

MINUTES

MEETING OF THE BOARD OF EXAMINERS

December 5, 2012

The Board of Examiners met on Wednesday, December 5, 2012, in the Guinn Room 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 Jeff Mohlenkamp

Others Present:

Mike Willden, Department of Health and Human Services
Leah Lamborn, Division of Health Care, Financing and Policy
Rudy Malfabon, Nevada Department of Transportation
Dennis Gallagher, Attorney General's Office
Chris Smith, Division of Emergency Management
Rick Martin, Division of Emergency Management
Irene Navis, Clark County Emergency Management
Gustavo Nunez, Public Works Division
Dr. Tracey Green, Mental Health and Developmental Services
Frank Woodbeck, Department of Employment, Training and Rehabilitation
Grant Nielson, Workforce Investment Support Services
Dennis Perea, Department of Employment, Training and Rehabilitation
Scott Sisco, Nevada Department of Transportation
Katie Armstrong, Attorney General's Office
Jim Lawrence, State Lands
Teri Preston, State Public Works Division – Purchasing Services
Martie Washington, Attorney General's Office
Liz Greb, Attorney General's Office
Tamara Nash, Department of Employment, Training and Rehabilitation
Danette Kluever, Department of Child and Family Services
Robin Sweet, Supreme Court
Deanna Bjork, Supreme Court
Bonnie Long, Department of Health and Human Services
Linda Deloach, Purchasing Division
Roxanne Starbuck, Department of Education
David Schwartz, Las Vegas Sun
Sandra Cherub, Associated Press

1. PUBLIC COMMENTS

A. Nevada System of Higher Education

Please see public comment in packet binder.

Comments:

Governor: Good morning, ladies and gentlemen, and welcome to the monthly Board of Examiners' meeting. I apologize for keeping everybody waiting. Our Board of Finance meeting took a little bit longer than we had anticipated, but I do appreciate your patience. We will move right into the Agenda. And just one matter for the record, the Attorney General will not be present for the meeting; is that correct?

Katie Armstrong: That's correct.

Governor: All right. Agenda Item No. 1 is public comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Is there anyone present in Clark County that would like to provide comment to the Board?

Clerk: Governor, can I make a note...

Governor: You may.

Clerk: ...that we did receive -- my office received a written comment from an individual who's employed by the Nevada System of Higher Education. On your Agenda, it lists Item 1A. That should not indicate the office of the System of Higher Education. This employee submitted a written comment on his own behalf, not on behalf of the System of Higher Education. But you do have it in your packet, and that is my understanding is in relation to Contracts 27 and 28, which are on your Agenda. I can give you a brief amount of background if you'd like on that.

Governor: Yes, please.

Clerk: Okay. So when the Deferred Compensation Program was looking to secure vendors to provide the service, there were some questions about the process that they followed with regard to following the rules. Because there were some questions on that, because those questions were unanswered, the Deferred Compensation Committee decided to go forward to extend the existing contracts to give them time to work out the complexities and the difficulties with the RFP process. So what is before the Board on 27 and 28 is an extension of the existing contracts. So the issue that you have the written comment on -- the public comment on, is really about that RFP process. That's not before the Board. What is before the Board is the extension of the existing contracts. That will give them time to go through and correct the RFP process for any, you know, future consideration by the Board.

Governor: That was going to be my question. So there is going to be an RFP in the near future?

Clerk: I do understand that they're working on that, and this buys them some additional time to be able to make sure that they do that properly.

Governor: And just for purposes of the record, this is a letter that was submitted electronically, dated November 18, 2012, to the Nevada Board of Examiners from Kent M. Ervin E-R-V-I-N, subject, no-bid extension of incumbent provider contracts for the Nevada Public Employee's Deferred Compensation Program. I'm not going to read the entire letter, but I wanted to make sure, for purpose of the record, that we had the author in there.

Secretary of State: Can I ask a clarifying question, Governor?

Governor: Yes.

Secretary of State: In my packet, I understood that that letter related to Contracts 28, 29 and 30. Is my understanding correct, or is there a different Agenda?

Clerk: Let me take a look and just make sure I didn't misstate. Yeah. And I apologize. It should be 28 and 29 are the two major contracts that are in play here.

Secretary of State: Okay.

Clerk: My apology.

Secretary of State: And 30 is related; is that right?

Clerk: I believe it is. I believe that they provide some additional services, but not necessarily the direct service.

Secretary of State: Okay. I understand. Thank you.

Governor: Any further public comment?

***2. FOR POSSIBLE ACTION – APPROVAL OF THE NOVEMBER 13, 2012 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'll move back to Agenda Item No. 2, which are the meeting minutes. Any questions with regard to the minutes?

Secretary of State: No, Governor. I move for approval.

Governor: Secretary of State has moved for approval of the minutes of November 13, 2012. I will second the motion. All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero.

***3. STATE ADMINISTRATIVE MANUAL REVISIONS**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of additions and revisions in the following Chapters: **0208 – Agencies Adoption of Lesser Travel Reimbursement Rate.**

Clerk's Recommendation: **Removed from Agenda.**

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

Governor: Mr. Mohlenkamp, my understanding is that we are removing Agenda Item No. 3, State Administrative Manual Revisions?

Clerk: That's correct, Governor. Having looked at this, and I had some discussions with the Director, and we believe that there is some need to look at the SAM manual with regard to meals being provided for people traveling. However, I believe we need a more comprehensive approach. This is very isolated. It deals with a specific division. And having spoken with Director Willden, I believe we just need to pull this, look at it in a more comprehensive basis, and then it'll -- if we have some adjustments, it will come back before the Board at a future date.

***4. FOR POSSIBLE ACTION – CASH SETTLEMENT**

A. Department of Administration – Board of Examiners

Pursuant to NRS **41.037**, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

The State of Nevada and Clark County desire to settle a dispute that exists between them regarding a claim for refund of certain ad valorem taxes paid to or retained by the State of Nevada.

Pursuant to action by the Nevada legislature in 2007 and 2009, the State retained ad valorem taxes paid locally in Clark County. On July 5, 2011, Clark County made a claim upon the State for refund of approximately \$103,000,000 of these taxes. Clark County subsequently filed suit against the State, and the members of the State Board of Examiners, to recover the retained funds.

In this proposed settlement agreement, in which neither party admits liability, the parties agree that the voluntary contributions from Clark County to the State Medicaid program in support of the Upper Payment Limit Program will be reduced as set forth in the agreement, resulting in an

adjustment of approximately \$16,411,918 in favor of Clark County for fiscal years 2010 and 2011, and payment by Clark County of approximately \$660,000 to the State for fiscal years 2010 and 2011. The parties also agree that the voluntary contribution rate for fiscal year 2013 will be 56%, resulting in a payment by Clark County of approximately \$2,541,618 to the State. The parties further agree that the State will contribute \$35 million to the McCarran Airport Connector Project, Phase II, a project of regional significance to all of Clark County.

Clark County has agreed to indemnify the State from any claims made by any person or entity not a party to this agreement regarding and to the extent of Clark County's July 5, 2011 claim to the Board of Examiners.

Upon approval of this agreement by the Clark County Board of County Commissioners and the State Board of Examiners, Clark County will dismiss the pending lawsuit.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Okay. We'll move on to Agenda Item No. 4, which is...

Secretary of State: Don't you want to approve the minutes?

Governor: Oh, yeah. Thank you, Mr. Secretary of State. Now, Agenda Item No. 4, which is a cash settlement between the State of Nevada and Clark County. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request for the Board to approve a settlement that has been entered into between the State and Clark County. On July 5, 2011, as the Board probably recalls, Clark County submitted a claim to the State that was heard as an informational item before the Board. You provided direction for me and the Chief of Staff to go forward and work with the Counties, in that case it was both Washoe County and Clark County, to see if we could reach a resolution to the claims. We've already come forward with the Washoe County settlement in a prior Agenda, and now we're bringing the Clark County settlement before the Board for consideration.

The claim before the Board would settle a request for \$103 million that Clark County made back on July 5. In this settlement, the proposed settlement, there would be a payment that the State would provide in the form of additional costs related to the UPL payment, the Upper Payment Limit Program. Additionally, there would be transportation dollars that we would provide, acceleration of transportation projects down in Clark County. In return, the State would also settle the dispute between the rate that we would receive on the Upper Payment Limit, and that is the 56 percent rate that you're seeing here. We had budgeted for 60 percent. Clark County had been seeking a lower rate and we've reached a settlement. I believe Mike Willden is here to be able to discuss that specific aspect.

Governor: Great timing, Director Willden. Why don't we get through the preliminaries and then we'll have some questions for you, Mr. Director.

Clerk: So then the piece related to transportation projects is \$35 million related to the McCarran Airport Connector Project, Phase 2, and I believe we also have representatives from the Department of Transportation here that could speak to that. So similar to the Washoe County settlement, what you have before you is the State being able to work through some accelerated transportation projects, and also working through a settlement, if you will, with regard to Upper Payment Limits within Health and Human Services and the State Medicaid program, to reach a resolution of this program. So it solves some ongoing issues with regard to the Upper Payment. It solves this particular dispute, and, in my opinion, does so very favorably to the State.

Governor: All right. Thank you, Mr. Mohlenkamp. And just for purposes of the record, within the Agenda there's a sentence that says, "resulting in a payment by Clark County of approximately \$2,541,618." Should that -- is that number accurate?

Clerk: Mr. Willden will be able to speak to that directly, but, no, that is not. My understanding is - first of all, this is an estimate and Mike can speak more directly to how this estimate is calculated, but we're thinking it's closer to \$12.5 million.

Governor: And is there any cash payment from the State to Clark County as a result of this settlement?

Clerk: Not a direct cash payment. It will be in the form of allowing Clark County to retain some additional dollars under the Upper Payment Limit Program.

Governor: I guess where I'm going is this is somewhat different than the settlement with Washoe County.

Clerk: In that regard it clearly is. You know, one of the things is trying to reach a settlement with the State is where do you come up with the resources, and the State doesn't have the resources to make a cash payment at that level. Instead what we're doing is allowing the County to retain some of the funds that they would be paying to the State.

Governor: Understood. Director Willden.

Mike Willden: Thank you, Governor.

Governor: I know this is probably the most complex part of this settlement, so if you would walk us through it, it'd be greatly appreciated.

Mike Willden: Thank you. For the record, I'm Mike Willden, and I serve as the Director of the Department of Health and Human Services. I know we've handed out to the Committee what I call the spaghetti grams for Upper Payment Limit Programs before, or the bubble charts, whatever you want to call it. So how Upper Payment Limit Programs work is that it's a payment that we make to hospitals, and what it is, is it's a payment that's allowed under federal financing rules, and it's basically the difference -- the calculation between what Medicaid paid, or Medicaid bed days versus what Medicare would have paid. So that's the simple calculation.

And in Nevada, the non-federal share for those payments is provided to us from an intergovernmental transfer from local governments. In this case, Clark County.

And so historically Clark County has paid a -- what we call a 60 percent contribution rate. And what we mean by 60 percent contribution rate is that if we were going to make \$100 worth of payments to University Medical Center or Hospital, that they would give us \$60, and then we go and get federal matching dollars to make the \$100 payment. Well, under the current matching rules, we only need, if you will, 40, 45, 50 cents depending on what quarter we're in, of local government's money to match the federal dollar. So if we're going to make \$100 payment, Clark County gives us \$60, but we only need 40 or 45 of those dollars to make the matching dollar payment. So the State keeps the difference, and we call it a net state benefit, or a voluntary contribution. And so then we reinvest those dollars, that difference between what we had to make to the Upper Payment Limit Program payment. We reinvest those dollars to help finance the Medicaid program and make additional payments to health care providers in Clark County and statewide.

And so, again, that contribution rate has been set at 60 percent for the last many years. Through the lawsuit and the settlement, that contribution rate is now going to be set at 56 percent for FY13. And the reason, as Governor knows, and I thank you for your work in the negotiations, as because the federal matching rate has been increasing in Nevada, we've gone from about a 50 percent match to 62 to 63 percent match coming up, Clark County has felt frustrated that they're over contributing, and they want to get it more in line with what historically the ratios would have been. So dropping it to 56 percent gets us in that -- kind of the historical contribution.

I would say, for the record, that the item where it says that it would 2.5 million from Clark County, we estimate that to be about 12.5 million to be the voluntary contribution from Clark County in today's calculations. Again, the important point is the 56 percent. That's what's set in the contract, or will be set in the contract. The dollars kind of float throughout the year, you know, things change, so that's the current estimate. It'd be about 12.5 million. That's about right on what was legislative approved during the FY11 legislative process. The legislature built into the Medicaid budget that we would get about 12.5 million. And, again, with times we were going to get a little more out of that, but in the settlement it's about at that thing. And then the retroactive piece, Governor, I feel like I'm going on too long.

Governor: No. You're doing well.

Mike Willden: The retroactive piece of this, this State Plan Amendment that allows us to make these additional Upper Payment Limit payments to hospitals is retroactive into FY10, State fiscal year '10. Actually, it starts in January of that fiscal year. And so Clark County made some contributions under the old rules, and now we have this retroactive State Plan Amendment, and we're negotiating with them to make these larger payments back to FY10, FY11, FY12. The settlement would have Clark County not make a 6.4, almost 6.5 million retroactive payment for FY10, and instead only make 220,000 for FY10, I believe it is, and 440,000 for FY11. They would also not make a retroactive payment for FY11 of almost 10 million, 9.8 million. So together, if you add the 6.4 and the almost 10 million, that's what noted in the Agenda item that

Clark County is getting an offset of that 16.4 million retroactive payments, and instead will pay us \$660,000 for our administrative work on this deal.

And so then FY13 would be set at the 56 percent contribution rate, and we would expect to get about a \$12.5 million net State benefit or voluntary contribution. And then going forward, the settlement does not address the percentages -- contribution percentage for 14 and 15. We will need to work that out in the budgetary process. Is that helpful, or probably went too long, or make it even worse?

Governor: You've forgotten more than everybody knows about Medicaid, Mr. Willden. But I understood everything that you've presented, and I think this is a good deal for both parties. It's fair. And I wanted to know how you felt about it.

Mike Willden: No. I do think it's a fair deal, and I -- like I said, I appreciate the time that's been put in on the settlement. There was an opportunity for the State to get, you know, a windfall of money on this retroactive new State Plan that we did. It was not budgeted that way in the legislature, so there was, if you will, a windfall opportunity. And I certainly agree that, you know, expecting Clark County or anybody to continue to pay a high contribution rate when we're getting a better federal match, that doesn't pass my fairness test. And so I believe the settlement is fair. I am a little worried about where we land for FY14 and 15, but we will get that, you know, negotiated and, again, it gets us into kind of the budgetary range of the dollars that the legislature expected us to get using this program.

Governor: And aside from the merits of the lawsuit, this resolves a myriad of issues for you in Clark County, correct?

Mike Willden: Yes. There are many hospital financing issues that this is the first, if you will, tumble stone to let things start to clear up. We have a disproportionate share of hospital financing, which was really what the lawsuit was about, but -- and UPL -- the UPL program gets pulled into that. We also have graduate medical education, County matching programs. I don't know if this Board recognizes, but the Counties make a significant contribution to helping finance the Medicaid program, and it's really important for us to have that stability going forward. Clark County, for FY13, has only been paying us at a 50 percent contribution rate. I mean, they sort of dug in and said we're not paying 60, we're going to pay 50. We've collected about 3.4 million at that, which undoes the log jam and allows us to get the 12.5 instead of 6 or 7 million. So, again, I appreciate your effort and Clark County's willingness to try to settle it.

Governor: Thank you, Director Willden.

Mike Willden: I wanted to introduce Leah Lamborn too. She was here for my moral support in case I got the numbers wrong or you asked a harder question than -- but she's the new...

Governor: So I didn't ask a hard enough question?

Mike Willden: Those were hard, but I studied enough last night.

Governor: Okay.

Mike Willden: But Leah Lamborn is the new Chief Financial Officer at Medicaid, so I wanted to make sure you had the opportunity to meet her.

Governor: Thank you. And I'm sure you were involved in this, and I know that it was a lot of work, because, again, this is a very, very complicated area. But I'm extremely pleased that it works out well, and I agree with you, the State isn't into gaining windfalls. We want to be fair, so this really sets a good basis to move forward in these ongoing discussions, as you say, with regard to what the payment's going to be in the future. But it resolves not just this lawsuit, but a lot of other things that have been on your plate.

Mike Willden: And a key factor towards the continuing discussion under the Affordable Care Act, the Upper Payment Limit financing mechanism will continue to be a key issue going forward.

Governor: All right. Thank you very much.

Mike Willden: Thank you, Governor.

Clerk: Governor, I did want to note for the record, because I think I failed to, that Clark County Board of Commissioners did hear and approve this yesterday.

Governor: My understanding is that the Clark County Commission did hear this and approved it unanimously.

Clerk: Absolutely.

Governor: Director Malfabon, if you would come forward and talk about your portion of the settlement.

Rudy Malfabon: Thank you, Governor, Mr. Secretary of State. For the record, my name is Rudy Malfabon, Director of Nevada Department of Transportation. With me is Scott Sisco, Assistant Director for Administration for NDOT. Our contribution to the settlement is allocation of federal funds to the County's Airport Connector Project, Phase 2. So \$35 million for that effort. What we have to do is just program the money. We receive federal funds in that category each year. We've been working with Clark County on the engineering side for the project all along, so it's just a matter of programming the funding. Our Board of Transportation approves our -- on an annual basis, approves the federal funding, so it'll be before the Board in January.

The County is under construction on Phase 1 right now, and that was additional federal funding that Senator Reed allocated in addition to what the State of Nevada normally received. So it was additional funding. So this project will construct a flyover bridge from southbound out of the airport -- the tunnels to the airport. If you're coming southbound from there, it'll have a flyover connection instead of going through a loop ramp. So that's the extent of the construction. It's about a \$55 million project, and the County will have to come up -- I talked with the Public

Works Director, and they say they have the additional \$20 million to fund the rest of the project through local finds.

Governor: Now, by virtue of this settlement, will this have expedited the completion and construction of that project?

Rudy Malfabon: Yes, definitely. They didn't have the funding set aside previously. The \$20 million that they're coming up with for the balance of this Phase 2 project wouldn't have been enough to construct that flyover bridge, so this definitely gets the majority of the work done. There's probably a Phase 3 project to come that will wrap up things, but this gets the majority of the additional lane widening and the bridges done.

Governor: What would have happened if this wasn't a part of the settlement?

Rudy Malfabon: If this wasn't part of the settlement, the County would not have been able to complete this project, definitely. We would have had to allocate the money to other projects that were ready so that we didn't lose our federal funding. But we've known all along that the settlement was in the works since several months ago, so we were planning on having this and, in fact, it was a little bit less than what we were anticipating to shift towards this project. So we were preparing for this.

Governor: All right. Mr. Secretary, do you have any questions?

Secretary of State: No, Governor.

Governor: Thank you, Director.

Rudy Malfabon: Thank you.

Governor: Mr. Mohlenkamp, with regard to the litigation, does the settlement include a provision that the lawsuit will be dismissed with prejudice?

Clerk: Well, you know, it does dismiss the pending lawsuit. With regard to the specifics of the legal action, I would probably have to defer to legal counsel. But I understand that there would be no further liability on the part of the State. And also, we are indemnified against any other claims that might come up. One of the things that I think is important to remember is that Washoe and Clark submitted their claims differently. When Washoe submitted, they submitted only the dollars that they would -- only for the dollars that they were entitled to receive, or at least that they believed they were entitled to receive. When Clark County submitted, they submitted on behalf of themselves, but they also requested the dollars that would be available essentially to go to the cities. And because of that, we needed an indemnification clause to make sure that we didn't have further liability with regard to this matter. If you understand the way the dynamics works is Clark County receives the funds, the taxes, and then they are required to then subdistribute the money out to the cities. So by settling with Clark County, we've settled the matter entirely.

Governor: Okay. And I'll answer my own question. Within the Settlement Release and Waiver Agreement under paragraph 1A, "The parties will execute and cause to be filed with the Eighth Judicial District Court a stipulation for dismissal with prejudice of Clark County's pending action against the State of Nevada, Case No. A-12-663388-C."

And then also we have a memo that's addressed to the Board of Examiners. It doesn't say who it's from, but it's from the Attorney General's Office. But there's a recommendation within that document that says the "The Attorney General's Office recommends approval of a Settlement Release and Waiver Agreement between Clark County and the State of Nevada concerning the County's claims relating to the distribution of certain property tax revenues by the State based on AB595 and AB543, as well as the dispute regarding certain contributions made for the funding of the treatment of the indigent patients, NRS 422.380 - 422.390." It's not on -- at least the copy I have is not on Attorney General's letterhead, but is it -- Counsel, is this fair to state that this is from the Attorney General's Office?

Unidentified Female: Governor, I actually have not seen this memo. My packet wasn't complete when I received it, so I don't know who this is from. I don't know if anybody in the audience has had a part in the settlement of this.

Governor: But as I said, from the last paragraph...

Unidentified Female: True. And it isn't on letterhead.

Governor: ...it says the Attorney General's Office, so I ...

Unidentified Female: Correct.

Governor: ...for purposes of the record, I can represent that this is from the Attorney General's Office.

Dennis Gallagher: Governor, what I think you just read from -- excuse me, for the record, Dennis Gallagher from the Attorney General's Office. I think from what you've just read, that was a draft memo that I had prepared and sent on to a representative of your office. I wasn't sure it was going to be included in the Board packet or not.

Governor: But the recommendation stands, correct?

Dennis Gallagher: Yes, sir.

Governor: All right. That's all I needed. Thank you. Any further questions, Mr. Secretary? Before I take a motion, it was stated that the Clark County Commission unanimously approved this settlement. I would like to compliment the County Manager Don Burnette, Clark County Counsel Mary-Anne Miller, who were involved as part of this for their professionalism in terms of resolving the case. I'd also like to compliment the County Commissioners, in particular, Chairman Brager and Member Sisilac for their hard work on all of this. As was stated in the

introductory comments, this is something that's been going on since July 5 of 2011. This was a very complicated case and resolution.

Director Willden, I wanted to thank you for all of -- your office and your hard work that went on with this. At the end of the day, this is a fair settlement for the State as well as Clark County. I think it speaks very well that the State and the local government, here specifically Clark County, can work together to get this issue resolved so that we can both move on. I appreciate Director Willden's comments with regard to windfalls and fairness. As I said before, the State is not in the business of earning windfalls, and we just want it to be fair to all, and this settlement accomplishes that. So it is good on behalf of the State to remove a potential liability of \$103 million, and to remove any potential litigation that has been filed against the case. So it's my opinion that this is a very fair settlement to both parties that I'm obviously going to support. If you have any comments, Mr. Secretary.

Secretary of State: I thank everybody too, Governor, and I'm going to vote in support of it also.

Governor: All right. Having nothing further, the Chair will accept a motion for approval of the cash settlement as identified in Agenda Item No. 4, with the change of the amount stated therein of the payment by Clark County to be approximately \$12,541,618.

Secretary of State: I'll move for approval

Governor: Secretary of State has moved for approval. I will second the motion. Any questions or discussion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero. Thank you.

***5. FOR POSSIBLE ACTION – 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 Administration – Motor Pool Division	10	\$219,039
Veteran's Services – Southern Nevada Veteran's Home	1	\$23,155.25
Total:	11	\$242,194.25

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move on to Agenda Item No. 5, State vehicle purchase.

Clerk: Thank you, Governor. Before the Board is two separate requests for State vehicle purchases. The Department of Administration, Motor Pool Division for ten vehicles, and Veteran's Services, Southern Nevada Veteran's Home for a single vehicle. And I didn't believe there was any questions from the Board on that.

Governor: Yeah, I had none. Just for clarity, these are vehicles that are going to be used by the Department of Public Safety, specifically Parole and Probation, and this is the natural course for replacement of vehicles because they're either breaking down or have excessive mileage.

Clerk: I understand that this is part of the budgeted or appropriated cost of normal course of business.

Governor: All right. I have no further questions. Mr. Secretary?

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval.

Secretary of State: I'll move for approval of Agenda Item No. 5, State vehicle purchase.

Governor: Secretary of State has moved for approval of the State vehicle purchase as described in Agenda Item No. 5. I'll second the motion. Any questions or discussion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Opposed no? Motion passes unanimously two to zero.

***6. FOR POSSIBLE ACTION – REQUEST FOR GENERAL FUND ALLOCATION FROM THE INTERIM FINANCE COMMITTEE CONTINGENCY FUND**

A. Office of the Military – Military – \$1,273

Pursuant to NRS 353.268, Office of the Military – Military, requests an allocation of \$1,273 from the Interim Finance Contingency Fund to cover seven pending stale claims from state fiscal year 2012.

B. Supreme Court – Judicial Selection – \$8,000

Pursuant to NRS 353.268, Supreme Court – Judicial Selection, requests an allocation of \$8,000 from the Interim Finance Contingency Fund for the costs of filling judicial elected official vacancies for the remainder of the fiscal year.

C. Department of Health and Human Services – Public Defender Office – \$501

Pursuant to NRS 353.268, Department of Health and Human Services – Public Defender Office, is requesting an allocation of \$501 from the Interim Finance Contingency Fund to cover a payroll stale claim from fiscal year 2011.

D. Treasurer’s Office – State Treasurer – \$31,661

Pursuant to NRS 353.268, Treasurer’s Office – State Treasurer, is requesting an allocation of \$31,661 from the Interim Finance Contingency Fund for a Management Analyst III position to support the increasing volume of work associated with the state’s e-Payment Merchant Services program, as well as oversight responsibilities for the Arbitrage program formerly performed by the Controller’s Office.

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 6, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are four separate requests for Interim Finance Committee Contingency Fund allocations. The first is for the Office of the Military, the second is the Supreme Court, the third is Health and Human Services, the Public Defender’s office, and the last item is the Treasurer’s Office. I didn’t identify -- I didn’t see that there was any questions from the Board, but I know there’s representatives from the Treasurer’s Office if you need any testimony on these items.

Governor: Yeah, my only comment, not a question, was with regard to Item 6D, and just confirmation that we finally found a home for the Arbitrage program within the Treasurer’s Office.

Clerk: With the Board’s approval and Interim Finance Committee approval, I believe we have found a home. This is something I’ve been working on with the Treasurer’s Office for a period of months. As you may recall, Arbitrage is a fairly complicated area. It’s a fairly nuanced area of the law. And we elected the Department of Administration to go out and hire an appropriate expert, a consultant essentially, to really do the legwork on that. That has proven to be a very good decision. We brought a million dollar liability down to zero over a year ago. And now we have another liability that initially was estimated at 750,000, but that’s going to be dropped down to about 250,000. And so we think that -- and this is not always going to work this way. Sometimes it’s not going to work out in the State’s favor, but we believe that this expert coming in and doing this work for us is allowing us to find the opportunities for the State to minimize its liability under Arbitrage.

Now, going forward, it's very clear to me, and I think it was to the Controller's Office and I think the Treasurer's Office, that really this function really belongs within the Treasurer's Office because all of the bonds that we issue are ultimately managed through the Treasurer's Office. And so we think that's an appropriate place for this to land, and so I support this request. And then they will be moving forward and managing that contract that's currently within the Department of Administration on a going forward basis.

Governor: And the Controller has no objection to this function moving from her office to the Treasurer's Office?

Clerk: No. In fact, it was her actual suggestion initially that this should move to the Treasurer's Office, so I think she'd be fully supportive.

Governor: I have no further questions. Mr. Secretary?

Secretary of State: This amount, the \$31,661, did you explore whether or not that amount could be covered by other vacancy savings within the agency?

Clerk: We did discuss that with the Treasurer's Office, and they believe that they really don't have the resources to be able to cover that within their budget at this point in time.

Secretary of State: Okay. So there aren't...

Clerk: Going forward this would be built into their budget.

Secretary of State: I understand. Thank you.

Governor: Hearing no further questions, Chair will accept a motion for approval of Agenda Item 6A through D.

Secretary of State: I'll move for approval.

Governor: Secretary of State has moved for approval. I'll second the motion. All those in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero.

***7. FOR POSSIBLE ACTION – NOTIFICATION OF INTENT TO FILE FOR A GRANT OR LOAN FROM THE DISASTER RELIEF ACCOUNT WHICH REQUIRES AN EXTENSION TO COLLECT DATA**

A. Department of Public Safety – Division of Emergency Management – Clark County Flood

Pursuant to NRS 353.2755, the Clark County Office of Emergency Management and Homeland Security on behalf of the City of Mesquite, University of Nevada Las Vegas and the Clark County School District filed its letter of intent with the Division of Emergency Management to request a loan or a grant from the Disaster Relief Account for the Clark County Flood Recovery within the 60 day requirement. The entities need to provide additional information to complete their request including, but not limited to, financial documentation, availability of internal funding, and assessment of damages. Emergency Management respectfully requests an extension to September 11, 2013 to collect this data for final submittal to the Board of Examiners and Interim Finance Committee.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move on to Agenda Item No. 7. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request for time of an extension with regard to the Clark County flood. This request is requesting for the -- it's from the Division of Emergency Management to have up to September 11, 2013 to be able to provide final data to the Board of Examiners so that they can appropriately look at any claims that might come forward with regard to the flood. And then we have representatives here that can speak to this directly.

Governor: Good morning, Chief.

Chris Smith: Good morning, Mr. Governor, Mr. Miller. My name is Chris Smith, for the record, and with me today is Rick Martin, the Grants and Recovery Section Chief for the Division of Emergency Management. Clark County has requested assistance from the Disaster Relief Account as a result of damages and costs incurred from the September 11 flooding event that occurred in and around Clark County.

They're in the process of identifying the actual costs and would like to request a 12-month extension from the date of the event in order to provide the Board of Examiners a complete and an accurate application. If approved, this extension would allow Clark County until September 11, 2013 to submit their full application. We appreciate your consideration. And I have in Southern Nevada today Ms. Irene Navis from Clark County Emergency Management in the Grant Sawyer Building who can also answer any questions you might have.

Governor: Good morning again, Ms. Navis. And if you -- are there any further information that you wanted to provide?

Irene Navis: Sorry. Thank you. We were on mute. Good morning, Governor and Examiner's Members. Just very quickly, the Board of County Commissioners submitted a resolution requesting a declaration on October 4 after the September 11 floods. The flooding was significant throughout Clark County in a number of areas, primarily near McCarran Airport, near the area of Nellis and Sahara, the Desert Rose Golf Course area, as well as northeast Clark

County in our rural communities of Moapa Valley. We are requesting this extension in order to work with the various folks that are impacted. We had a number of businesses that were impacted, as well as a number of public facilities and buildings that were impacted, including school district facilities, UNLV facilities, as well as many Clark County owned facilities. We would appreciate this extra time. I don't expect that we would need a full year, but we would appreciate the year in order to collect all the information and properly apply what has occurred to the State law that covers this program. Thank you for your time and attention.

Governor: Thank you very much. I have no further -- any questions. They've been very clear. This is simply to allow for an extension to September 11, 2013 to collect the data that Ms. Navis just described for final submittal to the Board of Examiners. What would be the deadline otherwise if we were not to approve this, Chief?

Chris Smith: Sixty days after the event.

Governor: So we're kind of past the date already?

Clerk: The time -- Governor, the time they are required to submit a request to us, to the Clerk, before that 60 days, and they have complied with that. And just for clarification purposes, also there will need to be a review by the Taxation Department to make sure that there's not local finances available to cover any costs prior to the Board and the State stepping in.

Governor: So this is beneficial to the State as well for the time so that the County has an opportunity to be very thorough with regard to its assessment.

Clerk: Yeah, and then for us to evaluate their local finances to make sure that, in fact, before the State steps in and provides funds from the Disaster Relief Account that we first make sure that they have -- whether they have the resources internally within the County and the various municipalities to do that.

Governor: And, Ms. Navis, this isn't really relevant to your extension, but how's it going with regard to the recovery?

Irene Navis: We have made some strides in terms of recovery, Governor. Part of the reason we would appreciate the extension is some of the damage was quite extensive and will take a significant amount of time. Our estimates from Public Works and the Building Department, as well as Parks and Recreation, which were the facilities most greatly affected, could be up to six months of recovery time. And, of course, if we get financial assistance to help us with those costs, we can recover much quicker.

Governor: Thank you very much. Mr. Secretary, do you have any questions?

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval of the request for extension of time to September 11, 2013 for Clark County to collect the necessary data for a final submittal to the Board of Examiners and IFC for their consideration.

Secretary of State: I'll move for approval.

Governor: Secretary of State has made a motion for approval. I will second the motion. Any questions on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero. Thank you, gentlemen. Thank you, Ms. Navis.

Irene Navis: Thank you very much. Thank you all.

***8. FOR POSSIBLE ACTION – LEASES**

One statewide lease was 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'll move on to Agenda Item No. 8, leases. Mr. Mohlenkamp.

Clerk: Governor, only one lease before the Board. This is a pretty light Agenda going forward with the rest of it. There's only one lease before the Board, and I did understand that there weren't any questions from either members.

Governor: I have none.

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval of the lease contained within Agenda Item No. 8.

Secretary of State: I'll move for approval

Governor: Secretary of State has moved for approval. I'll second the motion. Any questions on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero.

***9. FOR POSSIBLE ACTION – CONTRACTS**

Thirty – One 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’ll move onto to Agenda Item No. 9, contracts. Mr. Mohlenkamp.

Clerk: Governor, before the Board, it’s a very light Agenda this time around. We have 31 contracts on the Agenda for consideration by the Board.

Governor: Thank you, Mr. Mohlenkamp. My holdouts are number 6, number 11, 24 -- or, excuse me, yes, 24 through 26. And I don’t know, do we have someone here from Deferred Compensation?

Clerk: Yes, we do.

Governor: Okay, 28 and 29. Mr. Secretary, did you have any others?

Secretary of State: No, Governor.

Governor: Why don’t we begin with Agenda Item No. 6 which is the State Public Works and the Reno Sparks Indian Colony. Good morning.

Gustavo Nunez: Good morning.

Governor: Please proceed.

Gustavo Nunez: Thank you. I guess we’ll provide, first of all, Governor, an overview of the contract. This contract is pursuant to AB299 from the 2005 session of the legislature. It provides for a land exchange between the State and the Reno Sparks Indian Colony. And basically it deals with the current restitution center located off of East Second Street in Reno, and which will be exchanged for a new piece of ground which is located at the corner of -- it’ll be the southeast corner of Kietzke, three acres there. The Colony is providing \$8 million worth of funding to build a new restitution center there. Once the restitution center is constructed, we -- excuse me, by the way, Public Works will be -- which is part of why we’re here today, is that Public Works will be overseeing the -- managing the design and construction of the project for NDOC while the Indian Colony -- the Reno Sparks Indian Colony will be paying all the bills, which basically will come out of that \$8 million budget. After approval is obtained, at that point, State Lands, Mr. Lawrence here will take over and he’ll manage the actual land exchange between the Colony and the State. AB299 also provides -- requires the agreement to go to IFC, is on the IFC Agenda for this coming Tuesday next week.

The reason actually for us here today is for Public Works Board to actually contract for the management of the design and construction. Part of that will include our fees. We'll be overseeing the plank checking process, some soils and material testing and surveys that will have to take place. We'll be overseeing the purchasing of the FF&E for the building on behalf of Corrections, the design fees for the utility companies to get service to the new facilities, et cetera. And for the -- when we submitted this Agenda item for BOE approval, that estimate was at 1,345,000. We'll have to come back to you for about \$145,000 more. We're guesstimating more like about \$1.5 million for the part that we will be doing which will be our fees. We may be doing some plank check fees or outsourcing those fees, so we'll be coming back here for contracts also to outsource some of the work that we'll be doing. Again, the Colony will be providing all of those funds and the monies will be transferred before we come to you for approval of any of those other contracts in the future.

And so today, basically, what we're seeking for is just the contracting with Colony up to \$1,345,000. And, of course, this is all subject to IFC approval on Tuesday. Jim is here if you had any questions regarding the land exchange. And there's representatives from the Reno Sparks Indian Colony here in case you had any questions so far.

Governor: No. My, not really a question, another comment, is this is a win-win for the State and the tribe. The tribe is engaged in the economic development. My understanding is this is that piece of property where the restitution center sits right next to the Wal-Mart, and it's a great opportunity for the tribe. It's good for the State because we'll get a brand new restitution center, and it's all done, and it's been fully negotiated, and this is the first step in completing that agreement.

Gustavo Nunez: Washoe County School District will also get a benefit from this agreement also. They'll be getting a certain percent of the income from the Wal-Mart development that will go to Washoe County and is provided for in the agreement.

Governor: More good news then. Thank you. Mr. Secretary, do you have any questions?

Secretary of State: No, Governor.

Governor: Thank you, Mr. Nunez. All right. Agenda Item No. 11, which was Health and Human Services and remote solutions. Hello, Dr. Green.

Tracey Green: Good morning.

Governor: Good morning. And I originally didn't have this as a holdout. Just a very quick question. This, at least our contract summary provides that this is a new service for a half a million dollars to provide remote chart order processing for Northern Nevada Adult Mental Health Services and Lakes Crossing Center with Mental Health and Developmental Services. Simple question, what were we doing before?

Tracey Green: For the record, Dr. Tracey Green, Medical Director, Mental Health and Developmental Services. This is actually a continuation of a service we had been providing with

a new vendor. It was a new RFP for a service. It's a service we've been doing. We had some issues with the previous vendor. It's oversight of nursing services in the evenings for medication, for admissions to Lakes and when a new medication is ordered so that the RNs have pharmaceutical supervision in the evenings and weekends.

Governor: Excellent. That's all I had. Thank you.

Clerk: Governor, that's something that I want to make sure that we clarify in the future. Our intention is that when a contract -- it's essentially a new contract because, you know, we're not extending a contract, but what we should be providing is to provide ongoing services. That's the language that's supposed to be on your Agenda, and I apologize. We'll make sure that we correct that going forward.

Governor: Yeah, and that'll help in the future because as it appears here it was something brand new.

Clerk: Yeah, and that's something I thought we corrected, and we'll work on it.

Governor: All right. Let's move on to 24 through 26. I see Director Woodbeck here.

Frank Woodbeck: Good morning.

Governor: Good morning.

Frank Woodbeck: For the record, Frank Woodbeck, Director of DETR. Should we talk about number 24?

Governor: Yes. And just to orient you a bit, I was just interested in what the background was, and I have no objection to what we're doing here, but I think I'd appreciate a little bit more of description of why we're moving in this direction and entering into this contract with the American College Testing Assessment Program.

Frank Woodbeck: The ACT skills assessments is the gold standard that's used to provide skills assessments by the -- in manufacturing and welding and various skill areas. And what we wanted to do was to be able to provide it statewide at all the community colleges and Job Connect centers, et cetera, so that we would have a base on which to assess the skills of the unemployed, underemployed, and others that we were putting into certificate programs. So to make that easier to put in place, and rather than have a patchwork of availability, we decided to have a statewide license for at least two years that we could now place and train the proctors, et cetera, but have a place with the Nevada System of Higher Education and with our own job clinic centers, et cetera.

Governor: What were we doing before?

Frank Woodbeck: There really wasn't anything before. That's just it.

Governor: And is this a different ACT than a high school senior or junior would take?

Frank Woodbeck: It's really an advanced version of that. It's really an assessment as to -- to test the level of sophistication of the individual to actually study various certifications within manufacturing, within welding or within other areas, probably in health care, et cetera.

Governor: So this is a better tool than to assess an individual who walks in and be able to point them toward a vocation?

Frank Woodbeck: Right, exactly. And it also identifies for them where their skill gaps are so that they would understand them also and that we can jointly work with them at our career centers that we're putting at the community colleges and work with them as to how to fulfill their desires and their careers.

Governor: But that -- and in that way we can measure somebody from -- put it a different way, somebody from Boulder City and somebody from Gerlach will be on the exact same...

Frank Woodbeck: Exactly. On the same plan.

Governor: Plan. All right.

Frank Woodbeck: Exactly.

Governor: All right. That's all I have on that contract. Mr. Secretary?

Secretary of State: Nothing, Governor.

Governor: Why don't we move onto the next one, Mr. Woodbeck, which is the Solari Partners, the fiscal monitoring contract.

Frank Woodbeck: I'll turn it over to Director Perea and Mr. Nielson.

Grant Nielson: Hi. Grant Nielson, Chief of the Workforce Investment Support Services, for the record. This contract is to continue our monitoring efforts of the local Workforce Investment Boards and other funded programs that we have for fiscal monitoring.

Governor: Is this something that we weren't doing before? I don't want to get back into the issues with regard to administrative expenditures and such that we've had these conversations about before.

Grant Nielson: We used this contractor last year and we had used it previously, but there was a gap in that, so we're returning back to that. The intention is to bring that in-house in the future. We have two positions that are going to be asked for in the new budget in order to bring those services back in-house, skills.

Governor: What is the deliverable from the accounting firm? They're going to present to you what?

Grant Nielson: They're presenting to us a monitoring port of the fiscal activities of the local Boards and the contractors doing the other programs that are listed within that -- under that contract. So those reports will tell us if there are findings, if there are problems with how the money is being used, this Federal and State money.

Governor: I have nothing further. Mr. Secretary?

Secretary of State: Nothing, Governor.

Governor: All right. Thank you. This last item is the contract with Workforce Connections.

Dennis Perea: Mr. Governor, for the record, Dennis Perea, Deputy Director for DETR. This contract is to contract with Workforce Connections for 200,000 to spur job training in the medical records with the Health Care Sector. The Health Care Sector Council identified some gaps in its needs in this particular field, and made the recommendation to conduct some studies and whatnot to determine the need and actually to start to train incumbent workers and new workers in the medical field. The State Energy Sector Partnership Grant has been a little bit difficult to implement because the promise of green didn't really materialize. It's been a national problem, so the Department of Labor across the nation is actually allowing states to apply for extensions to that grant, and on the approval of this. Contingent upon that extension we would go forward in this training. And obviously with the type of training that's taking place here, the Department of Labor has been somewhat liberal in opening what their definition of green is. They consider electronic medical records in that area.

Governor: Interesting. Essentially this contract is a representation of a reprogramming of money within that program from the renewable energy jobs to the medical field?

Dennis Perea: Yes, Governor. And as a side note, this would be a going concern. The Director from Workforce Connections has indicated that this is just the start and that they would continue on with this training under the regular formula dollars through WIA.

Governor: Once this goes into action, do you circle back and see how many people actually were trained and received jobs?

Dennis Perea: Yes, Governor, and it's reported in the Federal RAD system, and we report quarterly.

Governor: I'd love to see how we're doing on that, so if I could get a copy of that, I'd appreciate it.

Secretary of State: I would too.

Governor: All right. I have nothing further. Mr. Secretary?

Secretary of State: No, Governor.

Governor: All right. Thank you, gentlemen and ladies. Final questions I have are with regard to Contracts 28 and 29. Mr. Sisco.

Scott Sisco: Governor, you normally know me in my day job as Assistant Director of Transportation. In February, I believe it was, you appointed me to the Deferred Compensation Committee and I think in August I was elected Chairman. So I'll be happy to answer your questions.

Governor: Congratulations. Just essentially background on what's happening here. I'm sure you've had an opportunity to review the public comment letter that was submitted.

Scott Sisco: Yes. Governor and Mr. Secretary, when I was appointed to the Committee in February, my first meeting there was two things that had a very profound effect on how I would vote and proceed with the Committee from that point forward. The first thing was, I was provided information on an RFP that was about to go out on the street, and I voted for that RFP, and to this day I regret that vote. The second thing was the head of the Public Employee Retired Association of Nevada came to the Committee, and during the public comment period begged the Committee to refrain from putting the RFP out on the street until their representative was appointed. And I apologize. He thought after the earlier comment Carlos Romo who you appointed to that position, and unfortunately he's already left. But he asked for us to wait on that. This representative came to a meeting and unfortunately the Chairman at the time didn't do anything with it and we pushed that RFP forward.

Unfortunately, ultimately the RFP did have issues. The State Purchasing Director reviewed it and advised not to move forward as it was voted on, but more so from my perspective, that RFP that was put on the street did not comply with the current regulations for the Committee. This extension will allow us to update those regulations so as we move forward there's public meetings and workshops involved in the regulation updating process, so those participants can come and have that say and make sure that they're being heard, because they had real concerns, and meeting after meeting we had up to 20-plus participants come to those meetings and object to what was going on. So it took us a little bit, but we were able to withdraw that RFP, and this will give us the time that we need to do this right.

Governor: All right. I don't have any questions. I think it's a good thing that you're doing this. So the current vendors will stay in place for how long?

Scott Sisco: For a maximum of two years. And, again, part of that was so that we would have the time to do the regulation process, because that really does need to be done before we put an RFP back out on the street. So we have up to a maximum of two years with them. And that gives us some flexibility too, because although this program currently has that statutory requirement to go out to bid every so often, we probably need to look at that in the future, because unlike PERS, which doesn't have that absolute date, it's hard to go out with people's

investments and go out at exact point in time, so that may be something that we have an opportunity to look at.

Governor: You just prompted another question. Two years is a long time. Does it have to be two years?

Scott Sisco: It may not be, but, again, the interest rate that we were offered in what's called the General Account, which is extremely important to the retirees and the people that are getting closer to that, the best deal that we got was with a two year offer.

Governor: So if we were to consider going to just one year, that...

Scott Sisco: That would be chopped in half.

Governor: All right. Which would be to the detriment...

Scott Sisco: To their detriment, yes. There's about \$270 million of participants' money in that particular account.

Governor: I have no further questions. Mr. Secretary?

Secretary of State: No, Governor. I had an opportunity to meet with Assistant Director Sisco, and appreciate him making the time to discuss it with me.

Governor: That's all I have. Thank you.

Scott Sisco: Thank you, Governor.

Governor: That completes my questions with regard to Agenda Item No. 9, Contracts 1 through 31. Mr. Secretary, do you have any questions?

Secretary of State: I do not, Governor.

Governor: Chair will accept a motion for approval of the Contracts 1 through 31 as described in Agenda Item No. 9.

Secretary of State: I'll move for approval.

Governor: Second the motion. Any questions on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero.

***10. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

Two master service agreements 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'll move on, Mr. Mohlenkamp. Agenda Item No. 10, master service agreements.

Clerk: Thank you, Governor. Before the Board are two Master Service Agreements for consideration. The first is with VF Imagewear Inc., and this is for uniforms used throughout different State agencies. The second item is with regard to providing online information for legal and public records for various State agencies. And these are both managed through the Purchasing Division.

Governor: I have no questions. Mr. Secretary?

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval of Master Service Agreements 1 and 2 as described in Agenda Item No. 10.

Secretary of State: I'll move for approval.

Governor: Second the motion. Any questions on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero.

11. INFORMATIONAL ITEMS

A. Department Of Administration – Purchasing

The memorandum is provided as an informational item to address the Attorney General's inquiry at the October Board of Examiners' meeting regarding the applicability of a "cooling off" period relative to AB 240.

B. Department Of Conservation and Natural Resources – Division of State Lands

Pursuant to Chapter 111, Statutes of the Nevada, 1989 at page 263, the Division of State Lands is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Also, pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the

status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the fiscal quarter ending September 30, 2012.

Governor: Agenda Item No. 11, informational items, Mr. Mohlenkamp.

Clerk: Thank you, Governor. I would like to delay Item 11A until the next Agenda for a few reasons. One, Kimberlee Tarter, who wrote the memo that you did not receive, it was not in your package, and that's something -- an oversight on my part, I want to get that to you in advance. As you recall, this is the -- the Attorney General a couple meetings ago had requested some information with regard to our handling of Assembly Bill 240, which is the employees working and coming back and contracting with the State. She really wanted some information with regard to the cooling-off period and how this relates to that. We did put some information together. Unfortunately, it didn't make it into your packets. So I want to get that to you in advance of the meeting. Second, I would like the Attorney General to be here for the meeting that we discuss that, because it was her request. So if you don't mind, I'd like to delay Item 11A until the next meeting.

Governor: All right. We'll move on to Item B. I see with regard to Division of State Lands there was no activity.

Clerk: Right.

***12. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS**

Comments:

Governor: Agenda Item No. 12, Board member comments. Any comments, Mr. Secretary?

Secretary of State: No, Governor.

Governor: Public comment here in Carson City? Any member of the public that would like to provide comment to the Board? Las Vegas, any public comment?

***13. FOR POSSIBLE ACTION – ADJOURNMENT**

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Close public comment and move on to Agenda Item 13, adjournment. Is there a motion to adjourn?

Secretary of State: I'll move for adjournment.

Governor: Second. All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye. Motion passes two to zero. The Board of Examiners' meeting is adjourned. Thank you, ladies and gentlemen. Happy holidays everybody.

Secretary of State: Happy holidays to you.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER