Minutes of the February 15, 2001, Meeting Page 1

A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, February 15, 2001, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT: Ray Masayko Mayor

Jon Plank Supervisor, Ward 2
Robin Williamson Supervisor, Ward 1
Pete Livermore Supervisor, Ward 3
Richard S. Staub Supervisor, Ward 4

STAFF PRESENT: John Berkich City Manager
Alan Glover Clerk-Recorder

Alan Glover Clerk-Recorder
Al Kramer Treasurer
Gary Kulikowski Internal Auditor

Walter Sullivan Community Services Director

Daren Winkelman Health Director

Juan Guzman Open Space Manager
Charles Keller Chief of Alternative Services
Cheryl Adams Deputy Purchasing Director
Melanie Bruketta Deputy District Attorney
John Sims Service Program Coordinator

Katherine McLaughlin Recording Secretary

David Park Pump Operator Driver Justine Chambers Contract Coordinator

(B.O.S. 2/15/01 Tape 1-0001)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. Rev. Al Tilstra of the Seventh Day Adventist Church gave the Invocation. Mayor Masayko lead the Pledge.

CITIZEN COMMENTS (1-0027) - Carson City Salvation Army Captain Amanda Mitchell thanked the Fire Department for its assistance in providing toys for the Toys for Tots Christmas program and presented them with a Certificate of Appreciation. She then explained the Salvation Army's community assessment survey and the top ten needs it found. The survey was an attempt to determine the focus for the Salvation Army in Carson City. She expressed a desire to avoid duplication of services, if possible. She complimented the Board and community on the number of different programs which are available. She gave the Board a letter requesting information regarding the various needs and the role which the Salvation Army should be play in providing those needs. (A copy of the letter was not given to the Clerk.) Mayor Masayko indicated that the Board and staff would analyze the issues and respond to her. He also thanked her for the Salvation Army's continuing services in the community. Additional public comments were solicited but none given.

- 1. APPROVAL OF MINUTES 11/2/00 Regular Session and 11/9/00 Special Session (1-088) Supervisor Plank moved to approve the Minutes for the Carson City Board of Supervisors meetings of November 2, 2000, and the November 9, 2000. Supervisor Livermore seconded the motion. Motion carried 5-0.
- **2. AGENDA MODIFICATIONS (1-0107) -** Mayor Masayko indicated the Nevada Tahoe Conservation District interviews and appointment were scheduled for 11 a.m.
- 3. CONSENT AGENDA (1-0114)
 - A. TREASURER

Minutes of the February 15, 2001, Meeting

Page 2

- i. ACTION TO APPROVE A RESOLUTION TO ESTABLISH A PETTY CASH FUND IN THE TREASURER'S DEBT RECOVERY UNIT AND ESTABLISHING CONTROL PROCEDURES
- ii. ACTION TO APPROVE A RESOLUTION TO ESTABLISH A PETTY CASH FUND IN THE TREASURER'S OFFICE FOR RTC PRIDE PROGRAM AND ESTABLISHING CONTROL PROCEDURES
- B. SHERIFF AND ALTERNATIVE SENTENCING ACTION TO ACCEPT THE FISCAL YEAR 2000 LOCAL LAW ENFORCEMENT BLOCK GRANT IN THE AMOUNT OF \$59,574 WITH THE AGREEMENT OF MATCHED FUNDS IN THE AMOUNT OF \$6,619
- C. COMMUNITY DEVELOPMENT ACTION ON U-00/01-27 A REQUEST FROM FIRST CHRISTIAN CHURCH OF CARSON CITY TO WAIVE THE SPECIAL USE PERMIT APPLICATION FEES IN ACCORD WITH CARSON CITY MUNICIPAL CODE 18.02.039
- D. PARKS AND RECREATION ACTION ON AMENDMENT TO A NEVADA BELL ACCESS EASEMENT LOCATED AT ROSS GOLD PARK FOR THE PURPOSE OF INSTALLING A DSL CABINET
 - E. DEVELOPMENT SERVICES ENGINEERING
- i. ACTION TO APPROVE THE NAME CHANGE OF THE SHORT SECTION OF CONSOLIDATED WAY (RUNNING NORTHEAST FROM HOT SPRINGS ROAD) TO TROY WAY
- ii. ACTION TO ACCEPT THE IMPROVEMENT AGREEMENT BETWEEN CARSON CITY AND ALEXANDER K. BERNHARD, CO-TRUSTEE OF BERNHARD FAMILY TRUST, REGARDING THE CONSTRUCTION OF PUBLIC IMPROVEMENTS RELATED TO HIDDEN MEADOWS ESTATES, UNIT #3, KNOWN AS A PORTION OF APN 010-072-08
 - F. DEVELOPMENT SERVICES CONTRACTS
- i. ACTION ON A REQUEST FOR FINAL PAYMENT FOR THE BREWERY ARTS CENTER IMPROVEMENTS (REBID) PROJECT, CONTRACT NO. 2000-022 AS SUBMITTED BY DEVELOPMENT SERVICES TO K7 CONSTRUCTION, INC., P. O. BOX 70205, RENO NV, 89500-0205, FOR FINAL PAYMENT AMOUNT OF \$8,100 AND ACCEPT THE CONTRACT SUMMARY AS PRESENTED
- ii. ACTION ON REQUEST FOR FINAL PAYMENT FOR THE FIRE STATION III WEIGHT ROOM ADDITION PROJECT, CONTRACT NO. 2000-015, AS SUBMITTED BY DEVELOPMENT SERVICES TO METCALF BUILDERS, INC., 751 BASQUE WAY, CARSON CITY, NV 89706, FOR A FINAL PAYMENT AMOUNT OF \$4,665.50 AND ACCEPT THE CONTRACT SUMMARY AS PRESENTED
 - G. PURCHASING AND CONTRACTS
- i. ACTION TO TERMINATE CONTRACT NO. 9596-126 INSURANCE BROKER CONSULTANT, A CONTRACT BETWEEN CARSON CITY AND WILLIS INSURANCE SERVICES OF CALIFORNIA, AND TO GIVE SIXTY (60) DAYS NOTICE REGARDING TERMINATION OF THE AGREEMENT TO WILLIS INSURANCE SERVICES OF CALIFORNIA
- ii. ACTION TO TERMINATE CONTRACT NO. 0001-002, A CONTRACT BETWEEN CARSON CITY AND DR. GARY DANKWORTH FOR PROFESSIONAL SERVICES RENDERED TO THE HEALTH, JUVENILE, AND SHERIFF'S DEPARTMENTS AND TO GIVE THIRTY (30) DAYS NOTICE REGARDING TERMINATION OF THE AGREEMENT TO DR. DANKWORTH
- iii. ACTION ON CONTRACT NO. 0001-048 PHYSICIAN PROFESSIONAL SERVICES FOR THE HEALTH, JUVENILE AND SHERIFF'S DEPARTMENTS WITH NEVADA RURAL HEALTH CENTERS, INC., FOR \$3.100 PER MONTH THROUGH JUNE 30, 2002
- iv. ACTION ON THE AWARD OF CONTRACT NO. 0001-051 POTABLE WATER STAINLESS STEEL TANK TRAILER TO WORTHEN KENWORTH AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO NRS 332 AND PURSUANT TO THE BOARD'S FINDINGS THAT IT IS IN THE PUBLIC'S BEST INTEREST TO ACCEPT THE ALTERNATE TO THE SPECIFICATIONS TO PROVIDE ONE (1) 2001 WALKER 6700SS FOOD GRADE TANK TRAILER FOR UTILITIES OPERATION FOR \$52,900
- v. ACTION ON CONTRACT NO. 0001-079 FY 2001 ANNUAL AUDIT WITH KAFOURY, ARMSTRONG AND CO. FOR \$63,100 THROUGH MARCH 1, 2002 Mayor Masayko explained the addition error in Development Services' Contract 2000-015. It does impact the action which was requested. Supervisor Williamson requested the items regarding Dr. Dankworth's contract and the request for a new contract with Nevada Rural Health be pulled for discussion. Supervisor Livermore requested the Alternative Sentencing and Sheriff's request for a grant acceptance be pulled for discussion. Supervisor Plank then moved for approval of the remaining 11 items on the Consent Agenda, that would be absent the 11th and 12th items on the health services to the jail and the Alternative Sentencing law enforcement block grant item, and that the Resolutions be numbered 2001-R-11 and 2001-R-12. Supervisor Williamson seconded the motion. Motion carried 5-0.

Minutes of the February 15, 2001, Meeting Page 3

ii. (1-0181) Supervisor Williamson asked if a notice of intent to cancel had be given to or discussed with Dr. Dankworth. She also explained that he had requested that the termination date be at the end of March due to the billing cycle. Dr. Dankworth had been advised that the contract would be discussed today. Health Director Daren Winkelman indicated that he had spoken to Dr. Dankworth regarding the intent to terminate his services. The contract requires a 30 day notice. This would be the middle of March. The official termination letter will be delivered today. Clarification indicated that the final date would be either March 16th or 17th. The City would prorate its monthly payment. Dr. Dankworth had purportedly indicated concerns about the process but could not attend the meeting. Mr. Winkelman agreed that there had been a breakdown in communications. He then explained the desire to have a five day a week service which Dr. Dankworth did not wish to provide. Jail staff had allegedly expressed concerns about having one day a week service as provided by Dr. Dankworth. Supervisor Livermore noted that the Nevada Rural Health Services also provides indigents services for Carson City and explained his support for having it provide this service. He also complimented Dr. Dankworth for his service over the years. Supervisor Williamson clarified her concerns as being with the lack of communication and not the change in service providers. The contract requires 30 days written notice for termination without cause. Mr. Winkelman indicated that the letter had been drafted and would be delivered today if the Board approves the termination. Mayor Masayko suggested that an apology be given to Dr. Dankworth for the breakdown in communications. Supervisor Plank suggested future contracts provide a mechanism for notifying individuals of the intent prior to sending the termination letter. He agreed that it is difficult to send a termination letter prior to Board action and acknowledged the extended service that would be provided for almost the same cost. Mr. Winkelman reiterated his statements concerning his discussion with Dr. Dankworth about his intent to ask the Board to terminate the contract. He had not, however, informed Dr. Dankworth when the Board would consider the termination request. Supervisor Williamson moved to terminate Contract No. 0001-002, a contract between Carson City and Dr. Gary Dankworth for professional services rendered to the Health, Juvenile, and Sheriff's Departments and to give thirty days notice effective March 1. Mayor Masayko indicated that this would terminate the contract on March 30. Supervisor Livermore seconded the motion. Comments reiterated that the contract would terminate on March 30th. Deputy District Attorney Melanie Bruketta suggested that the Nevada Rural Health Representative comment concerning its ability to provide the service at that time. She felt that they wanted to commence providing the service sooner. Mayor Masayko pointed out that the worse case scenario would be that the City would have to pay an additional \$1500 for the 15 days.

(1-0382) Dr. Carl Herd, Chief Medical Officer for Nevada Rural Health Services, indicated that they would agree to commence on April 1. It will create some difficulty adjusting the staffing but they should be able to accomodate the change. Mayor Masayko indicated that when his contract is considered, an adjustment would be required in the contract date. Dr. Herd indicated that they had proposed to have their staff commence on March 5th. There had been a definite communication misunderstanding. He reiterated his willingness to provide the necessary timeframe for staff to provide the required notification to Dr. Dankworth. Discussion indicated that the contract would be amended.

The motion to authorize termination of Dr. Dankworth's contract effective on March 30 was voted and carried 5-0.

- **G.** iii. (1-0432) Supervisor Williamson moved to approve Contract No. 0001-048 for Physicians Professional Services for the Health, Juvenile and Sheriff's Departments with Nevada Rural Health Centers, Inc., for \$3100 per month through June 30, 20002, and that the contract be effective on April 1, 2001. Supervisors Livermore and Plank seconded the motion. Mayor Masayko noted the need to modify the contracts to either March 31 or April 1. Supervisor Williamson agreed to amend the date to that which is determined as the termination date and Supervisor Plank concurred. Motion carried 5-0.
- **B.** (1-0465) Supervisor Livermore explained his reasons for requesting discussion on the grant and commended Mr. Keller on his efforts to acquire the grant. Chief of Alternative Sentencing Charles Keller complimented Undersheriff Bill Callahan for finding and sharing the grant. The funds will be used to hire a clerical staff member for Mr. Keller's Department. Duties of the position were limned. Mr. Keller also indicated that he would seek additional funding for the position when the grant terminates. Discussion indicated that Mr. Keller did not have any funds with which to match the grant. Mayor Masayko felt that the matching funds could be found somewhere. Undersheriff Callahan requested that the City's contingency fund be used to match the grant. He did not have the funds within his budget for this purpose. He could, however, find adequate funds to match the portion

Minutes of the February 15, 2001, Meeting Page 4

of the grant which would be used by his Department. Discussion explained the Alternative Sentencing's staffing and their duties. Undersheriff Callahan then explained how the grant had been used during the past three years. Mr. Keller then described the equipment which would be acquired with the grant. Mayor Masayko indicated that it may be necessary for Mr. Keller to come back to the Board once he has discussed the matching funds issue with Mr. Berkich and Finance. Supervisor Livermore moved to accept Fiscal Year 2001 Local Law Enforcement Block Grant in the amount of \$59,574 with the agreement of matched funds in the amount of \$6,619. Supervisor Williamson seconded the motion. Motion carried 5-0.

4. BOARD OF SUPERVISORS

- B. DISCUSSION ON LEGISLATIVE MATTERS (1-0635) Discussion indicated that a lot of action is occurring, however, none of it is related to significant issues which the City was tracking. Mr. Berkich indicated that Supervisor Williamson would be testifying in support of the Brewery Arts Center's funding request, AB 20.
- C. NON-ACTION ITEMS INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0662) Supervisor Staub reported on his participation in/attendance at the following meetings/functions of the Carson-Tahoe Hospital affiliation/re-

organization; Debt Management Commission; Internal Auditor Gary Kulikowski; Legislative reception; Public Transit Advisory Committee; Clear Creek Home-

owners Association regarding their access issues; community bicycle master plan workshop; Regional Transportation Commission; Community Council on Youth; and with Mr. Berkich. Supervisor Williamson reported on her partic-

ipation in/attendance at the following meetings/functions of the Carson Valley Conservation District; Carson River Advisory Committee; the Carson River portage workshop; Legislative reception at the City Hall; One Region; Carson City Democratic Women's Club; downtown redevelopment; Ormsby House General Manager Larry Tiller; Western Nevada Home Consortium; Western Nevada Development District (WNDD); Health Smart; and organizational development. She also explained a grant application for EPA funds for a hiking trail along the Carson River at the Ambrose Scenic Area and complimented the biology teacher and her students on their efforts. She announced her plans to speak before the Assembly Ways and Means Committee regarding the Brewery Arts funding request, which she described. The February 20 Redevelopment Authority Citizens Committee meeting was announced. Comstock Soccer Tourn-

ament participants were encouraged to submit their applications posthaste due to the housing concerns. Additional discussion ensued on the WNDD meeting relating to the V&T Railway's status. Supervisor Plank suggested that consideration be given to creating physically challenged accommodations at the Carson River portage and complimented the volunteers on the portage. Supervisor Plank then reported on his participation in/attendance at the following meetings/functions of the TRPA's local government committee; Parks and Recreation Commission; Ron Woods Outreach Center; and Regional Trans portation Commission. Discussion announced the Post Office dedication ceremony would be tomorrow and that the signals are to be turned on at the intersection of Little Lane and Roop. Mayor Masayko encouraged the public to attend the Post Office dedication, ribbon cutting and open house. He then announced his plans to support/attend with Supervisor Williamson the Legislative hearings on the Brewery Arts' funding and V&T Railway license plate requests. He then reported on his attendance at/participation in the following meetings/functions of the Paul Lumis' retirement ceremony; Schools-to-Career's Shadowing Day; individuals associated with the Brewery Arts Center; Committee on Participatory Democracy; Eagle Valley Golf Course Corporation; Legislative reception and complimented staff on their efforts; 2001 Chamber of Commerce class welcoming; Airport Authority; Bordewich-Bray Elementary School's second grade tour of City Hall; CASA and the Carson City Humane Society dance and fundraiser; Convention and Visitors Bureau and its intent to solicit small conventions; Boy Scouts of America's birthday celebration; Economic Development Team; Carson Advocates Against Cancer's recognition dinner; and the Chamber of Commerce Manufacturers Committee. He urged the other Board members to consider speaking at one of the Chamber of Commerce classes. He announced the Airport Open House scheduled for May 19 and invited the public to attend. Comments indicated that this event had been cancelled last year due to Graves Lane construction. Mayor Masayko also announced that the Convention and Visitors Bureau would conduct its budget workshop on February 27. He explained the status of NACO's bill on the elected officials salary. When it is filed, a copy is to be given to each Board member. Supervisor Livermore reported on his attendance at or participation in the following meetings/functions of the Hospital Board of Trustees; Legislative reception; the Bicycle Master Plan neighborhood meeting at Seeliger School; Subconservancy District

Minutes of the February 15, 2001, Meeting Page 5

and Nevada Water Resources Association conference; Mr. Berkich, Mr. Kastens, and the School District officials regarding the joint use agreement; CASA and Carson City Humane Society's fundraiser; Youth Sports Association; Carson-Tahoe Hospital and the status of its affiliation/reorganization study, Administrator Steve Smith's retirement plans and the grooming of Chief Operations Officer Ed Epperson for that position, the Board's decision to donate surplus medical equipment to Mexico, and its Resolution 2001-R-1 supporting the Mental Health Coalition. He indicated that the affiliation/reorganization decision would be considered by the Board of Trustees in March. No formal action was required or taken on any of these items.

D. STAFF COMMENTS AND STATUS REPORTS (1-1710) - None.

5. DISTRICT COURT - Judges Michael Griffin and William Maddox - ACTION TO APPROVE FUNDING FOR HIRING A SPECIAL PROSECUTOR IN THE GRAND JURY PROCEEDINGS CURRENTLY PENDING IN THE FIRST JUDICIAL DISTRICT COURT (1-1712) - An adequate number of signatures had been filed on the petition and a panel of prospective jurors will be convened on March 13 at 7 p.m. Washoe County has been asked to provide the Special Prosecutor. The cost and period of time which will be involved are unknown at this time. The jury's investigation will be restricted to the narrowness of the petition. A general grand jury had been conducted within the last two years.

Judge Griffin explained the legislative review of the mental health problems and changes which may occur as a result of that review.

The cost for the last grand jury was limned. It was estimated that this grand jury should cost less than the \$30,000 which had been allocated for Judge Griffin's budget for this year and next. Judge Griffin felt that the \$50,00 which they had returned last year could be used for this Grand Jury and that a supplement should not be necessary. Mayor Masayko suggested that the funding allocation be included in the motion and not require reconsideration when the funds runout. The City must pay the cost regardless of the amount. Mr. Berkich did not feel that it would be necessary to set aside additional funds for this purpose. The grand jury selection process was then described.

Ron Weddell felt that a 1997 statute indicated that there are State funds available for paying for the grand jury/special prosecutor. Mayor Masayko indicated that there are also unfunded mandates. Mr. Weddell questioned whether he would be allow to provide input on whom the special prosecutor will be. The Judges responded that he would not be allowed to do so. Judge Maddox explained his previous appointment as a special prosecutor for Washoe County, the request he had made of Washoe County, and his feeling that there should be no cost for "hiring" this individual.

Mr. Weddell indicated his reasons for making the request to participate were based on his belief that an unbiased special prosecutor could not be found in Washoe County. He also questioned whether there could be one found any where in Nevada based on District Attorney Waters involvement with district attorneys, particularly those in Washoe County, and the Nevada District Attorneys Association.

Judge Maddox expressed his feeling that the attorney would be professional and that it should be assumed that the individual would do his job as indicated by his previous experience with special prosecutors. Mr. Weddell then expressed his "complete confidence in the two District Court Judges" and desire "that they not think otherwise for one minute".

Day Williams, Mr. Weddell's attorney, pointed out that holding elected officials accountable is expensive. There are serious allegations in the petition and that indictments may be issued. The petition is the first to obtain a special prosecutor since the law was passed in 1909. He then indicated that Mr. Weddell had already spent at least \$50,000 to get the process to this point. Savings have been created as there are depositions and documents which have already been obtained. He supported Mr. Weddell's concerns regarding appointing a Washoe County prosecutor rather than a private counsel due to the fact that DA is also being prosecuted. He lacked confidence that the suggested DA would go after public officials as illustrated by a Reno incident which he cited. Mayor Masayko explained that the Board could not address this concern. The Board can only enable the Judges to retain a special prosecutor. He was willing to allow Mr. Williams to put some information on the record, however, Mr. Williams' argument should be made to others and not the Board. Mr. Williams then expounded on his belief that the grand

Minutes of the February 15, 2001, Meeting Page 6

jury should be convened to investigate allegations of the "good old boy network" and "special interests". Mayor Masayko indicated that the grand jury would be convened and the investigation conducted. Additional public comments were solicited but none were given.

Mayor Masayko reiterated the concerns regarding the lack of knowledge on amount of funding which would be required. Supervisor Plank moved to approve funding for hiring a special prosecutor in the Grand Jury proceedings currently pending in the First Judicial District Court and that the funding source has been identified as the Grand Jury Budget. Supervisor Livermore seconded the motion. Motion carried 5-0.

BREAK: A recess was declared at 10:30 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:42 a.m., constituting a quorum.

ALTERNATIVE SENTENCING - Chief Charles Keller - PRESENTATION OF ANNUAL REPORT AS REQUIRED BY NEVADA REVISED STATUTES (1-02165) - Discussion noted the report covered only the period of time since Mr. Keller was retained as the Chief of the Division. Mayor Masayko requested a report be included in next year's budget documents reflecting the caseload improvements created by the half-time probation officer and half-time clerical positions. Mr. Keller explained that Mr. Fisk had developed the statistical program which provided the information in his report. The Board complimented Undersheriff Callahan on his willingness to share the LLBG grant with Alternative Sentencing. Discussion explained the \$30 per month supervision fee assessed each probationer. These funds are paid to the General Fund. These funds do not include the community service hours served in lieu of the cash payments. The probationers are required to hold paying jobs. This helps support the families and pay other court ordered assessments/fines. The number of probationers with mental health problems and/or alcohol or drug counseling requirements emphasized the significance of these problems encountered by the justice system. Individuals who have their probation revoked are usually sentenced to serve jail time particularly if a new crime has been adjudicated. Discussion explained the statutes regarding the supervisory fee assessment and reasons for the limitation. Board comments suggested that the fee issue and methods of increasing it be investigated and discussed during the budget sessions. Mr. Keller was to include the cost savings created by having these individuals perform community services with his budget information. Mr. Keller indicated that there had been 43,583 hours of community service performed last year and that at a \$10 per hour wage, an additional value of \$435,830 had been received. The School District had paid the City's General Fund between \$33,000 and \$34,000 in return for its community service workers. Comments stressed that community service does provide a direct benefit to the community even though it is not in cash. No formal action was required or taken.

8. **COMMUNITY DEVELOPMENT -** Director Walter Sullivan

- ACTION ON S-94/95-1(F-6) A FINAL SUBDIVISION MAP REQUEST FROM GLEN A. MARTEL, Α. REPRESENTING LANDMARK HOMES AND DEVELOPMENT, INC., CALLING FOR THE APPROVAL OF NORTHRIDGE, PHASE 6, A FINAL MAP CALLING FOR THE DEVELOPMENT OF 38 SINGLE FAMILY PARCELS, PLUS A REMAINDER, ON PROPERTY ZONED SINGLE FAMILY 6,000 (SF6000), LOCATED NORTH OF NORTHRIDGE DRIVE AND WEST OF RIDGECREST DRIVE, A PORTION OF APN 2-101-72 (1-2620) - Supervisor Plank moved that the Board of Supervisors approve S-94/95-1, F-6, a final subdivision map request from Glen A. Martel, representing Landmark Homes and Development, Incorporated, calling for the approval of Northridge Phase 6, a final map calling for the development of 38 single family parcels plus a remainder on property zoned Single Family 6,000 located north of Northridge Drive and west of Ridgecrest Drive, a portion of Assessor's Parcel Number 2-101-72, based on the original findings and subject to the original conditions of approval as contained in the staff report; no fiscal impact. Supervisor Livermore seconded the motion. Board comments acknowledged Glen Martel's efforts to maintain the landscape schedule and the work accomplished in the linear park. Mr. Martel invited the Board to tour the new Steinheimer Park. Mayor Masayko complimented him on his efforts. The motion to approve the final map development of 38 single family parcels in Phase 6 was voted and carried 5-0.
- B. ACTION ON S-95/96-6(F-3) A FINAL SUBDIVISION MAP REQUEST FROM R. P. SURVEYING AND ENGINEERING (PROPERTY OWNER: BERNHARD FAMILY TRUST), CALLING FOR THE APPROVAL OF HIDDEN MEADOW ESTATES, UNIT 33, A FINAL MAP CALLING FOR THE DEVELOPMENT OF 33 LOTS AND PARCELS A, B, AND C, ON PROPERTY ZONED SINGLE FAMILY 21,00 (SF21000), LOCATED ON THE

Minutes of the February 15, 2001, Meeting Page 7

WEST SIDE OF CARSON RIVER ROAD, APN 10-072-08 (1-2735) - Discussion with Jack Randall, Bernhard Family Trust's representative, explained the need for a significant easement along the rear of the lots for water and sewer utility lines, overhead power lines, and other public utilities. Supervisor Plank moved that the Board of Supervisors approve S-95/96-6, F-3, a final subdivision map request from R. P. Surveying and Engineering, property owner: Bernhard Family Trust, calling for the approval of Hidden Meadow Estates, Unit #3, a final map calling for the development of 33 lots and parcels A, B and C, on property zoned Single Family 21,000 located on the west side of Carson River Road, Assessor's Parcel Number 10-072-08 based on the original findings and subject to the original conditions of approval as contained in the staff report; no fiscal impact. Supervisor Livermore seconded the motion. Motion carried 5-0.

- 4. A. ACTION TO APPOINT ONE MEMBER TO THE NEVADA TAHOE CONSERVATION DISTRICT (1-2832) Personnel Manager Judie Fisher The Board interviewed (1-2840) Kay Bennett and (1-3120) Chris Freeman. Board comments thanked each applicant for applying. Each Board member then indicated his/her nomination and reasons for that selection. Comments emphasized that both individuals were good candidates and that the City would be well represented by either person. Supervisor Staub moved to appoint Kay Bennett to the Nevada Tahoe Conservation District for a term of four years. Supervisor Livermore seconded the motion. Following discussion on the term length, Supervisor Staub amended his motion to be for a two year term. Supervisor Livermore concurred. Mayor Masayko indicated that Mr. Freeman would serve as Ms. Bennett's alternate when she is unable to attend the meetings. The motion to appoint Kay Bennett to the District was voted and carried 5-0. Ms. Fisher was directed to contact Mr. Freeman and determine if he is willing to serve as the alternate. The Board would act to make the alternate appointment in the future.
- 7. PERSONNEL Manager Judie Fisher ORDINANCE SECOND READING ACTION ON BILL NO. 102 AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE CHAPTER 13.06, REMOVING ALTERNATE MEMBERS OF THE OPEN SPACE ADVISORY COMMITTEE AND OTHER MATTERS PROPERLY RELATED THERETO (2-0034) Supervisor Livermore moved to adopt on second reading Bill No. 102, Ordinance No. 2001-1, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE CHAPTER 13.06, REMOVING ALTERNATE MEMBERS OF THE OPEN SPACE ADVISORY COMMITTEE AND OTHER MATTERS PROPERLY RELATED THERETO. Supervisor Williamson seconded the motion. Motion carried 5-0.
- 10. CITY MANAGER John Berkich
- ACTION TO APPROVE THE IMPLEMENTATION OF THE COMPENSATION STUDY FOR В. CARSON CITY EMPLOYEES' ASSOCIATION EMPLOYEES (2-0069) - Personnel Manager Judie Fisher, Deputy Finance Director Tom Minton - The study was conducted in accordance with the agreement and was justified based on the large number of reclassification requests which Personnel had received. The last reclassification study was conducted in 1990. The study had been performed by staff which resulted in a savings of \$80,000 to \$100,000. Board comments noted that the fiscal impact of a reclassification is compounded over time and more than that suggested in the staff report. The examples of the cost impact provided in a memo was distributed by Ms. Fisher to the Board and Clerk and discussed in depth. (A copy is in the file.) The compensation will not be granted unless earned under the merit program. Employees' at the top of the current scale whose pay range changed as a result of the study will receive their promotion less the bonus which they received. Examples were provided illustrating both position upgrades and downgrades. Clarification indicated that Mr. Beller had reviewed the study at a cost of \$5,000. Discussion noted the delay in getting the information to the Board and reasons for the delay. Comments indicated that the Board wanted the total impact over the entire implementation period. Mayor Masayko indicated that in the future if the information is not provided in a timely fashion, the matter will not be considered. Mr. Berkich suggested that the item be deferred until staff could provide the missing information. The study purportedly would not create an impaction problem on management staff and did not include any of the public safety employees. The number of employees at the top of their ranges, the number who were retained at that salary range and will not receive an increase in compensation, the number who have an opportunity to receive an increase in compensation based upon their merits during their annual review, and the number of employees were transferred to a new grade and step but retained their current pay level were discussed. Employees who received a decrease in compensation are maintained at a retained scale until the grade and step reach that salary in accordance with the contract requirements. Examples were used to illustrate the process. The financial impact for the remainder of the 2000-

Minutes of the February 15, 2001, Meeting Page 8

2001 fiscal year is projected at \$60,000. Next year's fiscal impact is \$143,429. Mayor Masayko expressed his feeling that all of the employees will receive a five percent annual merit increase. Mr. Berkich noted that some employees receive a 7-1/2 percent merit based on an exceptional rating. Topped out employees are not eligible for merit awards. They are eligible for either a \$500 bonus for an excellent rating or \$300 bonus based on a standard rating. This is the amount that will be subtracted from the compensation study increase. Vacant positions are filled at lower ranges to provide room for growth as the employee learns the position and progresses up the career ladder. No positions were being eliminated. The term "impaction" was described. The study did not include any management employees. Employees at the top of their ranges only receive a cost-of-living and bonus. They are not eligible for merit increases. The CCEA contract established a two percent cost-of-living increase for next year. Promotions were not included in the study. Although Supervisor Williamson wanted the employees to have a decent and fair wage, she found the contract negotiation process difficult to understand. The Board is given little imput into the negotiations and must accept whatever the results are. The parity study is an example of this process. It is time for everyone to recognize the financial impact of the process. The State salaries have not been used in the parity study. It is not one of the entities on the approved list of comparables. The State employees do not have a binding arbitration requirement which the City employees have. Supervisor Williamson then indicated that the Board had little choice regarding the implementation. The only recourse open to the Board will occur if or when the budget becomes tight and cuts must be made. Supervisor Staub supported her comments even though he had not been involved in the negotiations. Discussion then indicated that the Association's contract expires in 2002. Supervisor Staub pointed out that if that contract includes an increase, the final costs will be even higher than those projected. Mr. Berkich agreed and explained that the Board's direction had always been to negotiate a fair and reasonable wage and salary which would maintain the present purchasing power based on the actual and estimated cost-of-living figures over the projected life of the contract. Supervisor Staub responded by explaining that not all of the residents of Carson City receive the same salary adjustment and that the City employees are eligible for 7-1/2 percent increase which is more than the 2 percent cost-of-living experienced nationwide. Discussion ensued on the compounded impact, how the estimate for 2003 had been developed, and variables which also impact the estimate, e.g., employees who retire. The City is a service oriented business. Employees provide the services mandated by the community. The estimates are the best guessimates possible. Comments indicated the City had "great" employees, however, the compounding cost may outstrip revenue. Without adequate salaries and benefits, the City could become like the State and become a training ground for employees. The Board controls the number of employees and a freeze could be implemented. Supervisor Livermore encouraged Mr. Berkich. Personnel and Finance to develop alternative funding sources for the \$46,000 and suggested that it come from departmental savings. Mr. Berkich indicated that staff is consistently analyzing the personnel and service costs and attempting to find alternatives. Supervisor Staub requested reports showing the cost saving measures which are implemented. The new budget should include these savings. Discussion indicated that retirement costs were included in the figures and its portion of the benefit costs. Supervisor Plank requested that, if a freeze or layoff is considered, appropriate information be provided so that the community understands the reasons for a change in service level. He also suggested that staff analyze the need to provide the service and/or whether a better manner of performing the service could be implemented at a lower cost. Supervisor Plank moved to approve the implementation of the compensation study for Carson City Employees Association employees: the immediate fiscal impact is \$60,000; and the funding source is the Contingency Account. Following a request for an amendment, Supervisor Plank amended his motion to include: fiscal impact for 2001-2002 is \$143,429, at which time the contract terminates, if it continues on in 2002-2003 the impact will be \$175,032. 2003-2004 is \$201,773, 2004-2005 is \$238,238; and 2005-2006 is \$274,703. Supervisor Livermore seconded the motion. Supervisor Staub indicated for the record that he would premise his vote on this particular issue based upon the contractual requirements we are under to perform the study and to potentially fund the study. He did not agree with its outcome or the potential cost implications. Mayor Masayko indicated that, if one checked the discussion when the contract was approved, the same statements had been made. Supervisor Staub added to his comments that this is with all due respect to the City staff that we have. It is, as he had said, "hard to swallow". The motion to approve implementation of the study was voted and carried 5-0.

A. ACTION TO APPROVE A LEASE AGREEMENT WITH THE CARSON CITY CHILDREN'S MUSEUM, A NON-PROFIT NEVADA CORPORATION (2-0990) - Executive Director Susie Meehan indicated they had reviewed the agreement and were comfortable with the terms. Board comments complimented the Museum supporters on their efforts, the upgrading that had been accomplished on the building, and their ability to obtain grants and funding from other sources. Discussion ensued regarding the feasibility of the requirement that the

Minutes of the February 15, 2001, Meeting Page 9

rental rate be established by the market after the initial ten years. Ms. Meehan explained the negotiation efforts regarding the term of the lease which had started at 99 years and ended at ten years with two - ten year renewal options. Mayor Masayko expressed his desire to remove the clause and allow the Board to address the rental rate in ten years. Ms. Meehan suggested the rental rate be increased to \$2. Supervisor Livermore supported having the Board set the second - ten year rental rate at that time. He also expressed his willingness to leave it at \$1 per year for the entire 30 years. Discussion indicated the Museum also uses a lot near the Civic Auditorium and the Museum's request to use a portion of it for storage. This proposal was abandoned as the building/storage area is near the historic district. Parks and Recreation Director Kastens suggested as an alternative that they put a storage shed at the Corporate Yard and use it for storage of their displays. This would be cheaper than the \$200 per month storage rental now used for this purpose. The parking lot will be signed to indicate that overnight parking or sleeping is not allowed. The lot is open for public use. The lease does not include this lot. Mr. Berkich explained that it is not dedicated to the Children's Museum and is open to the public. Therefore, it had not been included in the lease. Ms. Meehan indicated that at some future date the Museum may ask to close the street and utilize it for parking. Mayor Masayko felt that the long-term lease would provide an additional incentive to make large dollar upgrades required by the building and its use. He was unsure whether ten years is the correct figure for this purpose. Ms. Meehan's need for a long-term lease is based on the grants. She did not feel justified in asking for the funds if the lease terminated in five to seven years. Supervisor Plank voiced his concerns regarding the requirement that the City maintain the building and whether the City would have adequate staffing and financing to do so. Clarification indicated that the City is only responsible for the building's structural integrity and not the daily maintenance. Ms. Meehan indicated that the only maintenance provided during the ten year lease had been for tree trimming. She had obtained a grant to make outside building improvements to the tune of \$45,000. It may be necessary in the future to seek support from the Board but this has not yet occurred. Supervisor Staub questioned the amount of insurance coverage required and indicated that the amount should be a minimum of \$2,000,000. Staff was directed to reconsider the limit. Mayor Masayko also felt that \$2,000,000 should be the minimum. Additional public comments were solicited but none given. Supervisor Livermore moved to recommend that the Board of Supervisors approve the lease agreement with the Carson City Children's Museum, a non-profit corporation, with the noted change on Page 4 regarding the second and third ten year terms and change the third line to strike "upon fair market value" and that it read "rental fees be set by the Board of Supervisors". Discussion indicated the lease would remain as a thirty year lease. Deputy District Attorney Melanie Bruketta suggested that the motion be to continue the item and direct staff to bring it back. Supervisor Livermore agreed and withdrew his motion. The Board and Ms. Meehan agreed that the lease term should be for three - ten year terms. Mayor Masayko suggested that the rental fee be left open. The Board could then determine whether the building is needed for other purposes or Ms. Meehan could encourage them to remove the fee requirement. Mayor Masayko also directed that staff revise the insurance requirements. Comments indicated that the revised contract should be available by the next meeting. Ms. Meehan expressed concerns with allowing the Board to consider whether the use would be allowed in ten years. Supervisor Livermore pointed out the community support the Museum has and expressed his feeling that she might be able to prevail upon the Board to reduce/eliminate the rental fee entirely based on the public good provided. Mayor Masayko felt that this was a better suggestion than requiring payment at the market rate. Supervisor Livermore moved that the Board of Supervisors direct staff to take this lease that was presented for the Carson City Children's Museum and make the noted changes on the option periods for the second and third terms, evaluate the \$1,000,000 liability policy, and bring it back at the earliest Board of Supervisors meeting possible, preferably on the Consent Agenda. Supervisor Williamson seconded the motion. Motion carried 5-0.

BREAK: A recess was declared at 1:15 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:18 p.m., constituting a quorum.

9. **INTERNAL AUDITOR -** Gary Kulikowski

A. ACTION ON INTERNAL AUDITOR PERFORMANCE PLAN (2-1535) - Discussion between the Board and Mr. Kulikowski indicated the plan should include a priority schedule and timelines. Mr. Kulikowski explained the model he had used to establish the plan. He hoped to use the Board's feedback to establish the plan for consideration at the next Board meeting. This plan would be the foundation for future plans and evaluations. He proposed to tie his audit plan to the pay-for-performance evaluation and the budget. Although there is little time left between now and his next evaluation, he felt that the foundation for future plans could be established.

Minutes of the February 15, 2001, Meeting Page 10

Mayor Masayko disclosed his discussion with Mr. Kulikowski regarding the plan. The definitions and outcomes/presentations were good. He encouraged Mr. Kulikowski to be sure that the Board and Mr. Kulikowski are communicating on the same page regarding the work plan. The Board must also understand the competency and working relationship which are expected. This will provide a method for measurement and an appropriate reward. This portion should be as objective as possible and include the ability to evolve. Methods of measuring the timeliness, quantity and quality of the outcomes are needed and could include changes created or savings versus costs. He did not find this in the suggested plan. A process of learning is required as the pay-for-performance program is new.

Supervisor Staub disclosed his meeting with Mr. Kulikowski. He then indicated that he had run on a platform of accountability. He felt that a better City organization and audit functions should be established. External audits should, if possible, be brought in-house. He questioned whether there is a duplication of services between Mr. Kulikowski's duties and that of Deputy Finance Director Minton. An annual audit plan needed to be developed in order to evaluate Mr. Kulikowski's performance. The plan he was shown was "piecemeal" auditing. He asked Mr. Kulikowski to develop a comprehensive audit plan as indicated in his first objective which includes a schedule of departments and functions to be audited and a priority for those audits. The plan should be extended over a three year period. If it is determined that the plan cannot be accomplished, then recommendations should be submitted to the Board regarding outside contracting of those items. He also felt that the plan should include performance audits as well as fiscal audits.

Mr. Kulikowski noted that the comments related to his second agenda item which was:

DISCUSSION ONLY ON PREPARING FISCAL YEAR 2001-2002 AUDIT PLAN (2-1842) - Mr. B. Kulikowski indicated he would include Supervisor Staub's comments in creating this plan. Mayor Masayko indicated that the Board had already developed annual audit work plans. The timeliness for completion of these plans, however, had not been successfully established. He suggested that this plan be retained and refined. Mr. Kulikowski indicated that his annual work plan had been developed using the national auditor's standards and quidelines. This included the audit item and a timeline for conducting it. Discussion with other auditors indicates that these plans are not always structured with established deadlines and documentation. As a result he had reduced the amount of documentation required even though this does not comply with the auditing standards. He was willing to modify his process to provide more substantiation of the outcome/benefits. Dollar savings were cited to illustrate the type of quantification he hoped to provide. Performance audits cannot guarantee a savings will be provided particularly after a lot of performance audits are conducted as the major opportunities for a savings have already been developed. Management should internally evaluate service needs and procedures. He agreed that there are some City areas which deserve attention and review. He was willing to amend his plan to include this type of an audit. He also pointed out that some areas may require a consultant to perform the audits such as establishing a better security system for the City's network. This, however, would not provide a measurable dollar figure but would demonstrate an improvement in the City's security program.

Supervisor Livermore felt that he should be able to judge by the money saved or measurement of the department's goals and service levels. He then questioned Mr. Kulikowski's role in reviewing the Justice Court compliance as required by the State Administrative Office of the Courts. This should be the Finance Department's role. He agreed that Mr. Kulikowski should evaluate the internal controls over the business license billings and collections. Auditing the District Attorney's bank accounts should be conducted by the external auditor. The internal auditor should objectively weigh alternative courses of action reflecting factual information based on logical assumptions with consideration given to organizational resources. Mr. Kulikowski's performance should be measured based on this criteria. Employees at the Justice Court understand minimal accounting standards when hired.

Mr. Kulikowski noted that the items on the plan had been discussed and approved by the Board previously. He would include Supervisor Livermore's comments in developing future items. Reasons for conducting the Justice Court audit were discussed. Mr. Kulikowski did not feel that the Finance Department could perform the audit but an external auditor could. The most cost effective manner should be used. He agreed to work on a plan established by the Board which could include or eliminate this audit.

Supervisor Plank compared the internal auditor's position to that of a grand jury. Experiences in other communities

Minutes of the February 15, 2001, Meeting Page 11

illustrated malfeasance which had occurred and justified having an internal auditor. The Board should develop the areas to be audited including time for unanticipated audits, e.g., the aquatic facility. He also felt that the staff sometimes does not know the proper accounting procedures as indicated by problems encountered at the District Attorney's office. Mr. Kulikowski supported his comparison. San Jose's audits were described to illustrate the width and breathe of the items which could be included in an internal auditor's plan. His plan will be based upon whatever the Board approves. If the Board does not want him to do the Justice Court audit, he would suggest to the Justices that they allocate administrative funding for an outside auditor. He was willing and able to provide timelines and develop a priority listing for the current plan if the Board wished.

Supervisor Williamson pointed out that the Board and Mr. Kulikowski had established a work plan last July. She was "not a big supporter of the pay-for-performance program". She would, however, support the Board's direction. She suggested that Mr. Kulikowski take the current work plan and complete it within the timeframes established. She pointed out a breakdown in communication regarding the status of the items on the plan. She suggested that the pay-for-performance program be used with next year's plan rather than the current plan.

Mr. Kulikowski indicated this was his preference and understanding of the need for objective measurements in the future. He suggested that a measurement be the number of audit recommendations accepted by the Departments, the percentage implemented, and the fiscal impacts created. Clarification by him indicated that Mr. Kulikowski's clients were management, the Board, and the residents of Carson City. Supervisor Williamson expressed her feeling that the Board is his client and that the Board should apply his information to how management and the City functions. Mr. Kulikowski suggested that in the future when one of the audit items is completed, it be agendized and management staff be given an opportunity to respond. This would make the Department responsible to the Board and community. He agreed that a six month follow-up on the recommendations should occur. Once all of the recommendations are implemented, it should not be necessary to continue conducting follow-ups. This would provide accountability and/or justification for not implementing the recommendations. This process would require an action plan from management with established timeframes for implementation. Additional performance measures could include the percentage of performance audits completed during the fiscal year and whether they were within the established timeframes. He then explained his role as a consultant to the elected officials regarding their programs.

Mayor Masayko responded by expressing the Board's opinion that it is his client and urged him to turn his focus toward it. His support for the pay-for-performance program was based on the clear indication of what is accomplished and how the Board's goals fit within those accomplishments. The Board should discuss the elected official's issues before Mr. Kulikowski detours from the established plan. The necessity of this communication was stressed particularly for detailed issues. Mr. Kulikowski felt that this failure could be addressed during a personnel session. He also indicated that discretionary time is included within the next plan to address Supervisor Plank's concerns. He then explained his intent to evaluate the pros and cons of a new procurement process which had been suggested. Mayor Masayko responded by explaining that Mr. Kulikowski's role should be to review the procedures manual as ultimately developed. Mr. Kulikowski agreed.

Discussion with Mr. Kulikowski then reviewed the final page of his performance report for fiscal year 2000-2001. The Justice Court MAS Compliance is to be completed by the end of the month and is a high priority. Business License controls should be completed by the end of March and is a medium priority. The District Attorney's bank accounts should be done in May and is a medium priority. Discussion indicated that the Graves Lane extension should be low priority as it is completed and ultimately removed it from the list.

Supervisor Staub explained his belief that Mr. Kulikowski should not be involved with on-going loss control. This is a management function. Mr. Kulikowski should be involved in evaluating the process and establishing better procedures so as to avoid repeating past mistakes. Someone within the Justice Court function should be cross trained to determine compliance with the Minimum Accounting Standards. Internal auditing functions should evaluate the District Attorney's bank account controls and verification of transactions. If Mr. Kulikowski's evaluation of management's analysis has concerns, then the Board should become involved. Graves Lane evaluation of the contracts is an internal management function as indicated by his knowledge of the Legislative Council Bureau audit division and the State's audit division. (During his comments, Supervisor Williamson left the meeting--3:03 p.m. A quorum was still present.) He read the objectives as developed from Mr. Kulikowski's objectives on page one of the

Minutes of the February 15, 2001, Meeting Page 12

plan to emphasize the functions which should be performed. Mr. Kulikowski should not be involved with auditing the Graves Lane payment process unless information is discovered indicating immediate oversight is required. He felt that Mr. Kulikowski should be involved auditing personnel duties and functions and recommending changes which would expedite/better the services level. He also felt that Deputy Finance Director Minton should audit the internal controls over the business license billings and collections. Evaluation of a financial summary on the Graves Lane extension will not provide any benefits unless a different process is developed to assure that it was conducted appropriately the first time. He reiterated the feeling that Mr. Kulikowski works for the Board who represents the residents of the community. The Board should be the one to report to them. This will allow for more efficiency and economy within the City Departments. Mr. Kulikowski had purportedly mentioned a Department when they were discussing the matter which he felt was appropriate for this type of review. Although it may not be possible to implement this direction at this time, it is time to start the process. Monitoring the computer dispatch function should be handled internally by Mr. Minton or someone within the Sheriff's office. Verification that the Library Board is operating correctly is an audit function to assure that they are functioning within the parameters of the law. If his suggested audit process has not been done in the past, it may be necessary to develop a a three to five year priority list by departments.

Mayor Masayko responded by explaining that the freeway and dispatch projects were on the list due to their financial impact and the possibility of over-runs. He felt that the internal auditor's duties should not be restricted to departments but should include financial items with significant financial implications. This should provide the necessary controls to force discussion with the Board on items to avoid purchasing a "Humvee" when a "Jeep" will perform just as well.

Supervisor Staub indicated that this is a priority and goal as established by the Board regarding the projects which Mr. Kulikowski should undertake. Both Supervisor Staub and Mayor Masayko agreed that Mr. Kulikowski should provide the Board with his procedures and Departments/functions proposed for audit. This process will provide the necessary findings for the Board.

Supervisor Plank felt that the Board should establish the timeframes and priorities of the work plan. The Board could then, based on Mr. Kulikowski's recommendation(s), agendize the matter for discussion with the Department Heads, etc. Mr. Kulikowski should follow-up on the outcome to insure that the promised action had occurred.

Mayor Masayko felt that the follow-up should be Mr. Berkich's responsibility. Mr. Kulikowski's cursory follow-up review should only determine whether the recommended process is occurring. A report could then be given to the Board. Supervisor Plank felt that Mr. Kulikowski would perform the audit and provide oversight. Mr. Minton's function is to establish the operations. Mr. Kulikowski's role is audit compliance with those procedures. Supervisor Plank's concerns regarding Development Services' "time sharing" process was described to illustrate how he felt the process should work. Mr. Kulikowski indicated that this time sharing procedure will not be implemented until July 1. Mayor Masayko reiterated his concerns about the lack of communication which was illustrated by the direction given during the February 15 discussion on the Development Services reorganization related to this program.

Mr. Berkich responded to Supervisor Staub's comments by explaining that under the current organizational chart that staff performs the work, Finance reports it, and the audit function is the verification that it was done correctly. Mr. Minton is not an auditor. There must be an adequate separation of responsibilities. He expressed a willingness to have an outside auditor perform a management audit. Mr. Kulikowski meets with him weekly regarding items which should be "fixed". These comments are a valuable contribution to the agency. Clarification reiterated that Mr. Minton does not perform internal audit functions.

Supervisor Staub explained that this was the information that he had been given and stressed his feeling that Mr. Kulikowski should perform such audit functions to insure that management has performed its functions correctly. He supported having Mr. Kulikowski perform as outlined in his objectives which includes a plan indicating the functions and Departments to be audited in a priority order with specified timelines. The list of audits which had been provided contained several management functions. They were not audits per se. The plan provides a report card for the public illustrating that the funds have been allocated within legal parameters and had been done efficiently. He also cautioned against establishing a requirement that the audits show a financial savings as it builds in a conflict of interest and may prejudice/bias the auditor by narrowing his review to this issue only.

Minutes of the February 15, 2001, Meeting Page 13

Mr. Kulikowski agreed and indicated that this would not be the sole purpose of his audit(s) but would be an element of reporting and tracking. It may also be that some of the projects would cost money and their return could be speculative. They may, however, "head off problems" such as illegal access into the City's network program. Many of his audits are on operating and control issues.

Supervisor Plank suggested that some time also be dedicated to unannounced audits. Such audits would be reported to the Board after the fact. He also supported Supervisor Staub's caution against performing audits which mandate financial savings. Discoveries should be just as important as the savings. Mayor Masayko felt that if plans can be developed which save money, they should also be developed as well as those which increase services, efficiencies, and security.

Discussion explained audit procedures which analyze the billing and contracts on the freeway project. Mr. Kulikowski audits to determine that staff has handled this process accurately and in accordance with the accounting procedures manual. Mr. Berkich stressed the need for such oversight. It is not Mr. Kulikowski's responsibility to determine the staff procedure. Mr. Berkich also indicated that Mr. Kulikowski will review the process which will be established to maintain the time cards for Development Services. Issues which he raises will be addressed to insure that the process meets accounting standards. Supervisor Plank indicated that auditors do occasionally provide such technical assistance. Discussion also explained the relationship between a Parks Department accounting technician and Mr. Minton in the Finance Department and indicated that this process should be analyzed by an internal auditor to determine that it is done efficiently and cost effectively. Comments also justified having this individual at the Parks Department rather than within the Finance Department's area.

Discussion then reverted back to the performance plan. Mayor Masayko expressed his feeling that the Graves Lane review was not as important as the computer aided dispatch facility and the Library Board compliance. Mr. Kulikowski explained that his monitoring of the computer aided dispatch facility's progress was an attempt to determine if major changes will be required in the future. He proposed to provide a summary report on it. It should be completed by the end of the fiscal year. There should not be any change orders. Mayor Masayko felt that the report should indicate the costs and whether the approach used was satisfactory. This project was to remain on the list. Mr. Kulikowski indicated that this is a high priority project. Mayor Masayko then expressed his concerns regarding the freeway project. A review of the change orders and the items which are and are not reimbursable by the State. Mr. Kulikowski indicated that he was still auditing this project. It should remain as a high priority and is ongoing. A report should be provided by the end of the fiscal year summarizing the status and evaluating all of the contracts. Mayor Masayko felt that at that time the Board could determine the need to continue monitoring the project. Mr. Kulikowski indicated that the change orders were a result of how the contract had been developed. Mayor Masayko also indicated that part of the change orders were created by the underground conditions. Mr. Kulikowski agreed and explained that the contract had not included responsibility for these changes and who would pay for them. Changes are being made to Phase 1-B as a result of these concerns. Mayor Masayko indicated that the Board should be advised about the strengths and weaknesses in the process and provide follow-up monitoring. This information should be given to Mr. Berkich who will direct Development Services Director Andrew Burnham. Discussion indicated that the Library compliance is a low priority and should be completed by the end of March. Supervisor Plank pointed out that it is Deputy District Attorney Melanie Bruketta's duty to tell them their responsibilities. Mr. Kulikowski's role is check to see that they comply.

(3-0008) Mayor Masayko felt that the discussion had provided quality communication regarding the establishment of plans and priorities. The same effort should be dedicated toward next year's plan. Discussion ensued concerning whether to remove any of the items from the plan. Direction was given to remove the Graves Lane extension. Mr. Kulikowski then explained the District Attorney bank account audit process and reasons the accounts had not been reconciled. Comments indicated that it should remain on the list as a medium priority. Mayor Masayko then asked Ms. Bruketta to check to see that the Library Board is in compliance with the matters she had pointed out to them earlier and to send the Board a memo summarizing her investigation. Mayor Masayko directed that it be removed from Mr. Kulikowski's plan.

Discussion stressed the need to communicate and that the final reports should summarize his findings particularly for those items of high value, high risk, and high return and provide an indication of the resources. Mayor Masayko hoped that the Board review would not take more than 30 minutes. Mr. Kulikowski indicated that the report would

Minutes of the February 15, 2001, Meeting Page 14

be submitted in advance to allow the Board an opportunity to contact him for additional information or if questions arise. The report is to be provided for the second meeting in March due to its budget connections.

Mr. Kulikowski then explained his role on the Data Processing Committee and revised Outcome No. 9 to be "Additional Assignments". Board comments indicated that the Data Processing Committee should be handled by management. He could continue to monitor their activities. Mr. Kulikowski then explained his review of the agenda and his rationale for conducting a review. He agreed to eliminate his golf course monitoring activities if the Board felt that Mr. Berkich's status reports served the same purpose. Board comments indicated that feedback had not occurred and suggested that Mr. Minton provide the monitoring. Supervisor Livermore suggested that he review the monthly statements. He did not feel that it was necessary for Mr. Kulikowski to attend the meetings. Mr. Kulikowski indicated that he tracked its financial reports on a spread sheet and would continue to do so. Discussion indicated that he should continue to attend the City Manager's staff meetings and the Deferred Compensation Committee meetings although this is not an audit function. Board comments indicated that he should not attend the Internal Finance Committee meetings.

Comments stressed the need to have taken the time today to develop the framework for next year's plan. Mayor Masayko felt that Mr. Kulikowski's clerical duties should be assigned to a City staff member and that he should not do the keying. He should do only the highly confidential reports. The pros and cons of the suggestion were debated. Comments also indicated that the format used for the plan had been developed for CCEA employees and that Mr. Kulikowski should develop his own utilizing the one developed for Mr. Berkich.

Mr. Kulikowski then requested direction on what his role in the City Manager's management analysis function is to be. Mayor Masayko responded that as soon as the Board determines it, the Board will advise him of his role. There had been more questions raised than answers provided. For this reason no direction could be given at this time.

Mr. Berkich explained Mr. Heath's absence and that a report will be submitted to the Board concerning a recently developed program regarding the "capacity developed by the reorganization for financial analysis". Mr. Minton represents a part of that capacity. As part of his function within the organization he has been researching performance and management issues. He is working on an "ICMA" performance measurement program for City Departments which will be launched in March. The 12 month program includes the issuance of RFP's for three City functions in order to compare the staff operations with private industry's. Performance review of Vehicle Maintenance is occurring now. Other concepts under review include the purchasing card program, simplification of claims development, and streamlining processes and the development of more effective methods of conducting business. Items being analyzed/developed are: golf operations, landfill operations, storm drainage utility, redevelopment financing, RTC debt capacity, group medical, workman's compensation, enterprise zone with Douglas County, ambulance operations, Senior Center financing, CIP financing, and working with the Carson City Transit regarding its upcoming contract.

Discussion indicated that no action should be taken at this time on Mr. Kulikowski's plan. Comments directed Mr. Kulikowski to agendize the issue for the first meeting in March and that he should only work on a one year plan at this time. It was also felt that the item should only take 30 minutes. Mayor Masayko directed that measurements/weight be added to the listing. Comments also indicated that this year's evaluation would be subjective. Pay for performance would not occur this year. The work plan will be considered at the second meeting in March. Consensus deferred action on Items A and B.

There being no other matters for consideration, Supervisor Plank moved to adjourn. Supervisor Livermore seconded the motion. Motion carried 4-0.

The Minutes of the February 15, 2001, Carson City Board of Supervisors meeting

ARE SO APPROVED ON_	<u> April 19</u>	, 2001
/s/		
Ray Masayko, Mayor		

CARSON CITY BOARD OF SUPERVISORS Minutes of the February 15, 2001, Meeting Page 15

ATTEST:		
<u>/s/</u>	 _	
Alan Glover Clerk-Recorder		