

MINUTES

MEETING OF THE BOARD OF EXAMINERS

March 8, 2011

The Board of Examiners met on Tuesday, March 08, 2011, in the Annex on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Secretary of State Ross Miller
Clerk Andrew K. Clinger

Others Present:

Kelvin Hickenbottom, Department of Conservation and Natural Resources, Water Resources
Bonnie Kordonowy, Department of Conservation and Natural Resources, Water Resources
Tom Wilczek, Office of Energy
Margi Scheid, Department of Agriculture
Richard Jacobs, Department of Health and Human Services, Child and Family Services
Brenda Berry, Department of Health and Human Services, Aging and Disability Services
Charlene Herst, Department of Health and Human Services, Mental Health and Developmental Services, Substance Abuse Prevention and Treatment Agency
Pauline Salla, Department of Health and Human Services, Child and Family, Juvenile Justice Programs Office
Rebecca Ritter, Department of Health and Human Services, Mental Health and Developmental Services, Substance Abuse Prevention and Treatment Agency
Cole Schmidt, Department of Health and Human Services, Health
Mark Teska, Department of Public Safety
Mike Skaggs, Economic Development
Sheri Brueggeman, Department of Public Safety
Jon Hager, Public Employee Benefits Program
Keith Wells, Department of Administration, Motor Pool
Clark Leslie, Attorney General's Office
Katie Armstrong, Attorney General's Office
Megan Sloan Public Employees Benefits Program
Donna Lopez, Public Employees Benefits Program
Jeff Mohlenkamp, Department of Corrections
Charles Duarte, Department of Health and Human Services, Health Care, Financing and Policy
Mike Willden, Department of Health and Human Services
Sherry Manning, Department of Health and Human Services, Nevada Governor's Council on Developmental Disabilities
Carol Sweeney, Department of Information Technology
Laura Smolyansky, Department of Information Technology
Lucas Foletta, Governor's Office
Brenda Ford, Department of Employment, Training and Rehabilitation
Susan Hart, Controller's Office
Kimberlee Tarter, Department of Administration, Purchasing
Patrick Cates, Department of Wildlife

Cindy Edwards, Department of Administration, Buildings and Grounds
Steve Woodbury, Commission on Tourism
Harold Cook, Department of Health and Human Services, Mental Health and Developmental Services
Jim Croce, Nevada Institute for Renewable Energy Commercialization
Mendy Elliott, Nevada Business Strategies, LLP
Dave Gustafson, Department of Information Technology
Kim Perondi, Department of Administration, Purchasing
Sherry Rupert, Department of Health and Human Services, Indian Commission

PRESS

Cy Ryan, Las Vegas Sun
Anjeanette Damon,

***1. APPROVAL OF THE FEBRUARY 8, 2011 BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will call the Board of Examiners meeting to order. The Attorney General is not present. We will move to agenda item number one, approval of the February 8, 2011 Board of Examiners' meeting minutes. Mr. Secretary of State did you have an opportunity to look over the minutes?

Secretary of State: Yes I have.

Governor: Do you have any changes?

Secretary of State: No I do not. I'll move for approval.

Governor: It has been moved for approval of the minutes. I will second the motion, is there any discussion on the motion? Hearing none all those in favor please say aye. The motion passes unanimously.

***2. CASH MANAGEMENT IMPROVEMENT ACT**

A. Office of the State Controller – Payment to U.S. Treasury not to exceed \$25,347

The State Controller requests approval of payment to the U.S. Treasury not to exceed \$25,347 from the General Fund. This is the highest possible payable liability for 2010. The U.S. Treasury is reviewing the report and should have a final liability figure by March 16th. Payment to the U.S. Treasury is required by March 31st.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move to agenda item two, cash management improvement act, Mr. Clinger.

Clerk: Thank you Governor, item number two on the agenda is a request to approve a payment to the U.S. Treasury not to exceed \$25,347. This is a payment under the U.S. Cash Management Improvement Act as to the timing of when we receive federal funds. If we receive federal funds the day before we pay it out the interest will reverse the other way as well. So this is the net result of that liability.

Governor: Are there any questions for Mr. Clinger regarding agenda item two?

Secretary of State: No Governor.

Governor: Hearing none, the chair will accept a motion.

Secretary of State: I'll move for approval.

Governor: There is a motion to approve item number two on the agenda, I will second the motion. Is there any discussion on the motion? Hearing none all in favor of the motion please say aye. The motion passes unanimously.

***3. POLICIES AND PROCEDURES**

Pursuant to SAM 0208, in the event an agency adopts a rate of reimbursement less than the amounts specified in NRS 281.160, Board of Examiners approval is required.

A. Department of Public Safety – Administrative Services Division

This request allows the Division to adopt a rate of reimbursement less than the amounts specified by the GSA in NRS 281.160 when lodging has been arranged by the department, and for partial day travel.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move to agenda item three, policies and procedures, Mr. Clinger.

Clerk: Thank you Governor. This is a request from the Department of Public Safety to request the Board approve travel procedures astringent then those we make in the State Administrative Manual. We have Mark Teska here from the Department of Public Safety to answer any questions.

Governor: Thank you Mr. Clinger. Mr. Teska.

Mark Teska: Good Morning. The item before you is approval of a change to the Department of Public Safety's travel policy. To clarify the agenda item, the request applies to the entire department not just the Administrative Services Division. The department has adopted a policy that utilizes the GSA rate in accordance with SAM. One provision in our policy states that employees may not seek reimbursement for lodging expenses if they are provided lodging arranged by the department. The other exception is in regards to per diem rates and again the department has adopted the GSA per diem rates. The department policy specifies how much per diem an employee can claim per day. So DPS isn't really adopting a reimbursement rate less than what is established in NRS, to avoid any confusion, the department's request to the Board is to approve these exceptions to clarify the department's travel policy.

Governor: Are you using this policy now?

Mark Teska: Yes, this policy has been adopted and it has been revised over the past year and a half.

Governor: Mr. Secretary of State do you have any questions?

Secretary of State: No Governor.

Governor: Thank you; the chair will accept a motion on agenda item three.

Secretary of State: I'll move for approval.

Governor: There is a motion to approve item 3A of the agenda and I will second the motion. Is there any discussion on the motion? Hearing none all those in favor of the motion please say aye. The motion passes unanimously.

***4. STATE VEHICLE PURCHASE**

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the State without prior written consent of the State Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Conservation and Natural Resources – Water Resources	1	\$26,232.25
Total:		\$26,232.25

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Item four on the agenda is a state vehicle purchase, Mr. Clinger.

Clerk: Thank you Governor. Item four is a request under NRS 334.010 from the Department of Conservation and Natural Resources, Water Resources for the purchase of one vehicle in the amount of \$26,232.25.

Governor: Any questions for Mr. Clinger?

Secretary of State: No Governor.

Governor: Is there anyone present here for this agenda item? I have no problem with the purchase. Is this a necessary new vehicle or was the prior vehicle worn out?

Kelvin Hickenbottom: Actually these are grant funds from the National Fish and Wildlife Service and it is to support a full-time employee. This is a new vehicle and it is to be used to support field activities for the Las Vegas Water Basin District.

Governor: What are you using now?

Kelvin Hickenbottom: Actually we are using our general fund vehicle.

Governor: Thank you. Do you have any questions Mr. Secretary of State?

Secretary of State: No.

Governor: The chair will accept a motion.

Secretary of State: I'll move for approval.

Governor: It has been motioned to approve agenda item number four. I will second the motion. All those in favor of the motion please say aye. The motion passes unanimously.

***5. SUPPORT FOR ASSEMBLY BILL 70**

A. Department of Administration – Motor Pool Division

Assembly Bill 70 revises NRS 334.010 to allow the Board of Examiners (BOE) to delegate the approval of vehicle purchases to the Clerk of the Board or the Clerk's designee. This change will expedite the approval process for vehicle purchases. The bill also removes language stating all state vehicles be "painted" with the letters "State of Nevada" and for "Official Use Only", changes the wording "automobile" to "motor vehicle", and removes specific exemptions to the labeling requirements. The Fleet Committee is requesting support from the BOE on A.B. 70.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda item five, Assembly Bill 70, Mr. Clinger.

Clerk: Thank you Governor. This is an item that I put on the agenda for the Boards consideration. We submitted what has become Assembly Bill 70 requesting that the Board have the ability to delegate authority for approval of vehicles to the Clerk of the Board as well as make some letter changes with the official language on the side of vehicles. Just a little bit of background on this for the Board members. NRS 334.010 is a statute that and I have admitted this on the record before, it says in statute that prior to six months ago we were unaware of not bringing vehicle purchases to the Board of Examiners. As soon as we discovered that this statute existed we started bringing those vehicle purchases to the Board. Initially our thought when we submitted Bill Draft Requests for this delegation is that the Board of Examiners would be overwhelmed with requests for vehicles. I'm sure the Board members can attest that hasn't been the case. While we have one or two vehicles on every agenda it is not hundreds and so it certainly is at the Boards discretion if you would like to continue this Bill Draft Request that given the level of volume that we have had with vehicle requests, I don't think that it's a burden on the Board to continue bringing these requests to you.

Governor: Thank you Mr. Clinger. That was my observation on it. I don't think that it is a burden on the Board to review these vehicle purchases. Even though I have only had these two meetings and with my prior experience as the Attorney General I don't feel it is a burden and I do like the benefit of having the opportunity to review these. Mr. Secretary, do you have any observations?

Secretary of State: What was the intent in trying to remove the requirement of the automobiles with the letters "State of Nevada and for "Official Use Only"?"

Clerk: I would refer you to the Administrator of Motor Pool, Keith Wells.

Keith Wells: To give you a little background of where this originated from is we started the Fleet Committee about a year ago to study fleet policies and practices in general. Many of the established fleets when we discovered that they had no true form to purchase vehicles they didn't disagree with that process but the problem is the contracts in place for a full year and the manufactures only build vehicles and sell them to the government from October to April. So if we have to buy a vehicle and having to go to the Board to approve them during that time frame is what we are trying to change. No one had any intentions on removing authority; it is trying to allow the business process to perform efficiently internally. The remaining parts of that bill required the language or letters for "Official Use Only" and the "State of Nevada" to be painted on the car. We now use stickers and license plates so we just wanted to remove that from statute and place it in policy where we can address and change it when necessary. We are trying to clean up SAM. The next component is there are some exemptions in there as to which agencies are authorized to be exempt from that placard and that really should be placed in SAM too. So we can address changes quickly and placing anything into SAM needs to be submitted to the Board too. So the Board would get to approve the changes. The committee is trying to increase efficiencies.

Governor: I guess I am not clear how this will fix it all.

Keith Wells: All this will do is help expedite the process in approval of a vehicle. If an agency needs to go and submit a bid to purchase a vehicle to the full Board of Examiners, it has to be done ahead of time. The Board only meets once a month, if we were allowed to have the Clerk approve that we could get it approved on any given day it would just speed up that process. One of my considerations would be since it is not a problem in my fleet or any other fleet that I am aware of, but I know that Nevada Highway Patrol needs their vehicles if they were to get an exemption from that they are a well managed fleet. The Nevada Department of Transportation is already exempt from this already.

Governor: As far as the State of Nevada vehicle, this is just a simple change so it doesn't have to say painted; the cars will still say "Official Use Only" or State of Nevada?

Keith Wells: Yes.

Governor: Mr. Secretary of State; do you have any questions?

Secretary of State: I just wanted to ask, it is your intention to put in SAM the original requirements that the "State of Nevada" and "Official Use Only" are on all state vehicles?

Keith Wells: Absolutely.

Secretary of State: And if this bill passed you can also put in SAM the specific requirements for the Highway Patrol Division that they may seek approval upon purchasing basis from the Clerk without having to wait for approval from the Board of Examiners and this Board will still retain the entire authority to approve vehicles for all other agencies?

Keith Wells: Absolutely.

Secretary of State: I have no further questions.

Governor: So would the cure then be to essentially move to support the bill with an amendment? That will only apply to the Department of Public Safety?

Keith Wells: Yes, that is correct.

Secretary of State: Do you think it is better to make those changes in statute or in SAM?

Keith Wells: I think it would be better to apply those changes to SAM to move forward on this bill. That is why I am here today. When I went to testify on this bill they thought that I was trying to circumvent the Board of Examiners. Which was never the Fleet Committees intention, they just wanted to bring this to your attention that the bill was there and get your support.

Clerk: And Governor if I may to clarify. Anywhere in the statute where it states that the Board may delegate to the Clerk; we bring those as an action item to the Board if the bill was passed. I wouldn't have delegated authority until it was brought before the Board as an action item and the Board approved that delegation we could include with that delegation specific language in SAM that said the conditions will occur only for example the Highway Patrol. So it is really permissive language that allows the Board the ability to delegate that but the Board still has to take action on that delegation.

Secretary of State: We could change that at anytime if we felt that there was an abuse in place with the Highway Patrol; we could remove you as a designee and have all of the authority back?

Clerk: The Board can certainly change that at anytime.

Secretary of State: I would move to support AB 70 under agenda five.

Governor: There is a motion and I will second the motion. Is there any discussion on the motion? Hearing none, all those in favor of the motion to support Assembly Bill 70 under agenda item five please say aye. The motion passes unanimously.

***6. LEASES**

Two statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Comments:

Governor: We will move on to item six of the agenda Leases, Mr. Clinger.

Clerk: Thank you Governor. There are two leases on the agenda this morning for the Boards review and approval. Both of these leases are within the Department of Health and Human Services and we do have Director Willden here if the Board has questions.

Governor: Mr. Willden can I ask a few questions? Good Morning; just a quick question and perhaps I got a little spoiled at the last meeting in regards to the leases the State was able to achieve to some savings and negotiate some rates that were lower. In reviewing this I couldn't tell whether the negotiated rates with the extension are less than what we are currently paying?

Mike Willden: The storage lease is a lease we utilize in our Health Preparedness Program and I don't have the specifics if it saves money or not. It is a facility out in Moundhouse and we store materials for the Public Health Preparedness. The materials need to be climate controlled.

Cole Schmidt: This is actually a short term month to month lease that we started because we were in the state warehouse in Reno and we were asked if we could expedite and find a place to move out because they needed additional space. So we did a short month to month so we could move material in January and then did the longer term lease for the March BOE so it is actually a continuation of that lease.

Governor: How about that next lease?

Mike Willden: This one from my understanding did save us about \$7,000 a year in lease costs. The DD Council has had a history of where they have been located such as Carson City. They moved in to my office, the Directors Office. We moved some people in and out of there and they moved back out and so my understanding is this lease saves them \$7,000 a year moving back out into leased space.

Governor: Would you like to make a statement?

Sherry Manning: I just came forward in case you had any questions. Mr. Willden in absolutely correct this is a \$7,000 savings plus we were able to down size out square footage so there is a substantial savings on both sides.

Governor: Thank you for the clarification. Just given the situation economically, there may be opportunities for the state to save money and every bit counts.

Mike Willden: I would like to be forthcoming on the record. We try pretty hard at trying to find the best lease space. In this case there was less expensive lease space available but it comes down sometimes to negotiating what you need to be ADA compliance such as fixtures and things. So we felt this was the best opportunity for the DD Council.

Governor: Thank you Mr. Willden I well understand that there may be other issues associated with what is appropriate for you. I appreciate the fact that you are constantly searching to see

ways to save for the State. Mr. Secretary of State, do you have any questions. Hearing none the chair will accept a motion.

Secretary of State: I'll move for approval of the two leases.

Governor: There is a motion to approve the two leases under item number six. I will second the motion. Is there any discussion on the motion? Hearing none, all those in favor of the motion please say aye. The motion passes unanimously.

***7. CONTRACTS**

Fifty-three independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move to item seven, contracts.

Clerk: Thank you Governor. Item seven on the agenda is fifty-three contracts submitted for the Boards review and approval.

Governor: Thank you Mr. Clinger. Is there somebody here for agenda item number one?

Tom Wilczek: I have also invited Mr. Skaggs from Economic Development and Mr. Croce from the Nevada Institute for Renewable Energy Commercialization. They are here to assist in answering any questions you may have with regards to the contract.

Governor: My intent wasn't to instill any panic I was just wondering exactly what this contract does. It would be very helpful if you could explain it for me.

Tom Wilczek: This particular one has its beginnings back in the late fall of 2010 when prior Director Jim Groth had thought of the idea of reaching out to Renewable Energy companies. The idea comes from, with my prior life, the Department of Energy we have a saying that we don't know what we don't know. What we weren't aware of is perhaps there are other Renewable Energy technologies and companies that exist out there that would benefit from the movement of the sites. However we don't know who they are so this is an excellent opportunity to get a contractor to do that homework for us. We think that this is a unique contract because we are teaming with Economic Development on this and we feel very confident that we are going to get an excellent product from this.

Governor: What is the goal of this contract?

Jim Croce: This is all about driving robust renewable energy cluster into Nevada. By looking at our existing assets in looking at the companies that are here today, looking at the needs of the industry and finding opportunities to vary up the supply chain that we have here with OEM customers that are located in other parts of the country that would locate here if they were given

a reason to locate here. So it is all about business attraction by positioning our unique assets to the needs of the industry.

Governor: Do you have any prospects?

Jim Croce: Absolutely, we partner with a company who has an office located in Spain and Europe.

Governor: Mr. Skaggs, did you want to make a comment?

Mike Skaggs: Governor, this is a qualified firm. They have experience in this and they have done international improvement as well as domestic. I am satisfied that we are going to see not just projects, but prequalified projects that have an interest and have a bottom line potential. So I am quite excited about this and it does give us this opportunity to partner with the Energy Office and go down this road together which I think will make this more effective.

Governor: Mr. Secretary of State, do you have any questions?

Secretary of State: I do, a few months ago PUC had authorized a study dealing with Renewable Energy. I am ignorant to the scope and mission of that contract, but I know Mr. Groth had attempted to bring forth a contract to put in place which was substantially similar to the studies already taking place. Are you aware of that PUC study and if so how is that different from the scope and mission of this study?

Tom Wilczek: On that particular scope, my understanding on it was the distributive generation is focused within the State and talks about how particular entities and clusters within the State would go about developing their own energy sources. So there is no economic development involved in that sector.

Governor: I have no further questions, thank you. We will move on to contract number five.

Clerk: Thank you Governor. Contract number five is for Nevada Business Strategies, LLP and I would ask Mendy Elliott to come and address your questions.

Governor: My question is this; I understand the nature of this contract but could you explain a little further the potential benefits to the State?

Mendy Elliott: Good Morning Governor. Certainly, on September 27, 2010 President Obama had past a Small Business Jobs Act. The Small Business Act was a Small Business Credit Initiative, which appropriated one and a half billion dollars out to the states or to the local municipalities for the sole purpose of getting small business going again. Nevada has an opportunity to bring into the state 13.8 billion dollars. There is expectation of that 13.8 billion dollars will be leveraged at a minimum 10:1 for a net gain to the state of 138 million dollars. The way that it works mechanically in this and there is different ways to approach it, part of what we do is step out of state and determine how the program is going to work and we need to Nevadaize this state. There is a capital access program...

Governor: Mrs. Elliott you need to what?

Mendy Elliott: I call it Nevadaizing it. Step back and create a program that is actually going to work and have success for this state. And the uniqueness of this state we have capital access programs, we have other credit programs and we also have (34.21) (in audible) program that we can leverage these dollars for. The grant that needs to be submitted needs to be submitted back to the Feds on June 27, 2011 at which time we have approximately 90 days to actually fine tune the program and actually start getting these funds out into the state. The way that the program works on a Capital access program, it is an actual insurance program for the financial institutions so if financial institutions with billion dollars assets the state can contribute up to five percent to their insurance portfolio in case there is a default on the loan. If the bank is ten billion dollars one billion to ten billion dollars the state portion of these funds can contribute up to three percent of the dollar amount of the loan. That is where you get the leveraging. Some of the states that I have spoke to North Carolina, Ohio they have been able to leverage 25:1, but they also have an existing CAP program or a Capital Assurance Program. Georgia which is the state that is much like ours which has had a lot of closures and the financial institution has a high unemployment rate they are actually creating a hybrid program. They are using some of the tenants of a capital access program, but running it with a venture capital program to promote some of the opportunities within their state. My conversation with them it seems like that is an opportunity for Nevada to align with the new Economic Development vision and strategies that the states been putting in place. As well as leveraging the existing Renewable Energy portfolio as well as leveraging some of the opportunities that you heard about today. As we develop those different types of strategies and they need access to capital. This program which is partially federally funded can actually leverage those dollars and work with financial institutions whether it is a bank or credit union. At the end of the day you are trying to insure the banks will take a little more risk on a potential credit facility.

Governor: Is there any risk to the State with this program?

Mendy Elliott: The way the contract is written this is a deliverable contract. We are only being paid for the initial start up costs it is up to us to work with the State to ensure that number one we have a successful occupation and the funds come into the State in three tranches 34, 33 and 33 percent of the 13.8 million dollars goes to the State. It is up to us and it is up to the State to work on the State, the Economic Development, the non-profit organizations as well as the financial institutions to ensure that the money is actually lent out into the State leveraging the State and the first tranche is 80% delivered and then the feds will then provide the State with the second tranche of funding so we are only paid if the money is actually delivered to the State. That is why it is a little different contract for the State again we only get paid if we deliver. The actual appropriation to the State is \$580,000.00 which can be leveraged a portion of those funds can be used by the Economic Development or wherever the State deems fit in order to work with my team as we develop this team so that we can make sure this is a successful program.

Governor: What are a couple examples of small businesses in Nevada that might be able to take advantage of this program?

Mendy Elliott: A typical small business less than five hundred employees, their sales less than one million dollars on an annual basis. This program does not align itself with the large financial institutions it's really developed to work with community banks that we have in the state. We also have an opportunity in discussions with Administration if we want to partner with another state that has an existing program that we can do that. We have discussed it with Treasury, Treasury is open to that. We don't have an existing program like this in Nevada as of

yet, but there is an opportunity for us to develop one. After this program is in place and we determine that this is something you want to do on a full-time basis the State has an opportunity to do that.

Governor: Thank you, Mrs. Elliott. Mr. Secretary of State, do you have any questions?

Secretary of State: On page two of the contract question number nine asks were quotes or proposals solicited? Was an RFP done? The answer to both of those was yes. In subsection a. it says if yes, list the names of vendors that submitted proposals. Are you aware of the vendors' name?

Kimberlee Tarter: The second vendor was Adorian Corporation.

Secretary of State: So there were two companies that went through the RFP process?

Kimberlee Tarter: Yes, that is correct.

Secretary of State: The reason that I ask is we are getting scrutinized by the Legislature on the Sole Source contracts and I was just making sure that we checked all of the boxes here. You guys do a great job putting these packets together.

Clerk: Governor, I would like to just clarify on the agenda to make sure that the record is clear. On the agenda on item five where it says General Funds 50% and it says Federal Funds 50%. I wanted to clarify, that is actually incorrect the State dollars that are going into this is \$35,166. The balance is all federal funds, so the percentage split is not correct.

Governor: Thank you. We will move on to contract number six. This is just for clarification because I was confused by this contract is it new or is it an amendment?

Cindy Edwards: This is an ongoing contract for services related to heating, ventilation and air conditioning. We just don't have the man power to change all of the filters in the building.

Governor: The reason why I was asking is because on your purpose of the contract it says that this is a new contract for the provision. I just wanted to clarify that it was an existing contract and we have been doing work with this vendor. Mr. Secretary of State I am going to move on to contract number twelve do you have any questions on contracts seven through eleven?

Secretary of State: No, Governor.

Governor: Mr. Clinger would you like to describe this contract?

Clerk: Governor, we have Steve Woodbury here from the Commission on Tourism.

Governor: Good Morning, I was just looking for clarification as to what exactly this conference does and how long this conference has been in existence?

Steve Woodbury: Sure, this is for the Rural Roundup conference. This is actually the 21 year we have held the conference. This is an opportunity for us to bring travel professionals and volunteers throughout Nevada to help give them the tools that they need to promote Nevada's

travel. (A copy of the agenda was handed to the members) Topics for the meeting include how to reach Las Vegas, connecting with international visitors, having social media fund raisers, strategies with working with travel professionals and basically giving our grow partners the tools that they need to be able to help market the State. This particular contract is for lodging, food, the conference. It is a great opportunity for our state to meet the professionals and the volunteers throughout the state to market the tourism market that they have. We do offset the cost of the conference with sponsorships.

Governor: Thank you, I have no further questions. Mr. Secretary of State, do you have any questions?

Secretary of State: No Governor.

Governor: We will move on to contract number thirteen. I have a note on here that this vendor is from out of state. Is there anyone here in Nevada that can perform this service?

Mike Skaggs: The Commission website is hosted by another company, Film has their own website. What they do is Creative Consulting, including copy-writing, Design (Web 2.0 and Print), Programming (Database and Software), Marketing Solutions, Content Development, E-Communications, E-Commerce and Production (Music and Film). This company has done this service since 2008 and there bid is about half of what Nevada companies have been bidding on this.

Governor: Thank you and I am sure you agree we want to go Nevada. Mr. Secretary of State, do you have any questions?

Secretary of State: No Governor.

Governor: Mr. Secretary of State I was going to move on to contract number eighteen. Do you have any questions on contract fourteen through seventeen?

Secretary of State: No.

Governor: Contract number eighteen. I have a simple question regarding this contract. I see that we are retaining this architectural firm for the Indian Cultural Center. Is there money in the CIP once this is done to move forward?

Sherry Rupert: This is money received on the Commission for Cultural Affairs for the Grant Program that they have. This was for work ordered in 2009 and we received an extension to utilize this money up until June 30, 2011. So right now after this phase we will have \$81,400 to spend by June 30th so that is the remainder of the money from the \$130,000 grant that we received.

Governor: Is that balance going to be used to rehabilitate the center?

Sherry Rupert: Yes it will. This particular amount that you see before you today is for the programming and schematic design. So what will come out of this is a report that will tell us exactly what needs to be done to rehabilitate the building to become a museum. And then also to give us some renderance which will help us with our fundraising for the Cultural Center. The

balance of the grant will go towards some minimal construction to the building to make sure that it is secure and the weather is not getting in the building as it is today.

Governor: So do you have a leaky roof?

Sherry Rupert: We have leaky windows, and leaky doors. The roof actually was redone just a few years ago by the State Public Works Board. So we have a good roof. This particular building was built in 1923 so it requires some major retrofitting before we can occupy it.

Governor: Last question, will the balance of that money be sufficient to restore that building?

Sherry Rupert: No, it will not. We need a lot of money to restore this building. I am just sorry to hear that the Commission for Cultural Affairs will not be receiving additional funding.

Governor: Thank you Ms. Rupert. Mr. Secretary of State, do you have any questions?

Secretary of State: No.

Governor: Next is contract number nineteen. My question; it disturbed me that as part of the justification is the number of cases of infection are expected to rise by 22% in 2011, how do you come up with this statistic?

Chuck Duarte: Actually the statistic was developed by the Nevada State Health Division on National Data on the increase of infectious diseases in health care centers. This initiative is aimed at developing the best practices to reduce any infections.

Governor: Is this something they should be doing on their own as well?

Chuck Duarte: It should be something that they do on their own as well, but in addition the funding for this is really not State General Fund. We have funds that are provided to us by the federal government and they are related to sanctions imposed, fines imposed on facilities for violations of their requirements for participating in the Medicare program. So with these fines what happens is these funds get returned to my agency and they are specifically designated for use in improving the quality of care in nursing facilities. So what we are doing we are giving \$70,000 of this \$100,000 is civil monetary. We are giving back to the Health Division which is partially federal Medicaid money and using that to assist facilities in developing the best practices for the treatment in these small organizations.

Governor: What does this 22% mean?

Chuck Duarte: I am not sure on that either, Governor. I am not sure if there is someone here from the Health Division who can explain more?

Governor: No it is not that important. I think that this is very worthwhile I just wanted to get a better understanding of it. Thank you. Mr. Secretary of State I was going to move on to contract number twenty-one. Do you have any questions on twenty?

Secretary of State: No Governor, I don't have any questions on any of the remaining contracts.

Governor: Good Morning Mr. Willden, for my benefit could you explain more specifically about what this contract does?

Mike Willden: This is actually a continuing process of contracts that we brought forth to the December Board of Examiners. And last spring we put out an RFP to a selected number of vendors who help us with what we would call a Master Service Contract type buy-ins. Those would include things like Needs Assessments, Training, Program Evaluations, Assisting us in printing, conference planning and marketing issues. What happens in particularly in public health arena is that there are many grant opportunities for the State of Nevada. You have to be ready to go when the grant comes you need to be able to have all of the facts and figures ready for the application. Then when we get the grant application you have a period of time to do whatever it is (public health issue) and we usually don't have an opportunity to ramp up fast enough to do it due to the requirements. So what this RFP did was create a pool of vendors that we can go to, to do those kinds of services. The reason the Board of Regents is late they have a slower process since they are considered government work rather than the private companies. So this is the sixteenth vendor out of sixteen vendors that were selected in that RFP process.

Governor: Thank you Mr. Willden.

Mike Willden: Governor, what would happen is once these contracts are in place again they are Master Services Agreements similar to what the Department of Information Technology does when we need a programmer or DBA, and we issue a work order and then we get the correct vendor to do the work.

Governor: I understand. Thank you for that clarification. We will move on to contract number 31 for the Department of Corrections. Good Morning, this is a contract for food for the prisoners?

Jeff Mohlenkamp: Yes it is; this is one of our major contracts that we have for food services and we are extending it for two additional years.

Governor: So that makes it two million dollars a year?

Jeff Mohlenkamp: Basically we are adding additional authority as you can see we are not doubling the contract. But we are making sure that we don't run out of authority to purchase food. So while we are extending the authority it doesn't lock us in.

Governor: How do we do comparatively for our costs per prisoner to other states?

Jeff Mohlenkamp: The State of Nevada is very efficient in this area. There was a study that was done by the State of Kansas. Compared with thirty-five other states we were in the bottom four of that study. And when you look at the Western States we did a comparison of six states: Oregon, Idaho, Colorado, Wyoming, Washington and Montana. We are the lowest on a cost per meal basis of all of those states. So I think that we are very efficient. Some of the states that are lower actually grow a lot of their own food and it is hard to do a comparison with those states.

Governor: Thank you Mr. Mohlenkamp. Mr. Secretary of State, do you have any questions?

Secretary of State: No Governor.

Governor: I believe my next question is for you as well. I also have a question regarding contract number thirty-two. Could you please just clarify what exactly this contract is doing?

Jeff Mohlenkamp: The department is in the final stages of energy retrofit projects. A company named NORESCO came in and they had done energy retrofit projects at several of our institutions across the state and what this is, there is an aspect of this. These contracts provide savings to be met. The state actually pays for this over a fifteen year period, it is a bank loan and we need to make sure we are getting savings that we paid for.

Governor: So we are paying for them to monitor but isn't that eating up the savings?

Jeff Mohlenkamp: Well certainly it is coming from the same pool and this is funded from the bank loan and it does eat into some of that savings but without this we don't have the expertise to ensure this savings. It is a small amount of money that we pay for over a million dollars in savings a year.

Governor: You said they are verifying energy retrofit, what do you mean by that?

Jeff Mohlenkamp: A simple example is just changing a light fixture. There are a lot of old antiquated light fixtures. By just switching out the lights and over a f5 year period we receive savings.

Governor: And last did you work with Stacey Crowley the Energy Director on these issues?

Jeff Mohlenkamp: I have not worked with her as of yet, but there are some solar projects that I will be working with her on.

Governor: Mr. Secretary of State, do you have any questions?

Secretary of State: No Governor.

Governor: We will move to contract number forty for the Department of Wildlife. Didn't we just have a contract for helicopters on last month's agenda?

Patrick Cates: Yes, Sir. The contract that was on the agenda last month was with StandardAero and that was for the engine and the drive train of the helicopter. The one before you today is for the airframe which is the structure of the helicopter. These are two totally different services which needs two types of vendors.

Governor: So this helicopter is on its last leg?

Patrick Cates: Well we have two helicopters and they are older and they require a lot of maintenance. We have put these contracts in place so that we would have the authority for the worst case scenario. There is also a couple small retroactive contracts on the agenda related to this. We went in for some routine maintenance and found that there was more work to be done than we anticipated.

Governor: So you are not actually going to spend \$480,000.

Patrick Cates: I certainly hope not.

Governor: And where does the money go if it is not used?

Patrick Cates: The funding for the contract is a combination of our federal restoration grants and the sportsman license dollars.

Governor: Thank you, Mr. Cates. Mr. Secretary of State, do you have any questions?

Secretary of State: No.

Governor: Thank you. I believe that is all of the questions that I have. Mr. Secretary do you wish to make a motion in regards to agenda item seven, contracts?

Secretary of State: I move for approval of contracts 1-53.

Governor: There is a motion to approve contracts 1-53 on agenda item number seven. I will second the motion. Is there any discussion on the motion? Hearing none all those in favor of the motion please say aye. The motion passes unanimously.

8. INFORMATION ITEMS

A. 2nd Quarter Overtime Reports

Comments:

Governor: We will move to agenda item eight. Mr. Clinger.

Clerk: Thank you Governor, 8A is our quarterly report on overtime. The reports that are in your packet today are for the 2nd quarter of fiscal year 2011. There are two reports within your packet today which is the Overtime and Comp as well as the Holiday Premium report. This covers the period thru December 2010. I would point out for the Board that in the previous quarter if you look at the Overtime and Comp report the overtime is down 5% from the previous quarter. If you look at the year to date number it is down almost 24%. That represents a savings compared to last quarter of 2.2 million if you compare to last fiscal year it is a 3.2 million dollar change. I will note for the record that the Department of Administration falls on the top of the list. If you look at the detail on page seven of the report that is provided that is due entirely to overtime within the Budget and Planning Division related to preparation of the Executive budget.

Governor: And we appreciate every moment of your efforts in that regard. As long as you are mentioning standings, the Office of the Governor is last on the list.

Clerk: The second report in your packet is the Holiday Premium pay. We break this out separately because it is a little bit different calculation given that the 24/7 facilities have to maintain the same level of service on holiday as they do other days of the week. If you look at the change from previous quarters it shows an increase. It is a little deceiving because again this covers October through December which actually has more holidays than the previous quarters.

But if you compare the numbers from the previous fiscal year it is actually down 18% compared to last year.

Governor: Thank you, Mr. Clinger. Mr. Secretary of State, do you have any questions?

Secretary of State: No Governor.

B. Information requested from the February 8, 2011 Board of Examiners' meeting – Contract #13 for the Division of Mental Health and Developmental Services with JPE Healthcare Staffing, Inc.

C. Information requested from the February 8, 2011 Board of Examiners' meeting – Contract #15 for the Division of Child and Family Services with Clark County Real Property Management

Comments:

Governor: There is agenda item C that was a question of mine. I would like to thank Mr. Willden for providing the information in response to my question.

Clerk: Yes, Governor. Actually items 8B and 8C were both follow-ups from questions that you had at the last meeting.

9. BOARD MEMBERS' COMMENTS/PUBLIC COMMENT

Governor: We will move to agenda item nine. Are there any Board member comments? Is there any member of the public wishing to make a comment?

Secretary of State: Actually Governor, I would like to go back and make a comment to something that was mentioned earlier. Obviously, whatever the scrutiny of the legislation for putting it on this Board and offer any assistance that we can. I can assure you that we did go through these contracts and make improvements over the last few years. I heard some of those comments directed towards the Board during the Legislative Session, so if there are any hearings with this request then they can notify our office and we will be there to support. I do think obviously, there are going to be questions on some of the contracts, but some of the criticism I think is inappropriate.

Clerk: Thank you Mr. Secretary of State; I appreciate your comments and you have been here for the last four years and you have seen and I have testified to it yesterday on the improvements that we have made. Some of those improvements due to requests from your office for additional information being provided on the agenda. I do think the information that we put together in the packets are very transparent and a significant improvement over what they were five years ago. So we will continue working with the legislature on the improvements that are requested.

***10. ADJOURNMENT**

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Thank you. Hearing and receiving no public comment, the Chair will accept a motion to adjourn.

Secretary of State: So moved.

Governor: I will second the motion. Is there any discussion on the motion? All those in favor signify by saying aye. The motion passes. We are adjourned. Thank you very much.

Respectfully submitted,

ANDREW K. CLINGER, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER