

CARSON CITY BOARD OF SUPERVISORS
Minutes of the Special April 9, 1987 Meeting
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A special meeting of the Carson City Board of Supervisors was held on Thursday, April 9, 1987 at the Community Center Sierra Room, 851 East William Street, Carson City, NV beginning at 7 p.m.

PRESENT:	Dan Flammer E. M. "Doc" Scrivner Ron Swirczek Tom Fettic	Mayor Supervisor, Ward 4 Supervisor, Ward 1 Supervisor, Ward 2
STAFF PRESENT:	L. H. Hamilton Ted P. Thornton Alan Glover Steve Kastens Mary Walker Sally Herman Fred Shaefer Traci Haakinson Katherine McLaughlin (BOS 4/9/87 Tape 1-0025)	City Manager Clerk-Treasurer Recorder Parks and Recreation Director Deputy Finance Director Library Director Parks and Recreation Foreman Library Operations Assistant Recording Secretary

Mayor Flammer called the meeting to order at 7 p.m. by leading the Pledge of Allegiance. Roll call was taken. A quorum was present although Supervisor Scrivner had not yet arrived and Supervisor Chirila was absent. Mayor Flammer explained that Supervisor Chirila had asked to be excused due to personal reasons.

RESOLUTION OF INTENT TO LEASE AIRPORT PROPERTY PURSUANT TO NRS 495 AND 496 FOR LIMITED FIXED BASE OPERATION - (1-0057) Following Mayor Flammer's introduction, Supervisor Fettic read the Resolution of Intent to Lease Airport Property into the record. Mayor Flammer reviewed the previous Board action on this subject. Mr. Auer explained that if the Board adopted the Resolution, a public hearing on the lease would be held on May 21. Following the public hearing, the Board would decide whether to proceed with the lease. If the Board does not wish to lease to Mentors, the public hearing should be held before that denial is issued.

Supervisor Swirczek explained his concern and why he had voted to continue the matter from the last meeting. During his explanation he read from the excerpt of the March 5, 1987 meeting. He questioned whether it was the staff's responsibility to contact the firms who had submitted bids on the lease at the March 5th meeting. Mr. Auer explained that the Mentors group had contacted his office and proceeded to negotiate on the lease. Staff felt that anyone who approached staff should be given an opportunity to negotiate. The Minutes had not been used to determine the Board's directive. (During this explanation, Supervisor Scrivner arrive - 7:05 p.m.) Supervisor Swirczek expressed his feeling that the question had not been answered concerning the Board's direction. He questioned whether the individuals and firms could have been misled by the Board's direction.

Supervisor Scrivner expressed his feeling that the firms were requested to contact staff and negotiate the lease terms. In view of the fact that one company had done this, he felt justified in proceeding with the lease.

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Supervisor Fettic moved to adopt Resolution No. 1987-R-44A, A RESOLUTION OF INTENT TO LEASE AIRPORT PROPERTY PURSUANT TO NRS CHAPTERS 495 AND 496 FOR A COMMERCIAL PURPOSE FOR A LIMITED FIXED BASE OPERATION AT THE CARSON CITY AIRPORT AND TO EXECUTE A LEASE WHICH HAS A TERM EXCEEDING THE TERM OF OFFICE OF THE BOARD. Supervisor Scrivner seconded the motion. Supervisor Fettic note that the Resolution did not finalize the lease but merely indicated an intent to enter into an agreement.

Vice President of Finance for L/F Technologies Ron Law read the motion as stated in the Excerpt and voiced allegations that the motion had not been made as indicated in the Excerpt. Purportedly staff had not been directed to negotiate and "the motion was extremely vague". He claimed that the Board was the one who would negotiate.

Upon request for clarification, Recording Secretary McLaughlin stated that Mr. Hamilton had suggested a motion and Supervisor Fettic had merely stated "So moved". She had attempted to consolidate Mr. Hamilton's lengthy recommendation/explanation. In order to resolve the problem, she suggested that the tape be retrieved.

Mayor Flammer expressed his feeling that staff was the one to enter into negotiations and not the Board.

Mr. Law continued to express his feeling that the Excerpt was erroneous. He also requested that another paragraph be changed to reflect that he had requested that the item be continued instead of "He requested that the item not be continued". He claimed that his purpose was not to disrupt the process but rather to be included in the negotiations. He could support the Resolution if it allowed negotiations with Mentors Unlimited and "any other bidder who approaches the Board".

Supervisor Fettic requested that a recess be taken and the tape retrieved. Clerk-Treasurer Thornton also expressed a desire to have a recess so that tape could be retrieved.

BREAK: The Board's consensus was that the tape should be retrieved. At 7:20 p.m. a 20 minutes recess was called. When the meeting reconvened at 7:40 p.m. a quorum was present.

The tape was played starting with Mr. Hamilton's recommendation. Following Supervisor Fettic's motion of "That he would make that motion", Supervisor Fettic stated that he was directing staff. At Supervisor Swirczek's request the tape was replayed. Supervisor Swirczek then expressed his feeling that the companies were to approach the staff and negotiations be undertaken.

Mr. Nielsen explained that he had called the District Attorney and City Manager's office the day after the meeting to start the process as he understood it. He did not feel that it was in a firm's best interest to wait until the City called it to begin negotiations.

Mr. Law explained that he had attempted to reach the City Manager the next day.

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Mr. Law continued to express his feeling that staff had failed to contact him in spite of the fact that he made numerous attempts to reach staff. He had even made a \$2,000 deposit with the City. Mr. Hamilton explained that this was sometime after the March 5th meeting. He acknowledged that he had contacted Mr. Law but felt that it was at least a week after the meeting.

Mr. Nielsen explained that the process had not stopped with the Board's directive. It had been an ongoing matter discussed by the Airport Advisory Board as well. The Airport Board had reviewed the Mentors' proposal and unanimously supported it. At that public hearing the public could have expressed an objection to the proposal.

Mr. Law expressed his feeling that his firm had been the only firm involved in the bidding procedure to have discussed the lease and proposed use of the facility with the Airport Chairperson Ron Kitchen. Mr. Kitchen had purportedly indicated that he did not have a problem with the proposal.

Mr. Auer then expressed his feeling that his firm had been more than willing to negotiate on the lease in view of the cashier's check for \$9,399. The down payment was part of the original bidding process.

Mr. Auer pointed out that there was no doubt that Mr. Law was interested in the property.

Mr. Law purported to have a cashier's check in the amount of \$50,000 as a down payment on the property if negotiations could be attempted at this time.

Supervisor Fetic explained that as a Board member he was not going to be involved in the negotiations as that is a staff responsibility. Staff would then make a recommendation to the Board on which he would make a decision.

(1-0758) Mr. Nielsen expressed his feeling that his firm was offering the City an opportunity to diversify. It would not compete with the other FBO. This should be considered in the building process. Anyone wishing to oppose the lease could express his concerns at the public hearing as spelled out in the Resolution.

(1-0787) David Small, an attorney representing the two FBO lessees currently on the airport, explained that he had been prepared to bid at the original auction. His clients preferred to see the parcel held for future development, however, if the Board wished to lease the property at this time, then they supported Mentors proposal. He acknowledged the feeling that the amount of revenue generated was one of the major considerations in a negotiated lease. Another concern was the diversified nature of the industry and the overall benefits which the City would receive from such a diversification. In view of the current limited market at the airport, his clients felt that additional competition between the lessees should be evaluated in depth before being granted. He explained his involvement with the airport and his feeling that the Airport Advisory Board should be the one to determine whether a lease should be made. He then expounded on the reasons for feeling that the property should not be leased at this time. If the property is going to be leased, then he felt that the criteria for a

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lease should include diversification and Code requirements. Under the Statutes, the procedure is very tailored and should be used to support activity approved by the Airport Board as the Mentors' proposal had.

(1-0956) Attorney Andrew MacKenzie, representing L/F Technologies, expressed his feeling that L/F Technologies had made every effort to contact the City Manager and staff to negotiate but had not been given an opportunity to negotiate a lease. He felt that the City Manager, the District Attorney's office, and the staff had focused solely on Mentors to the exclusion of all other bidders. He had been unaware of the Resolution of Intent until this evening. He requested an opportunity to present his proposal so that a determination could be made on which offer is the best for the city. He felt that staff had failed to make a determination as to the best use of the property. Until this determination has been made, the process should be stopped. He expounded on his reasons for feeling that his client had the best offer for the City. For these reasons he urged the Board to modify the Resolution of Intent to allow his firm to enter into the negotiation process.

Mayor Flammer expressed his feeling that this was what the Board had done at the March meeting, however, only Mentors' contacted the staff to negotiate. Mr. MacKenzie explained that L/F Technologies had attempted to contact staff but had been "rebuffed". His firm had been doing engineering studies to be sure that the offer would be in the best interest of all concerned. He reiterated his request to have an opportunity to negotiate.

Mr. Auer explained that if the Board wanted to negotiate with more than one firm, the Resolution should not be adopted as it was a statement of intent to enter into a lease with Mentors. If the Board wanted to negotiate with more than one firm, a different type of action should be taken.

Supervisor Scrivner explained his feeling that Mentors had gone through the various steps to reach this point, including hearings by the Airport Board. During this process L/F Technologies had failed to present an objection purportedly due to a lack of knowledge about the hearing. He could not understand why there was a sudden flurry of activity in opposition to Mentors' lease.

In response to Supervisor Swirczek's questions, Mr. Auer expressed his feeling that the District Attorney's office had not denied L/F Technologies the opportunity to enter into the process. He also pointed out that his office had not sought its bid. Supervisor Swirczek expressed his feeling that staff had not been directed to seek the bidders.

In response to Supervisor Swirczek's questions, Mr. Hamilton stated that his office had not restricted L/F Technologies' ability to bid on the lease. He had talked via telephone with the firm on one or two occasions. Interest had been expressed on several occasions. Written communication/proposal had not been received from L/F Technologies but had been received from Mentors. Today was the first time written communication from the firm had been provided.

Mr. Law expressed his feeling that there had been no indication that the

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communication was to have been in written form. He had made several attempts to reach the City Manager after the meeting. He felt that if written communication was necessary the City should have used his written bid which contained a \$9,000 cashier's check. He felt that the staff had ignored his offer, which was the best one for the City.

Mr. Nielsen expressed his feeling that the Airport Board had reviewed all angles of Mentors' proposal and supported it. For this reason, he reiterated his position that this was not the proper time to present an objection.

Clarification noted that the Airport Advisory Board was a public body which is required to meet the same posting requirements as the Board of Supervisors.

Mr. Hamilton then expressed his feeling that if a public body rejects bids in an open session, the issue becomes mute. When the bids were opened, the Board had instructed a different procedure be followed for future negotiations on the lease. A specific firm or individual was not designated as the only one to be involved in the negotiations. The only firm which came forward and gave the staff a written proposal was Mentors Unlimited. Supervisor Scrivner expressed his support of Mr. Hamilton's remarks on the original bidding procedure.

Supervisor Swirczek questioned whether the Board was bound by L/F Technologies' leaving the \$9,000 deposit from the auction process with the City as consideration of part of this procedure. Mr. Auer responded by stating that one issues did not have anything to do with the other. Mr. Thornton explained that on the morning when the Board rejected the bids, he returned the check and obtained a signature on the letter as a receipt.

A request was made for a roll call vote on the motion. Without further discussion the motion to adopt Resolution No. 1987-R-56 was voted by roll call with the following result: Scrivner - Aye; Swirczek - Aye due to his feeling that L/F Technologies failed to come forward in an aggressive manner beyond the application process, therefore, as in a business sense, time is of the essence, another company came forward in a documented way, he must vote Aye on that basis alone; Fetic - Aye; Mayor Flammer - On the basis and with the District Attorney's statement that on the 21st of May, when this comes back, it will be subject to an open hearing and inasmuch as the majority has already vote, he voted Aye also. Motion carried 4-0.

Supervisor Fetic then explained a suggestion that criteria be established for the May 21st meeting. He suggested that the criteria for that meeting include what lease would be in the best interest of the City overall, in the best interest for the airport overall as well as the users of the airport. The issues evaluated should consider all angles including financing.

Mayor Flammer expressed his feeling that extra "pains" should be taken to let the public know that the City "had come of age". The Board was now listening to its attorney and complying with the Statutes and Ordinances. He urged that extra time be taken to be sure that everyone understands the rules in the future without requiring arbitration on the points of the law.

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Supervisor Scrivner echoed his feeling that the responsibility for evaluation the criteria and best interest of the airport should lie with the Airport Board. Its recommendation should include this information rather than have only staff's evaluation.

BUDGET HEARINGS - REVIEW AND APPROVAL OF THE FOLLOWING BUDGETS:

PARKS AND RECREATION (1-1547)

NORTHGATE COMPLEX

Following Mr. Hamilton's introduction, Parks and Recreation Director Steve Kastens began with Fund 129, which was the utilities for the Northgate Complex. Utilities are not charged back to the different Departments. There was a \$5 increase in the water service.

BUILDING MAINTENANCE (1-1666)

Mr. Kastens briefly explained the duties of this Department. The major goals was to have a good preventative maintenance program. The 10-5 form for Capital Outlay addressed major repairs. Reasons for having this line item were explained at length. Although the Department had returned \$5,000 from this fund during the budget cutting process, Mr. Kastens felt that the original amount should be allowed for the 1987-88 fiscal year. Therefore, he did not feel that he was in fact seeking an increase in funds. He briefly reviewed the expenditures from this account. His comments pointed out problems being experienced due to a lack of preventative maintenance.

Mr. Kastens then explained a need for roof repair at the Sheriff's office. He did not feel that the bids would be let in time to use this year's budget. He requested that these funds be carried forward into the next fiscal budget. The roof repair necessary for the Juvenile Center and the Community Center were explained and would be addressed in next year's budget.

Discussion ensued on the personnel in this Department. If additional funding is not available to address the supplemental requests, the preventative maintenance funds may be used for them. Mr. Kastens' remarks included problems with the heating and air condition unit at the Library. Supervisor Scrivner expressed his feeling that the Tourism Authority should pay for the Community Center repairs. During Tourism's budget hearings, he would point out the need. Mr. Kastens expressed his willingness to support Supervisor Scrivner at that presentation.

Mr. Kastens then expressed a willingness to go through the supplemental requests and noted that the Judges had addressed the Court needs during their budgets.

Discussion ensued concerning the possibility of obtaining funding from another source for the Library. Mr. Kastens explained that attempts were being made to obtain a State grant as well as a possible rebate from Exxon.

PARKS (1-2189)

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The transfer of a half time position to the cemetery was explained. This had increased the cemetery salaries \$4,000. He pointed out that there had not been an increase in expenses as a result of the Park Bonds. Many of the park groups, e.g., Fuji Park Horseman's Association, Retired Senior Volunteer Program, the Adult Softball Program, and Youth Sports Program, had given both monetary and physical support to the Department for personnel and supplies. Construction dates have not been finalized. It may be possible to project the construction period by the time the budget hearings are held next year.

Mr. Kastens then explained the supplemental priority listing and noted that he had not prioritized the Building Maintenance Supplementals. Included in the supplemental requests were five alternative on the relocation of the Parks Division, which he explained. The Senior Citizens felt that the facility should be relocated by July 1. For his Department to relocate the facility at that time would be difficult due to the summer maintenance requirements. He felt that the Division could do the work the first of October without creating an undue burden. Facility needs, including security and equipment storage, were discussed. Several potential rental locations were included in the discussion.

SWIMMING, COMMUNITY CENTER, AND RECREATION (1-2674)

In the past all fees collected from these activities have been held in a special trust account which accumulates interest. During the fiscal year, transfers to and from the account and the General Fund have been made to reflect the costs of services each provided the other. With the coming fiscal year these funds will be combined with the General Fund. All revenue generated by these activities will be deposited into the General Fund and transfers will be terminated. Clarification noted that the maintenance requirements for the Community Center were carried under one fund. In the past only \$2,000 has been allocated for the Community Center's building repair and maintenance.

CEMETERY (2-0024)

The increase in personnel costs was due to the transfer of a part-time worker and a result of an increase in demand for services. Relocation of Parks' equipment may create an equipment problem for the cemetery. Supervisor Scrivner noted his feeling that the new fee schedule may make the cemetery self-supporting. Discussion ensued concerning the need for a "lowering device". The one which is now being used by the City is owned by Fitzhenry's. Supervisor Scrivner explained that the City Manager felt certain that the \$3,000 cost for one could be found somewhere in the budget. It was suggested that Mr. Fitzhenry be approached concerning his desire to sell the equipment or another one to the City.

GOLF COURSE (2-0192)

Mr. Kastens distributed a memo from Golf Course Superintendent Tom Kunkle. (A copy was given to the Clerk.) The memo explained the personnel, service, and supply increases. Some were due to the second course, however, this had not doubled the personnel and maintenance costs. Mr. Kastens stressed that

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this was the "bottomline" budget and that it was the best guesstimate possible on the needs for the new course. Discussion ensued concerning projected revenue, which was the best guess at this time. In response to Supervisor Swirczek's question, Ms. Walker explained that the \$137,000 from Capital Acquisition would be restricted to paying for the bond should revenues not meet the bond commitment. If the revenue is adequate, the Capital Acquisition Funds would be reallocated by the Board for other capital items. Examples were cited. Clarification noted that the bond prospectus had included the ability of the Board of Supervisors to allocate Capital Acquisition Funds for repayment of the bond. Throughout the discussion Supervisor Swirczek repeatedly questioned the legality of committing Capital Acquisitions Funds to an enterprise account. Ms. Walker explained that the history of the fund indicated that the funds had been used for many items not considered capital acquisition items but were based upon the Board's direction and determination of the facts. Supervisor Swirczek suggested that if the revenue is generated as estimated, the \$137,000 be reallocated for capital acquisition items such as the Library air conditioner. Ms. Walker suggested that these funds be designated for either the procurement of insurance or to address self-insurance needs. Supervisor Swirczek questioned the legality of using these funds for an item not normally considered a capital acquisition. Clarification indicated that if the Board determined that the funds were to be considered a loan, any use other than for the golf course would require repayment. Ms. Walker explained her reasons for feeling that the insurance fund should be supplemented as the ski buses are not insured. The \$85,000 budgeted in the 87-88 fiscal year for self-insurance was felt to be extremely low. Supervisor Scrivner felt that the \$137,000 should be spent on the clubhouse and reallocated to another use should be on a loan basis only.

Clarification then noted that Mr. Kastens had failed to distribute a memo spelling out the costs for Parks' relocation. He then distributed the memo and gave the Clerk a copy.

On the personnel costs for the golf course, Mr. Kastens explained that on Form 10-3 there were 3-1/6 part-time hourly individuals assigned to this Division rather than the 1/6 indicated. There were no plans to purchase additional equipment.

GOLF COURSE CONSTRUCTION (2-0565)

Fund allocations were reviewed. Commented noted that it may be possible to use the \$25,000 sewer allocation to connect the current clubhouse to the City's system. The feasibility of leasing golf carts will be analyzed and could reduce the \$140,000 allocation, which was for 50 carts. Clarification noted that there are now 65 golf carts. This would give the City 115 carts. Clarification noted that a "good deal" may be offered in the bids due to the fact that 50 units is considered an unusually large number. The \$20,000 allocation for mowers was clarified as being for a "fleet of equipment" under a lease purchase agreement, which was explained.

FEDERAL GRANT CONSTRUCTION (2-0726)

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The \$150,000 Federal Land and Water Grant will be used to extend power to Edmonds Park.

RESIDENTIAL CONSTRUCTION TAX (2-0749)

The restriction how the funds could be used were explained. It was felt that the tax would raise \$200,000 during the 87-88 fiscal year. The funds would be allocated in October. The Board would review the allocation before the funds are spent. The primary reason for allocating the funds in October was due to the desire to be sure funds are available prior to expenditure. Mr. Kastens agreed to evaluate the procedure and determine if the allocation could be done prior to July 1.

NEW PARK CONSTRUCTION (2-0846)

Mr. Kastens distributed a memo delineating the expenditures. (A copy was given to the Clerk.) Bids had been requested for the Fuji Park building, which is the first priority. Discussion noted the increase in water requirements. Mr. Kastens did not feel that the various projects would increase operating costs at this time except for the swimming pool. This increase would be offset by the increase in revenue. Also, the sports users would increase their donations which would reduce the demand for City funds. Users of the ramada at Mills Park would be charged a fee which would increase revenue.

Due to scheduling conflicts and the desire to have a full Board present Mayor Flammer suggested that further discussion on the budget be continued to the next Board meeting.

Supervisor Fetic moved to adjourn the meeting. Supervisor Scrivner seconded the motion. Motion was voted and carried 4-0. Mayor Flammer adjourned the meeting at 9:30 p.m.

The Minutes of the Special April 9, 1987 Board of Supervisors meeting

ARE SO APPROVED ON ____Oct. 1____, 1987

/s/_____
Don Flammer, Mayor

ATTEST:

/s/_____
Alan Glover, Clerk-Recorder

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