feet, is no longer required for public use and the sale of these water rights is desirable and in the best interests of the City, pursuant to NRS 533.550 and NRS 332.185, and to authorize the method of open market sale for said personal property, through the City's online bid management system, giving staff the authority to accept final and highest bid. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Karen Abowd
AYES:	Supervisors Bonkowski, Abowd, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

33(B) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 11, IN ORDER TO ADD CHAPTER 11.35, REGARDING ENCROACHMENT PERMITS FOR OUTDOOR DINING AND MERCHANDISE DISPLAY IN THE CARSON CITY RIGHT-OF-WAY IN DOWNTOWN CARSON CITY (10:06:34) - Mayor Crowell introduced this item, and commended Real Property Manager Stephanie Hicks on her efforts relative to this item. Ms. Hicks provided background information and reviewed the agenda materials. Ms. Hicks and Community Development Director Lee Plemel responded to questions of clarification, and discussion ensued. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to introduce, on first reading, Bill No. 111, an ordinance amending Carson City Municipal Code, Title 11, in order to add Chapter 11.35 regarding encroachment permits for outdoor dining and merchandise display in the Carson City right-of-way in downtown Carson City. Supervisor Bonkowski seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 12

DRAFT

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Karen Abowd
SECOND:	Supervisor Brad Bonkowski
AYES:	Supervisors Abowd, Bonkowski, Bagwell, Barrette, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

34. COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION

34(A) POSSIBLE ACTION TO APPROVE HARDSHIP DETERMINATIONS RELATED TO THE DOWNTOWN NEIGHBORHOOD IMPROVEMENT DISTRICT ASSESSMENT FOR APPLICANTS MEETING THE REQUIRED CONDITIONS, AND DIRECTING THE CITY ENGINEER TO POSTPONE THE ASSESSMENT FOR ANY APPROVED HARDSHIP DETERMINATION APPLICANTS IN ACCORDANCE WITH NRS 271.360 (10:17:58) - Mayor Crowell introduced this item, and Community Development Director Lee Plemel reviewed the agenda materials. Mayor Crowell entertained applications for hardship determination; however, none were forthcoming. Mr. Plemel responded to questions of clarification regarding the language of Section 3.2.1, and discussion ensued. Mayor Crowell entertained public comment and, when none was forthcoming, closed this item.

34(B) PUBLIC HEARING TO TAKE PUBLIC COMMENT REGARDING THE FILING OF THE ASSESSMENT ROLL FOR THE DOWNTOWN NEIGHBORHOOD IMPROVEMENT DISTRICT, TO CONSIDER WRITTEN OBJECTIONS CONCERNING THAT AREA TO BE ASSESSED, AND TO CONSIDER ALL COMPLAINTS, PROTESTS, AND OBJECTIONS TO THE ASSESSMENT, PURSUANT TO NRS 271.385 (10:22:08) - Mayor Crowell introduced this item, and opened the public hearing. Community Development Director Lee Plemel reviewed the agenda materials. Mayor Crowell entertained public testimony and, when none was forthcoming, closed the public hearing.

34(C) POSSIBLE ACTION TO ADOPT A RESOLUTION CONFIRMING THE DOWNTOWN NEIGHBORHOOD IMPROVEMENT DISTRICT (“NID”) ASSESSMENT, DISPENSING WITH COMPLAINTS, PROTESTS, AND OBJECTIONS TO THE ASSESSMENT, AND RATIFYING THE CITY ENGINEER’S ASSESSMENT ROLL FOR FY 2017 - 18 FOR THE DOWNTOWN NID FOR THE MAINTENANCE OF THE DOWNTOWN STREETScape ENHANCEMENT PROJECT (10:24:51) - Mayor Crowell introduced this item, and Community Development Director Lee Plemel reviewed the agenda materials. In response to a question, Mr. Plemel advised that the Downtown NID Board is not required to take action on the subject item. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Bonkowski moved to adopt Resolution No. 2017-R-12, confirming the Downtown Neighborhood Improvement District assessment, with the exception of the item under late material for 412 North Curry Street, APN 3-225-10, which will be adjusted pursuant to staff’s recommendations, dispensing with any additional complaints, protests, and objections to the assessment, and ratifying the City Engineer’s assessment roll for FY 2017 - 18 for the Downtown Neighborhood Improvement District for the maintenance of the Downtown Streetscape Enhancement Project. Supervisor Barrette seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 13

DRAFT

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor John Barrette
AYES:	Supervisors Bonkowski, Barrette, Abowd, Bagwell, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

34(D) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE RELATED TO IMPROVEMENT DISTRICTS, ESTABLISHING PROVISIONS TO LEVY THE DOWNTOWN NEIGHBORHOOD IMPROVEMENT DISTRICT ASSESSMENT FOR FISCAL YEAR 2017 - 18 FOR THE MAINTENANCE OF THE DOWNTOWN STREETSCAPE ENHANCEMENT PROJECT (10:27:07) - Mayor Crowell introduced this item, and Community Development Director Lee Plemel reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Bonkowski moved to introduce, on first reading, Bill No. 112, an ordinance related to improvement districts, establishing provisions to levy the Downtown Neighborhood Improvement District assessment for FY 2017 - 18, for the maintenance of the Downtown Streetscape Enhancement Project, incorporating the adjustments from the previous item to be brought back for second reading, and providing other matters properly related thereto. Supervisor Barrette seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor John Barrette
AYES:	Supervisors Bonkowski, Barrette, Abowd, Bagwell, and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

34(E) POSSIBLE ACTION TO CONSIDER A REQUEST FROM DOUG CRAMER TO APPROVE A VENDOR CART TO BE LOCATED ON McFADDEN PLAZA AT 224 SOUTH CARSON STREET, MOM & POP'S DINER, PURSUANT TO THE PROVISIONS OF THE CARSON CITY MUNICIPAL CODE, DEVELOPMENT STANDARDS, DIVISION 1.11 AND DOWNTOWN MIXED-USE DEVELOPMENT STANDARDS, DIVISION 6.6.9 - Withdrawn.

34(F) POSSIBLE ACTION TO PROVIDE DIRECTION TO STAFF REGARDING THE PREPARATION OF AN ORDINANCE TO ADDRESS PERMITTING OF RECREATIONAL MARIJUANA ESTABLISHMENTS IN CARSON CITY, INCLUDING PROVISIONS FOR ZONING AND BUSINESS LICENSE REQUIREMENTS (10:28:32) - Mayor Crowell introduced this item, and entertained disclosures. Supervisor Bonkowski read a prepared disclosure statement into the record, and advised that he would participate in discussion and action on this item. Mayor Crowell read a prepared disclosure statement into the record, and advised that he would participate in discussion and action on this item. Community Development Director Lee Plemel provided background information on this item, and reviewed the agenda materials in conjunction with displayed slides.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 14

DRAFT

Mayor Crowell entertained public comment. (10:41:38) Attorney Will Adler, of Sierra Cannabis Coalition, introduced Anthony Georgiadis of GTI Rise. Mr. Georgiadis narrated a SlideShow presentation on GTI Rise. (10:48:50) Mr. Adler discussed support for the temporary Early Start Program, and provided an overview of the facilities he represents.

In response to a question, Mr. Georgiadis discussed GTI Rise's intention to expand into a recreational marijuana dispensary. In response to a question, Mr. Adler described details of the temporary Early Start Program. He responded to additional questions of clarification, and discussion followed.

Mr. Marano explained that, based on Mr. Plemel's presentation, the Board was being requested to provide "direction to staff to develop the language that would permit our existing medical marijuana establishments from selling retail marijuana. That's the Early Start Program. ... The Early Start Program is simply the existing medical dispensaries being authorized to sell retail marijuana, on a temporary basis, until April of 2018. ... If the Board is going to desire to either extend our existing moratorium or to take action to zone out recreational marijuana facilities, then the recommendation from the D.A. is that we hold hearings before you go down that route."

(11:01:43) Kurt Brown, owner of Capital Beverages and Palladin, LLC and representing K.G. Brown, LLC, provided background information on Capital Beverages. Mr. Brown stated, "The petition that was passed in November gave the right to alcoholic beverage distributors to distribute marijuana with caveats. One of those things ... is the zoning ... I'm currently zoned for alcohol but not marijuana so you can look at it in two ways, in my opinion. Either it's a marijuana facility or it's a transportation facility. Under the guidelines and the petition that are passed, that gives the alcoholic beverage distributor the right to pick up and deliver marijuana products from facilities."

(11:03:16) Partnership Carson City Executive Director Kathy Bartosz respectfully requested the Board "to consider one of the two options. Of course, the tougher one, ... would be the total zoning out that Douglas County has put into place. But I would also be pretty happy if we were at least to get the moratorium on recreational marijuana until the final version of the Department of Taxation's regulations are completed in January 2018. And, of course, our intent is not to put the medical marijuana operations out of business. They can continue to help people in need of their medicine and they can also continue to export their medicinal marijuana to Las Vegas or wherever outside of Carson City chooses to buy it from them."

Ms. Bartosz expressed "no problem with the Department of Taxation's proposed temporary regulations, other than they are ... far from complete at this point. When you look at those regulations that were put into place for medical marijuana, that was done without the experiences that we've had now to date. What is now happening in our legislature, as of today, there are still 23 medical marijuana bills that have not been determined. They're still up in the air. The outcomes of those would, indeed, affect the Department of Taxation's modifications to their regulations. ... the Governor put together eight working groups ... to ... look beyond the existing regulations, which are designed to really maintain the internal controls on the various facilities that we have. They really don't step outside beyond the door where the client is going after they go there to help ensure more of a community-safety based approach."

Ms. Bartosz discussed concerns that "we, along with our Sheriff and other non-profits, ... receive federal funds. When we receive those federal funds, ... there's seven pages of assurances. One of the main ones ... is that we must comply with all federal law. Now, the question has come up that if we are to receive funds that come from the sale or distribution of an illegal substance, we can't touch it." Ms. Bartosz advised of having spoken with the U.S. Attorney's representative in Nevada and "the one in Oregon and

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 15

DRAFT

I have a message in to the one in Colorado all with the same question. How far do we have to be removed from the funds in order to be able to accept them? ... They have yet to respond and they said, 'we haven't had this question yet,' but if it says we will not engage in any illegal activity, that's an illegal activity. So ... we have our hands tied right now and, until this question comes to us in writing with a response saying that we are free and clear to do this, we're unable to accept those funds. So we like the idea of people being generous and thinking of us and trying to help undo whatever need for treatment or prevention comes into play. It would be great but, right now, until we get something in writing back, I can't take that chance ...” Discussion followed, and Ms. Bartosz summarized a May 10th memo from Attorney General Sessions, indicating that “he wants to continue to see people actively and aggressively enforcing federal law. ... ‘Any inconsistent previous policy of the Department of Justice related to these matters is rescinded effective today.’”

Ms. Bartosz encouraged the Board to support “a thoughtful and responsible, created and complete, set of regulations, not throwing something together so that we can move quickly and be out the door by July 1st. ... we're not really sure what the hurry is, but we would ask you to please hold strong until January 1st, when the State Department of Taxation should have their regulations done and ours can model something that is thoroughly thought through and responsible and takes into consideration the quality and the culture these things create in our community.”

(11:12:06) Linda Lang advised that she would take “a little bit more of a global approach from [her] involvement with the Governor’s Task Force and a member of the Safety, Health, and Education Working Group. ... there were 19 members that were assigned to the Governor’s Task Force on the Regulation and Taxation of Marijuana and 8 working groups, for a total of 120 people ... During this process, of the 8 working groups, there were five of them that really focused on what we’re talking about today, which is looking at the medical marijuana process, the establishments, the way it’s set up, and how they can move forward to the recreational. And that was the production and manufacturing, cultivation, laboratories, transportation, disposal, storage, and taxation. ... they moved forward as the industry and really looked at how they can take what they have right now and adopt that and move forward.

“... the three that were really interesting ... were the retail establishments, the law enforcement, and the safety, health, and education. And ... about 70 to 72 recommendations came out of this ... so those recommendations are going to the Governor now and going to the Department of Taxation to take into consideration. They have not been 100 percent vetted. They are still in the process of being looked at as what’s going to be adopted, what’s going to be included in the regulations, etc.

“... there are four of them that ... apply to what we’re talking about today. Not the next step into expanding into recreational, but moving from doing this Early Start Program. And ... recreational is not the same as medical. One of them was addressed today already which was the access. There was a lot of discussion about availability of medical marijuana to patients who need it. ... Then having those establishments combined. Then you’re going to have visitors coming in and those that are supposed to be 21 years of age or older. I was really happy to see that that was addressed today by separate entry points. The next step to that, though, is a completely different way of identification for ... those under 21 years of age versus a medical marijuana patient. Those that are patients have already been vetted through the State of Nevada. ... Those that are ... visiting from out of state, those that are locals are there for recreational. The same training needs to be in place for our medical marijuana establishments that are in place for all of those that sell alcohol right now. This was discussed, at length, and was one of the recommendations. It is very, very different. That is fake I.D., that is how to keep over-intoxication, however that looks under marijuana; all those different types of things; how to refuse a sale, etc. That is something that would affect the early start.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 16

DRAFT

“Another one that was really interesting was ... talking about delivery. Delivery of medical marijuana is legal. Recreational, ... you can have ten ounces of marijuana to provide to ten people recreationally. What does that look like in our City? ... What would law enforcement do with that if they stopped somebody? We have a lot of things that have to be worked out.

“The last one is the advertising and there was ... dissension on the advertising. There’s also dissension on the agent training. The industry did not want to go outside of their internal training and do an outside training for their agents. The other discussion is in advertising, which is adopting the minimum advertising that we have right now but the law enforcement made a recommendation of stronger advertising, adopting some of the things ... from other states. And the committee I was on, the Safety, Health, and Education, also put in a very, very lengthy dissension as to the recommendation that was made by the retail group. Ms. Lang suggested developing two working groups “to involve some of the citizens; people at the table just like we did at the State. It was a very valuable process that we went through.”

In reference to the pending legislation, Ms. Lang discussed SB 344 which is stronger regulations on edibles. “That one is one that is being supported by quite a few entities across the state and that is a positive for when it gets into recreational. But the other one is the public usage, and that’s another thing that we have to think about ... If we do this early start, and if we open up the recreational sales of it, the next step is, then there’s going to be usage in our community and that is SB 236 which is a really big one ... for our local community.” Ms. Lang suggested waiting until July 1st. “The legislature will be out [in early June]. We’ll know what laws have passed. We’ll know what we’re working with.” She noted that the Department of Taxation will have temporary regulations in place by that time, “and then you can make a decision after that.” She requested the Board to consider waiting “until after the legislative session is over and move forward in a proper manner.” Ms. Lang responded to questions of clarification, and discussion followed.

In response to a question, Mr. Marano advised that “a week ago Monday, the Tax Commission approved the Department of Taxation’s Early Start regulations. They are, in fact, in effect. That’s what’s in front of the Board today. We will bring back an ordinance change, specifically to Title 18, in June and July, as Lee Plemel outlined in his presentation a short while ago. ... I think we’re all worried about SB 236, which is the private marijuana club ... bill. That passed in a party-line vote. The expectation is that the Governor would veto that bill. So we’re going to wait and see how that one goes. And we’re worried about marijuana in public places.”

(11:26:39) Kurt Brown advised of having been informed by legal counsel that the regulations adopted by the Tax Commission are not final for 35 days.

(11:27:58) Ms. Lang acknowledged the legalities of the issue and requested the Board to consider “what’s best ... for Carson City ...”

(11:28:46) Attorney Jim Hartman commented on “how different Nevada is with its so-called Early Start Program. ... Question #2 passed in November and the six-month period will elapse for an Early Start Program to begin July 1 of 2017. Much of what Nevada is doing is modeled on what Colorado did. And Colorado passed their legalization, Amendment 64, in November of 2012 and they waited an entire year before first sale on January 1, 2014. Our neighbor to the west of us, California, passed an initiative in November and their plan is to wait ... California passed their initiative and they don’t have an Early Start Program. They are going to begin the sale of retail, recreational marijuana on January 1, 2018. The Commonwealth of Massachusetts had, on their ballot, what was called Question #4, and they passed Question #4 by a little narrower margin than here in Nevada. And their legislature met at the end of

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 17

DRAFT

December and, on the recommendation of the state treasurer, who ... would run their marijuana program, said this is a very complicated and confusing system interplayed with the federal government's prohibition on marijuana. We are going to extend our first sale for an additional six months out to July 1, 2018. So Nevada is in this truncated process of early start by July 1, 2017, when a state like Massachusetts, progressive State of Massachusetts is waiting until July 2018 because their officials say this is complicated and confusing.

"I would also make this point. We have, here, the opportunity, as is being followed in Douglas County, to essentially zone out the five uses or establishments that could come to Carson and the justification in Douglas ... was we didn't vote for Question #2. Fifty-seven percent of our electorate was opposed to it. And I would point out to this group that Carson voted 52 to 48 percent against Question #2. Question #2 lost in 13 of 17 counties in Nevada and it only won, its victory margin was 100,000 votes and those 100,000 votes were all in Clark County. So this is not an issue that had huge popular support out there and, in fact, in this local community, it was voted against.

Mr. Hartman reviewed statistical information regarding the counties in Colorado which do not allow commercialized marijuana. "So the issue before this body isn't whether you're going to legalize marijuana. The voters approved Question #2. It's legal. The question is how far does Carson go on the subject of commercializing marijuana here? What is your vision for the future? Is it a vision of pot stores in the community where kids walk by them? They're able to locate within 1,000 feet of a school or 300 feet of a church or a swimming pool or a public park. Is that the vision that Carson wants for its future? You talked, Mr. Mayor, earlier about the quality of life and I would say one of the questions this commission needs to face is what is your vision? What kind of quality of life do you expect for Carson and Carson's future?"

(11:34:47) Jim Peckham, representing F.I.S.H., provided background information on his experience in technology. "... we talked frequently about being a leading edge in our corporation, in multiple corporations, and avoiding being at the bleeding edge. Whereas there are some people that are so far out in front that they take all the flack, come up with all the problems, have all of the hits to their bottom line until the technology is proven, and then the leading edge people, i.e., if you look at the internet and internet sales, there's a lot of people that got beat up and went out of business and once it kind of got perfected, then Wal-Mart came in. So they were leading edge, but they certainly weren't bleeding edge so that they weren't going to take all the hits. So ... if a decision was made to ... not have recreational marijuana here two years from now, three years from now, you could change your mind." Mr. Peckham requested the Board's consideration.

Mr. Peckham discussed his involvement with "trying to get some people with challenges in their lives ready for the work force and I can assure you that one of the biggest, most significant issues that I have to deal with is those with drug and alcohol use. Overcoming those things and providing them hope and some structure, we've been successful. ... and ... as a community, for economic development and the kind of growth that we expect in the region, it's important for us to have people prepared ... and then that's going to impact us economically and otherwise. So, from that standpoint, it makes it very difficult."

Mr. Peckham agreed "with the first group that was up here. They have been very low key in our community. ... The medical marijuana, I've talked with a couple of people who, almost as a last resort, decided to go to medical marijuana and, in their mind, it's miraculous that they've been able to get off of other medications that had many more terrible side effects and their pain thresholds and everything else is much improved being on medical marijuana. That's legal. It's going well. I don't want to challenge that

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 18

DRAFT

in any kind of fashion, but the recreational I'm concerned about." Mr. Peckham encouraged ... this City to be like ... Douglas County. And maybe it's not doing it yet. Let's let Washoe be at the bleeding edge. ... certainly I know prostitution is legal in Nevada. Somehow we decided not right for Carson. I presume we could change our minds and say ... that's working pretty good in Lyon County. ... Let's see how it works in other counties. Let's understand the social implications, whether or not the economic promise is really there. Again, we have some information that we see come out of Colorado but, again, their laws are what Nevada laws are based on but we've deviated from those and still don't even know what that's going to be. ... the very first part of gaining knowledge is you don't know what you don't know and then, as you start to learn, then you know what you don't know. Well, we don't even know what we don't know yet because it's so new. Don't even have the legislature and support from the Governor as to where we're going. Don't know how it's going to impact. I would not want to see us be out on the bleeding edge of this particular thing."

In response to a question, Mr. Peckham expressed the opinion that the City should not follow the State's lead just yet. "Two years from now, three years from now, we can see what kind of impact and how things are really working out in the real world, maybe we would change our minds. But, at this point in time, there are just too many uncertainties because ... we don't even know what we don't know yet."

(11:40:34) Carson City School District Superintendent Richard Stokes commended the Board and expressed confidence in their ability to lead our City. Mr. Stokes expressed support for "Consideration #3, ... to prohibit recreational marijuana sales in the City. ... professionally, I believe in my heart that our children are our greatest resources. They'll be replacing us. They'll be sitting in your chairs someday. We want them to have the ethical and moral capacity to make good decisions. I know you heard all the arguments pro and con with regard to marijuana use so I don't need to belabor any of those things, but I would just ... add my vote of confidence to say that I would like to see Carson City remain free from having facilities that sold recreational marijuana."

(11:41:54) Mr. Hartman reviewed statistical information from the State of Massachusetts regarding commercial marijuana. "... what I'm getting at here is, while some of these issues are close, 52 to 48 on whether you should legalize marijuana. If you put the issue to the voters here in Carson, do you really want a pot store here? Do you want the smell of a cultivation facility nearby? Do you want the risk of crime going on as the DA from Denver pointed out to us here of an all-cash business where people come in and rob and burglarize and, yes, shoot people in Denver, Colorado because it is an all-cash business? Is that our vision for Carson City? Is that what we want? Is that the future for Carson City? I hope not."

Mr. Hartman responded to questions, and Supervisor Barrette expressed disagreement with the previous. Supervisor Barrette stated, "I've been pushing the idea in this forum that we go ahead and fix the roads even though the people of this City voted against the fuel tax ... because I still think they need to be fixed, money or no. And so the money issue or the voting issue doesn't impress me. So I'd echo the Mayor and ask you what is going to be different about what we do if we wait awhile? Mr. Peckham has made a good case for that but I'd like you to make it too."

Mr. Hartman expressed the opinion "we've got a lot of moving parts here. We've got a Governor's Task Force with regulations that still haven't been settled. We've got legislation that ... we don't know where that's going to go. We've got a federal government ... that I don't think we know where we're going. The Mayor is an excellent lawyer and I'm sure he's aware of the U.S. Supreme Court case from 2005 ... that basically says the federal government can dictate on the subject of marijuana and overrule recreational or medical marijuana. ... the only reason there isn't federal enforcement right now is a 2013 Attorney

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 19

DRAFT

General's memorandum that is foregoing enforcement of federal in this state. So what the Attorney General may do in a month or two months or three months, and that's one of the cautions I would make here, why go down this road immediately now.

"Other point with the Mayor ... these temporary regulations, there are 33 pages of them by the way, and they were adopted last week on the 8th of May. And they were being changed on the 4th of May and they were being changed on the 5th of May. So ... this is a scurrying around trying to put things in place in a big hurry, an unwarranted hurry. There is no reason why this state shouldn't wait until January 1. That's my considered opinion here."

(11:48:11) Juvenile Services Chief Ali Banister expressed concern over the youth in the community, and echoed Mr. Stokes' comments regarding effects on the youth. She expressed agreement with "what Douglas County adopted." In response to a question, Ms. Banister advised that youth "are constantly in our office saying, 'It's just marijuana. It's no big deal.' So, at this point, it's still illegal and it will always be illegal for a kid under 21 but I would say that the stance that we could take as Carson City is it's still legal in our community and I think that that's what is important to drive home with the kids that we're working with, especially the kids that already suffer from substance abuse and addiction issues."

(11:50:52) Chris Bayer suggested that "regardless of how you vote on the Early Start option, ... you have some leverage and ... that leverage is particularly apt right now and where I would suggest you use that leverage is that, regardless of which direction you go, that you look at that idea of a community panel, a community conversation that includes the industry, that includes the School District, that includes the health providers, that particularly focuses on low income people and children, and that discusses on a regular basis, ... and fleshes out some of these unintended consequences, these impacts on children and low income people. You have the industry here today and, before you vote one way or the other, I suggest you ask the industry because I see them trying very hard to participate in a panel like that. I think your prevention people would participate. I think your school people would participate. I think others would as well. Regardless of which direction you go, I share those concerns for the community consequences and I can't list them all for you and I don't think you know them either and I think it's going to devolve over time. I think we've seen that in other states. Regardless of how you vote, that's going to reveal itself ..."
Discussion followed.

(11:53:57) Rebecca Gasca, of Pistil & Stigma, on behalf of GTI, introduced herself for the record. "As the Board knows, we've been working hand-in-hand with the company since they began their operations which was certainly way before they opened their doors to the medical community and serving their needs here. And we've been proud to be working hand-in-hand with them even up til today. Mostly, what we focus on with them is compliance-related issues, their operations, and making sure that they're adhering to all of the laws and regulations that are put forward by the state, of course, by you guys here. We've been very pleased to have a great relationship with the Sheriff's Office and ... have had many members ... through the community to see how our operations work.

"I wanted to follow up on the prior speaker and say that we actually wholeheartedly agree. Regardless of what you do today, we would really welcome the opportunity to participate in some sort of community panel so that we can hear from community members what their direct concerns are, to make sure that we're addressing those in an ongoing manner. So, should you decide to move forward with some sort of working group, we would love to be a part of that and sit on that as well."

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 20

DRAFT

Ms. Gasca respectfully disagreed with Mr. Hartman's comment "about the process of the regulatory creation ... The colleagues that I have in this state and certainly within the community, and of course our client, GTI, we take what we do incredibly seriously. The process by which these temporary regulations were made were incredibly thoughtful and, as you heard, were participated in by many, many people not just whom were appointed to the panel or in working groups but also members of the public who came, certainly the many people who are participating in the industry around the state. There were certainly ... more than 100 people who were involved in this very public process over the last many months at the behest of the Governor. And just to address some of the things that he brought up, as you know, you're not going to be smelling marijuana outside of cultivation facilities. There are strict rules regarding the smell so that's certainly not a concern. With respect to the concerns about student usage, great data has been collected over the last multiple years around the nation and, certainly, Colorado is the best indication that consumption by minors has not increased since medical and recreational have been in place in that state. And, anecdotally, some of the most recent data that's coming out is that it's actually ... decreasing but we need to wait for a little bit longer to assess longitudinally that data ... The Department of Taxation is responsible for overseeing the program and they take that very seriously.

"With respect to the taxation, these businesses are paying state taxes currently, of course, and federal taxes so the federal government knows that it's receiving taxes from marijuana sales. This is factual. And I think there's a reconciliation that we have to ... admit, okay, ... this money is getting filtered back into the government's budget regardless of what that looks like and how it's tracked. ... With respect to the fear that maybe these temporary regulations aren't fully covering some of the concerns that the working group identified, I think that's a little bit of a red herring. I mean, certainly, part of our role, on behalf of GTI, is to understand what those are and change company policies to reflect what the desires are of both the local community and, of course, the state community. ... Obviously, we're going to have two different processes for when we're checking in people with medical cards versus checking I.D.'s for people who are over 21 and that's workable into how we approach ... what's required. And, as a matter of fact, in order to become a licensed operator under these temporary regulations, part of the application process, which is actually due on May 31st, we have to describe to the Department how we're going to be operating in compliance under what is currently required, not just ... NRS 453A as well as NAC 453A, but also how we're going to comply with those 30-some-odd pages of regulations.

"And so, we have to essentially describe to the Department how we're going to play by the rules. ... We play by the rules that the voters set forth last November and our intent to abide by whatever it is that you decide as well. So, that's just one of many, many examples that we're anticipating and are preparing currently to shift any internal processes to reflect that."

Ms. Gasca acknowledged the Board's options, "and when looking at saying yes versus no, I urge you to consider that, if you say no, you do know that your citizens ... are going to be buying from other locations. ... it's in the best interests of your local constituents to have oversight over how product is being delivered and how it is sold in the community. If you don't regulate it, then you're basically allowing other jurisdictions to do what they want and provide in a style that you can't control. So, you have the opportunity right now to move forward in the manner that you want to with your citizens here and communicate in a way that you'd like to see fit with businesses who you know are responsible and are committed here to your community and to the health and safety of your constituents."

Ms. Gasca urged the Board "to move forward with the consideration now to put forward this temporary approach and re-evaluate at the end. When the Department comes back with their permanent regulations in April, if it's not working for you, you're going to have the chance to say that at that point. If you don't

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 21

DRAFT

like the way that the permanent regulations look, you can, of course, say no to what that looks like at that point. But to wait now when we have a full system in place, when we know what the system is going to look like, and you know that you have operators who are responsible, we really believe that that's the best way forward and we're committed to continue to work hand in hand ... We're here for you. We're committed to this community and we really hope you move forward today."

In response to a question, Ms. Gasca expressed the understanding that temporary regulations established by the legislature "live until November and then the Governor is anticipating doing what's referred to as an emergency regulation. This was discussed during ... either the commission hearing or one of the agenda meetings of the Department of Tax about that very process. It's a multi-step process."

(12:03:47) Sheriff Ken Furlong advised that he didn't have any answers "and that's the big problem. That's the big challenge." Mayor Crowell acknowledged that he is an aircraft pilot. Sheriff Furlong expressed the opinion that "the most important issue ... is coming in too fast. We're just coming in too fast. It doesn't mean we're going to crash, ... but we're coming in hot and we have some real challenges faced in front of us. And for everybody's opinion, I don't have the answer because it seems like no matter what document you open up, they profess themselves to be the most neutral opinion ... What we're faced with here in Carson is really challenging and I appreciate Mr. Hartman's comments because I, too, believe that the decisions that you folks are making, just the five of you, are affecting a population of anywhere from 150,000 to 200,000. What you choose to do will affect Douglas County, it will affect Lake Tahoe, and it will affect Lyon County. We know that. What you choose to do is going to put law enforcement right at the line ... Law enforcement is going to be the one at the line.

"Chad, and I'll just leave his last name out, Chad's a father who emailed me this morning with a complaint, unintended consequences of the marijuana behavior in this town, the glass shops opening up, the head shops opening up. It's not illegal for a child to buy a glass pipe is it? And yet half of those constituents just in this town are appalled by what is evolving. We're moving forward so fast that, while on one single day the voters presented that we wanted to legalize recreational use of marijuana, government has been enthralled with trying to get their arms around what does that mean and how do we implement it. And the biggest travesty that we've had is that we're coming in too fast, too hard, too hot. And we don't really know what we're doing.

"What about the DUI driver? What about the student at the school? What about the smoke shop that tends to serve alcohol and would love to have open place marijuana? What about Midnight Madness this weekend, folks? That's what we're dealing with right now at the Sheriff's Office. What about Midnight Madness? I threatened to shut it down just a couple of years ago ... because of the open marijuana use on the ball fields. What about Blackwells Pond Park where Grant Watkins died? It's our community. The leadership that you guys exert here has an impact far and beyond our borders. We're coming in fast and we're coming in hard and we don't even know what the outcome of the legislature is going to be yet. Why do we need to move right now today? It's certainly not the dollar sign because it's not producing anything for us, is it.

"Today we finalized the budget ... Marijuana's not producing anything for us. I've seen all of the data that other places are collecting, I've made my reports up to Lee Plemel's office. What do you see in future growth? I see more officers needed. I absolutely see more officers needed. Notice I didn't say for marijuana but I see more officers needed and the money is not there in this ... community. And so we capitalize on the quality of life in this town. We had a great weekend last weekend. The biggest crime I could come up to find and chase down was a 10-year-old kid out after curfew. Why? Because there were

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 22

DRAFT

activities all around this town. People were engaged and they were having fun. That's quality of life. Will they do that if your parks are being shot up? And that's not an isolated occasion. It happened again in Reno since then. And it's not an adult matter. It was theoretically a juvenile matter. Grant was 20 years old. I remember sitting on the beltway in Washington, D.C. when they were discussing some child ... in prison for trafficking levels of marijuana and he got a life sentence out of his state. How unfair is that? How unfair is it for a juvenile ... to lose his life when someone trusted him enough to call him up and say, 'Hey, can I get three ounces from you?' That would suggest some sort of a friendly relationship ...

"Since I've been the sheriff, the only drug that has resulted in a homicide in Carson City multiple times has been marijuana. Grant's not the first one to have died in Carson City as a result of a marijuana transaction. You can take all of the other drugs combined, and they're horrific, ... but in November, a social shift took place and recreational use of marijuana became legal. And it took us many years to get to the point where our medical establishments were able to open and ... every one of them is very professional, very well run, very open to discussions with us and working side by side. But there's really not a reason to fast track. There is no reason to fast track when we don't even have the answers for you today as to what is the impact.

"But Chad who emailed me last night and I read it this morning is appalled because kids are already going straight to the head shops. And I can't stop it. So whatever you decide here today, the complaints are still going to come. You may not hear them because you're the Board. I will hear them daily, ... and I will have to deal with Midnight Madness when all of those people traveling into Nevada, a state where marijuana is recreationally legal, they will fill that park. Is that what you want? Is that your quality of life? Because if it is, Blackwells Pond Park, the shooting there, is irrelevant. And Grant Watkins becomes irrelevant."

In response to a question, Sheriff Furlong pointed out that anyone can get marijuana "on any corner in America. Grant was 20 years old. It didn't matter whether or not it was legal. It was illegal to him. So the boys who killed him didn't have to kill him. He was there to deliver the marijuana. I guess really it comes down to the individual. ... What are you willing to do to achieve your goal? I don't want to pay the \$30 for something so I'm willing to shoot the man in order to get it. And I know that many, many people are going to say well that's an exaggeration. Folks, that's not an exaggeration. It's happening here in this community. Marijuana is the most deadly drug in Carson City. We have not had a methamphetamine homicide in Carson City in the entire time I've been the sheriff. We've not had a single heroin homicide in Carson City since I've been the sheriff. Grant Watkins died handing three ounces of marijuana to another juvenile and I think that's the overwhelming quality of life that I'm trying to impress upon you ... That was a park."

In response to a question, Sheriff Furlong reiterated the preference to "slow these horses down. Once you allow that water to flow out, it's enormously challenging to bring it back. Yeah, you could change your mind later, but why the rush? ... Why do we need to tell Chad it's okay that his middle school student, his son, is running into a store and buying glass pipes? Why is that okay? Why can't we slow down this train, get solid footing underneath us before we move forward?"

(12:15:16) Karen, of Canna, advised that her facility is "both cultivation and production," and described renovation to the building. "What it comes to, as far as compliance and regs, Nevada's done an amazing job and everybody talks about other states but I think Nevada is really at the leading edge of having the compliance that needs to be in place as far as security, smell, selling. We have spent \$1.7 million on our facility and a lot of that goes into the fact that you can walk to the outside of our facility and you cannot smell anything. We have 36 cameras that surround our facility that record 30 days. We have constant audits and inspections by the state. We welcome all City planning, fire, health, environmental have all been

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 23

DRAFT

into our facility and we've passed all of the regulations, compliance, things that they've required for us to do. Our hope for adult use is, obviously, so that we can supply our dispensary in Sun Valley ... I understand the concern about putting marijuana into the use of children's hands. I have grandchildren, children. I understand that's a big concern but, again, whether Carson City decides to or not to allow recreational here you, again, ... will deal with the consequences because we deliver here. ... they can go to Sparks, Reno, Washoe, and they can buy anything that they want and bring it back into your community."

Karen expressed disagreement that there will be a "pot shop at every corner. It's the two dispensaries, the few cultivation, and the two productions that we're talking about ... And I feel that we've shown that we are compliant, we are following all the state regs, we are paying our taxes, and we're doing everything that we can to abide by the rules and regulations that have been set forth by the Department of Health and assumed by the Department of Taxation." Karen expressed support for going forward with recreational use here in Carson and "we're here to support the community and do everything we can to keep it out of the kids' hands." Karen, Mr. Adler, and Mr. Hartman responded to questions of clarification, and discussion followed.

Mr. Adler clarified his earlier comments; that the "two percent excise tax ... will be a tax registered to Carson City, collected by the Department of Public Health and Behavior, and then issued out as a grant program to those who wish to apply for it. It will not be forced upon anyone. If they don't feel comfortable applying for those dollars ..., there's an earmarked amount per county. If you don't use it or the charities or organizations inside your county don't apply for it, it will go into a general pool that will supply for other grants in other counties. So that issue ... is one where it would be unfortunate if Carson City couldn't apply for those dollars but no one would force you to do such. And then, in addition to that, your City Manager ... was very accurate in saying this is not a vote for should this happen or should this go forward. It's a vote for should you dictate to staff to go ahead and proceed with coming up with ordinances. By the time those ordinances are done, the legislature will be over. The remaining nine bills that have marijuana in them will be voted upon and, to this day, the Governor's Task Force has wrapped up and is over.

"In addition to the Mayor's comments, these Early Start regulations, through the temporary regulatory process do have a timeline and do have a mandate and that is a six-month timeline from their start period. So that is why they are called temporary regulations. They can only last for up to six months. In addition to the six-month end date, which would be January 1, 2018, it says these licenses will continue on until April 1st, but the actual regulations they're under are done. So the permanent regulations will be done before then and will start January 1st and then you'll have the regulations under 453(d), the recreational law, instead of 453(a), the medical marijuana law.

"As a citizen of Carson City, I do not think this would have a huge impact. Even though I've worked with the marijuana industry at length, many people have asked me when is Carson City getting a medical marijuana dispensary. Many people have not realized that we already have two medical marijuana dispensaries. They have a very low profile, very small footprint with the community. They're welcoming, great businesses to go inside. They're warm, they provide a service to the patients who need them but, if you're not looking for one, it will not be an eyesore and will not be objectionable to drive past. I would challenge anyone to drive past any of them and point them out as an eyesore, bad business for Carson City."

In response to a question, Mr. Adler stated, "Marijuana is legal today to use and possess. ... Right now, it's legal to purchase it medically. As Carson City, I would look at it as this: You have two opportunities to legalize recreational marijuana sales in Carson City. This Early Start Program is not directly connected to the permanent regulatory process so, Carson has the opportunity to see ... how it goes with this July 1st to

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 24

DRAFT

January 1st temporary regulatory period. Because you're legalizing it through the medical marijuana operators that are already there, you can see how their operations grow, develop, or have chaotic impacts on the community through that six-month period. So that could be an argument to state why to use it now because you will then have to draft permanent ordinances and ordinances adopting 453(d) come January anyhow. So this could give you two opportunities to say, 'Let's see how it goes for this period and then how it goes for the next.' As far as why Carson City would do it all, I would state that, as Karen alluded to, delivery services can deliver to anywhere in the state. For medical, they go as far as West Wendover, Elko, all the way to Lincoln County from Reno. So there is not a lack of sale opportunity in Nevada, whether Carson goes into this or not. But voting yes or doing some ordinance that would allow for recreational sales puts you in the driver's seat, at least. You have your own sales, you have your own processes that you can then influence and control. Otherwise, you're leaving it up to Reno, Washoe County or Sparks to provide Carson City and its residents with marijuana because there's no stopping the delivery of or them driving to those locations. Or, in 2018, January 1st, the worst-case scenario ... is South Lake Tahoe is not 20 minutes away. So, they could leave our state to go purchase marijuana. Even though it is illegal to bring it back across, I know some people would do that if there was a lack of availability here. ... a retail, recreational, legal market is safer and a better place to buy it even if it's not in your state.

In response to a question, Mr. Adler provided background information on the provision in the medical marijuana law that prohibits growing marijuana in a private residence, unless said residence is 25 miles from a medical marijuana dispensary. He responded to additional questions of clarification, and discussion followed.

(12:31:41) Health and Human Services Department Director Nicki Aaker expressed agreement with Sheriff Furlong's comments. "... we're coming into this too hot and too fast and I would really like to slow down a little bit so that we can look at the ordinance that we want to put forward and look at it very thoughtfully." Ms. Aaker expressed agreement with suggestions to develop a task force, and volunteered to participate. She responded to additional questions of clarification, and discussion followed.

(12:34:54) Karon Machado expressed opposition to recreational marijuana sales in Carson City.

Mayor Crowell entertained additional public comment and, when none was forthcoming, recessed the meeting at 12:36 p.m. Mayor Crowell reconvened the meeting at 12:55 p.m.

Mayor Crowell entertained Board discussion. Supervisor Abowd advised of having participated in the "marijuana working groups for the eight weeks. Marijuana is legal in Nevada and folks can have it at home and I will say that opioids legally prescribed and steroids that kids can get to enhance their sports performance are as much a problem. So approving or not approving retail marijuana doesn't change any of that. Personally, I would want to require any retail dispensary to be co-located with a licensed medical marijuana dispensary and limited to two. ... I have never been a fan of the Quick Start Program. I've felt that it was putting the cart before the horse until all the issues at the legislature are vetted out. We need to know where we're going on this and I'm concerned and, even in the working groups, there were more questions than answers. ... I would prefer to continue the moratorium until January of 2018. I do want to direct staff to bring back facilitation for zoning to allow for independent distributors because that was not on our radar when we did the medical marijuana. We worked hard and long on the regulations for medical marijuana so I don't see retail being regulated any differently. The revenue part of this is secondary, but my thought is pot for potholes would certainly help. ... And I do agree with what Jim Peckham said. I don't want to be on the bleeding edge. I want Carson City to be on the leading edge with regards to this. We've got to do this right. It's really important. I've felt this way all the way along and ... this gives us

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 25

DRAFT

time to see where the legislature lands with this, how this community can come together.” Supervisor Abowd expressed support for a working group “from this community to decide the comfort level that they have in anything that we have jurisdiction over.”

Supervisor Bonkowski advised that he is personally acquainted with nearly “every ... person that has come up to testify today. Many people that I respect very much. Many of them telling us don’t do this or slow the process down. My personal views on recreational marijuana would be to prohibit the use. I think that we were given a mandate to provide medical marijuana. It’s in our state constitution and ... we provided that and ... anybody that actually needs marijuana can get it with our current system. However, I took an oath of office and that oath of office was to uphold the constitution and the laws of the State of Nevada. And recreational marijuana is legal in the State of Nevada. So I have this internal conflict between my personal views and what I feel I’m obligated to do. ... What I look at is Nevada law and what I feel my obligation is to do, under my oath of office. The money is irrelevant. It’s not that much money. It isn’t going to make a difference in the Carson City budget. The question for me, under my oath of office, is would I advocate for any other legal business in Carson City and would I advocate for them to be competitive. Alcohol contributes as much or more to societal ills as marijuana but, yet, I don’t see anybody here saying that Kurt Brown’s business should be prohibited. And that’s because he’s a respected operator. We have other respected operators in the medical marijuana field in Carson City.

“This, like many things that we have to make decisions on, is going to be a multi-step process so we’re giving staff direction today and there are going to be many other issues that come up going forward that we will need to address as they come up. We’re not going to take care of everything today or in the next six months.” Supervisor Bonkowski expressed support for creating working groups “that are inclusive of all the shareholders; the School District, our non-profits, the actual operators. Lee [Plemel] had put a schedule up earlier that showed us coming back with potential ordinances in time to approve the sale of recreational marijuana by July 1st. I don’t think that that’s necessary. I think we have good examples with our encroachment permit, with our dangerous animal ... ordinances ... where we went through these and through these and through these, and we took as much time as we needed until we felt that we had them ... as correct as we could get them at that time.” Supervisor Bonkowski advocated “for the same method to be used here.”

Supervisor Bagwell expressed agreement with Supervisors Abowd and Bonkowski, and appreciation for all the public testimony. “And maybe the most important part is when we rush, we make mistakes. And I don’t know any better way to say that to people. Being pressured to make a decision because it impacts someone else, which I know that it does, it impacts your ability to obtain a license and to begin to sell early. I just think it’s incumbent on this Board to take the time to do the job as well as we can. I also agree we’re not going to get it all right, but I really want to recommend that we bring back an ordinance for a moratorium until January which will give staff, the D.A.’s office, and everyone ... [time] to determine whether or not we’re going to limit it to the two medical. Are we going to zone all the way down to clamp down? Are we going to let every viable business compete? I also agree we need to take care of the distribution but I’m very comfortable with slowing down, taking a deep breath, and trying to do the best for our community that we can.”

Supervisor Barrette referenced the late Jim Croce’s song, “Time in a Bottle.” “While I’ve watched government all of my life, ... I’ve seen government make mistake after mistake after mistake by hurrying. I think we’re pretty much on the same page up here. I wouldn’t hurry this if I could and I’d like some time to be able to still hear from people regarding whether we should have any of them in the City or not. I agree the law is we’re going to have recreational marijuana. I’m torn between the fact that if we put them

CARSON CITY BOARD OF SUPERVISORS
Minutes of the May 18, 2017 Meeting
Page 26

DRAFT

in this community, they'll be in this community and the Sheriff has painted some really ugly pictures that might result from that or might not. ... It's true what's happened in the past and he's alluded to it. But, by the same token, I could paint pictures in my own mind of people driving to Reno, picking up their pot, and smoking in the car and then driving back to Carson City and maybe even violating another law, which is drinking at the same time. I'm really concerned about that as a volatile combination. But that's not what we're here about today. What we're here about today is ... putting it off until January 1st ..."

Supervisor Bonkowski clarified he was not advocating for continuing the moratorium to January 1st. He expressed the opinion that "we need to start the process of working on our ordinances and if that takes three months or four months or five months, that's fine. But I think that we need to get started on them now."

Mayor Crowell reiterated "there's a rule of law ... That's what this country is based on and it seems like we always want to pick and choose ... what law we want to deal with. Well, we're here in Nevada where voters ... passed this law. And, we're also a Dillon Rule state where we're sort of kidding ourselves if we think we have a whole lot of authority as a local jurisdiction to make rules that counteract what the state's doing. It's just not going to happen unless we want to pick and choose another law." Mayor Crowell expressed the opinion, "If we're going to do this, we need to extend the moratorium. We ought to have our staff start drafting ... regulations so we can at least see what they'd look like. And if we want to create a working group, ... that's fine but I think ... the working group has to understand, if we do that, ... there's only a limited amount of stuff that we can do period. And we're kidding ourselves if we think that ... we can make substantial changes when that's not in our bailiwick. The law doesn't provide for that." Mayor Crowell advised of not having heard "a good argument today why we shouldn't just piggyback what the state's doing. That's where we are anyway. ... I'm okay if we want to extend the moratorium. ... And then we bring this back for when the state finalizes the permanent regulations ... in January." Mayor Crowell left to the discretion of the Board the formation of a working group. Discussion followed.

Mr. Marano suggested that Supervisor Abowd had a comprehensive list with which the other Board members agreed. "Number one, we will work to extend the existing moratorium until January 2018. In that time frame, the final regulations and all of the legislation currently pending, one way or another, is going to be resolved, approved and published. So, we'll do that. I currently have ... a City working group that I've put together. We started meeting in February. Depending on what the pleasure of the Board is, you can either put a working group together or I can extend invitations. ... Brad had probably the best list of who it sounds the Board would like to have on that. I could extend invitations to community members, Partnership Carson City, the industry operators, and we can put that working group together or, if it's the pleasure of the Board, you can determine who that would be. It's up to you. Either way, we'll meet in public, similar to what we've done with the TRAFCC ... The meetings have been open to the public. It was not a committee that this body put together so you have an option there on which way you want to go with that working group, but it sounded like every Board member wanted to have that working group. We will also look to ... implement zoning that would give you the ability to put in the distributors. Currently, there's no zoning for that so we'll work that option up. It certainly sounded to me like the Board really wanted to limit the number of dispensaries to two. We currently have two medical and, at the end of the day, ... regardless of which way we go, there would still be two dispensaries. That kind of leaves open the production and the grow facilities and that may be something that you may want to think about." Mayor Crowell responded to questions of clarification.

Mr. Plemel detailed the moratorium process, responded to questions of clarification, and discussion followed. Mr. Marano acknowledged sufficient direction. Mayor Crowell expressed appreciation for all the testimony, and encouraged everyone to keep in mind the "bedrock principle ... of the rule of law."

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 18, 2017 Meeting

Page 27

DRAFT

At Ms. Fralick's request, Mayor Crowell entertained a motion. **Supervisor Bonkowski moved to approve the staff direction that has been given in the summary by the City Manager, which was a review of the entire discussion on this agenda item today. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Supervisor Brad Bonkowski
SECOND:	Supervisor Karen Abowd
AYES:	Supervisors Bonkowski, Abowd, Bagwell, Barrette and Mayor Crowell
NAYS:	None
ABSENT:	None
ABSTAIN:	None

**35. BOARD OF SUPERVISORS NON-ACTION ITEMS:
LEGISLATIVE MATTERS**

FUTURE AGENDA ITEMS (1:19:25) - Supervisor Bagwell requested a presentation on mosquito abatement procedures. Supervisor Abowd requested to discuss food carts "and exactly what our intent is with regard to those." Supervisor Barrette requested to discuss the possibility of a littering ordinance.

STATUS REVIEW OF PROJECTS

INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS

CORRESPONDENCE TO THE BOARD OF SUPERVISORS

STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (1:20:24) - Supervisor Bonkowski provided a report on last evening's Carson Water Subconservancy District Board meeting. Supervisor Abowd discussed her participation in a tour of the jail, and encouraged the other Board members to participate. Mayor Crowell announced the Cops & Kids event, beginning at 10:00 a.m. on Saturday, May 20th, and encouraged everyone to participate. He announced the Relay for Life event, beginning at 11:00 a.m.

STAFF COMMENTS AND STATUS REPORTS

36. PUBLIC COMMENT (1:23:07) - Mayor Crowell entertained public comment. Attorney Will Adler wished a happy birthday to his daughter, Grace.

37. ACTION TO ADJOURN (1:23:39) - Mayor Crowell adjourned the meeting at 1:23 p.m.

The Minutes of the May 18, 2017 Carson City Board of Supervisors meeting are so approved this _____ day of June, 2017.

ATTEST:

ROBERT L. CROWELL, Mayor

SUSAN MERRIWETHER, Clerk - Recorder