

MINUTES

MEETING OF THE BOARD OF EXAMINERS

January 8, 2013

The Board of Examiners met on Tuesday, January 8, 2013, 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
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Clerk Jeff Mohlenkamp

Others Present:

Brian Connett, Department of Corrections
Frank Woodbeck, Department of Employment, Training and Rehabilitation
Mark Mathers, Office of the State Treasurer
Kelly Langley, Office of the State Treasurer
Leah Lamborn, Division of Health Care, Financing and Policy
John Whaley, Division of Health Care, Financing and Policy
Steve Fisher, Division of Welfare and Supportive Services
Sue Smith, Division of Welfare and Supportive Services
Dennis Perea, Department of Employment, Training and Rehabilitation
Kimberlee Tarter, Purchasing

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, everyone. I'd like to call the Board of Examiner's meeting to order. Madam Attorney General, can you hear us loud and clear in Las Vegas?

Attorney General: I am. Good morning and Happy New Year.

Governor: Happy New Year to you and everyone else. We will begin with Agenda Item No. 1, public comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? Is there anyone present in Las Vegas that would like to provide public comment to the Board?

Attorney General: No, Governor. There does not appear to be.

*2. FOR POSSIBLE ACTION – AUTHORITY TO PAY MINING CLAIM REFUNDS

A. Department of Taxation – \$109,200

Pursuant to Senate Bill 493, Section 16.7 of the 2011 Legislature, the Department of Taxation must submit mining claim refund requests to the Board of Examiners for approval. The Department is requesting authority to pay 18 refund requests totaling \$109,200. This results in a remaining balance of \$710,543.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: All right. We'll move on to Agenda Item No. 2, authority to pay mining claim refunds. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is yet another request from the Department of Taxation to pay mining claims. As you recall, the companies have until June 30th of this year to make their claims, and the Board has 18 claims with a total of \$109,200 to consider.

Governor: Any questions from Board members? Hearing none, the Chair will accept a motion for approval of the payment of \$109,200 in refunds.

Secretary of State: Move for approval.

Attorney General: Second the motion.

Governor: Motion by the Secretary of State, second by the Attorney General for approval of the payment of the mining claims. Any questions or discussion on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes unanimously.

***3. 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 Motor Vehicles – Division Administration	1	\$40,789
Commission on Minerals – Nevada Division of Minerals	1	\$32,525
Total:	2	\$73,314

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Agenda Item No. 3, state vehicle purchase. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are requests for two separate vehicle purchases. First of all is the Department of Motor Vehicles, and the second is the Commission on Minerals, each for one vehicle, and I believe these are -- the reason the cost is as much as it is, is these are both trucks. These are both work vehicles.

Governor: And they were both included in the budget, correct?

Clerk: They were.

Governor: Questions from Board members?

Secretary of State: No, Governor.

Governor: Okay. The Chair will accept a motion for approval of the state vehicle purchase as described in Agenda Item No. 3.

Secretary of State: I'll move for approval.

Attorney General: I'll second the motion.

Governor: Motion for approval by the Secretary of State, second by the Attorney General. Any questions on the motion? All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes unanimously.

***4. FOR POSSIBLE ACTION – REQUEST FOR ALLOCATION FROM THE FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES**

A. Department of Corrections – Prison Industries – \$28,376

Pursuant to NRS 209.192, the Department of Corrections, Prison Industries, requests to access \$28,376 from the Fund for New Construction of Facilities for Prison Industries. Funds would be used to implement building improvements to the Florence McClure Women's Correctional Center to allow for more direct access to the products by the contractor and provide for an additional 18 inmates to work.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Agenda Item No. 4, request for allocation from the fund for new construction of facilities for prison industries.

Clerk: Thank you, Governor. Before the Board is a request from the Department of Corrections, Prison Industries, for an allocation from the new prison facilities, new construction fund. This is their capital improvement fund for \$28,376. This is for the women's prison, Florence McClure, down in Las Vegas, and this will allow for them to make some upgrades so that they can put more inmates to work. They're estimating 18 more additional inmates. I believe we have staff down in Las Vegas that could provide additional testimony.

Governor: All right. Who do we have present in Las Vegas on this matter?

Brian Connett: Good morning, Governor, members of the committee. Brian Connett, Deputy Director for the Department of Corrections.

Governor: And before you begin, I apologize for interrupting. I just wanted to make as part of the record, I have a letter from Assemblyman James Ohrenschall, I don't know if you have a copy of this letter in front of you, who is supportive of this matter on the Agenda as long as it is in conformance with NRS 209.192, specifically, the money in the Capital Improvement Fund must only be expended to house new industries or expand existing industries in order to provide additional employment of offenders. So with that, Mr. Connett, if you'd please proceed.

Brian Connett: Thank you, Governor. This is for the expansion to put a hole and a door into the wall at the Florence McClure Women's Correctional Center back at the warehouse where this operation is conducted. This is certainly going through on a work program as well, so all the estimates and everything, all of the items for this are put forth in the work program and are completed as soon as we get approval.

Governor: And is it your opinion that this request is in conformance with NRS 209.192?

Brian Connett: For the record, Brian Connett. Yes, sir.

Governor: All right. And more specifically, this is a space that is occupied by Jacobs Trading Company, a private company that purchases return products from large department stores and resells the products to other retailers. By doing these improvements, we, the State, would be in a position, or the Department of Corrections would be in a position to provide employment for an additional 18 inmates; is that accurate?

Brian Connett: It would put to work roughly 18 more inmates. Jacobs Industries is a Nevada company that's been here since -- and operating in the women's facility since 2005. This money, by the way, Governor, is provided to us by the inmate worker's wage deduction. So there's no general funding and no taxpayer's money in this.

Governor: And I'm sure, Mr. Connett, you're sensitive to this as with regard to our discussion that we had on the Prison Commission. By doing this, we won't be affecting any jobs in the private sector, correct?

Brian Connett: That's correct, sir.

Governor: Questions from other Board members?

Secretary of State: No, Governor.

Governor: Madam Attorney General?

Attorney General: No. And -- I'm sorry, Governor. I do just to follow up on your question. So when the Governor is referring to affecting, more specifically, we will not be displacing any private sector employment; is that correct?

Brian Connett: That's correct.

Attorney General: Is there a competitor to Jacob's Trading Company that you're aware of?

Brian Connett: I'm unaware of any competitor here.

Attorney General: When we first started doing business with Jacobs Trading Company, did we -- was it an RFP process? How did that work that we came to do business with them as a contractor?

Brian Connett: I am unaware of that because it was before my tenure here, so I'm unaware of how they were contacted and do that. I can tell you that Jacobs does have facilities in at least two other state prison facilities that I know of.

Attorney General: Does Jacobs only hire prison inmates for their employees to do the bulk of the work, or what's the majority of prison inmates that they hire here in the State of Nevada; do you know?

Brian Connett: In the State of Nevada, they also have one staff and three correctional officers that they have on staff at this facility, but the workers are the inmate workers.

Attorney General: All of them, other than what you've just identified?

Brian Connett: Mm-hmm.

Attorney General: Hmm, okay. I'd be curious to know how long we've had the contract with Jacobs and if there is a competitor out there somehow, and is there a need to do an RFP in the future for this. Again, I guess it goes back to our talk before, Governor, and I agree with you, to the extent that we have somebody out there that is using a majority of the employment of their staff as prison inmates (inaudible) if there is no other competitor out there, competition, then obviously -- then I don't -- that supports more of the prison inmate being utilized, I would just like some more information. I will approve this today, but I would like more information on Jacobs and the information with respect to their contract with the State of Nevada.

Brian Connett: Sure.

Governor: And, Mr. Connett, one more question...

Brian Connett: To answer one of your questions, this was done and I guess initiated back in 2005.

Attorney General: Okay.

Governor: Mr. Connett?

Attorney General: And maybe -- oh, I'm sorry, Governor. One final follow-up. Sorry.

Governor: Please proceed, Madam Attorney General. There's a bit of a delay, so I apologize for talking over you.

Attorney General: Oh, I'm sorry. And I assume, if I remember correctly, Governor, at a future meeting of our prison board, we are going to be given the contractors, the businesses that prison industry currently does business with or has contracts with. Am I correct on that?

Governor: We're going to receive that, and we are also going to be in the future following that procedure whereby all these private contracts will come before the Board of Prison Commissioners for approval prior to their adoption so that we, because all three of us are here, will have had the opportunity to consider them, which leads to my other question, which was, has this matter been reviewed by the Interim Finance Committee's committee on industrial programs?

Brian Connett: For the record, Brian Connett again. Yes, sir. This has been vetted through that committee on industrial programs in an open meeting. And as you said earlier, you see that they have submitted their letter of support. We recontacted Chairman Ohrenschaal and some of the members. They have not received -- both of them have said that they supported this and they have not received any outside contact on this at all.

Governor: But as the Attorney General mentioned, this would be one of those contracts that we otherwise would not have seen on the Board of Prison Commissions because it's an ongoing contract. So we will become aware of all the private companies with whom we have contracts with as prison commissioners because this normally would not be something that the Board of Prison Commissioners would see; is that right?

Brian Connett: I'm not quite sure I understand what your question is.

Governor: I guess it really wasn't a question. But this matter wouldn't really -- we wouldn't have seen this as a Board of Prison Commission because it is an improvement to increase employment. The only reason it would come to the Board of Prison Commission's attention is that special request that was made at the last meeting which will provide us an entire list of all the contractors with whom we do business, right?

Brian Connett: For the record, Brian Connett. That's correct.

Governor: Okay. Madam Attorney General, did you have any further questions?

Attorney General: No. Thank you, Governor.

Governor: Okay. Mr. Secretary?

Secretary of State: No, Governor.

Governor: All right. I have no further questions. The Chair will accept a motion for approval of Agenda Item No. 4, which is an allocation of \$28,376 for the new construction of facilities for Prison Industries.

Secretary of State: Move for approval.

Attorney General: Second the motion.

Governor: Motion for approval by the Secretary of State, second by the Attorney General. All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes unanimously.

***5. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A FORMER EMPLOYEE**

A. Department of Employment, Training & Rehabilitation (DETR).

Pursuant to Assembly Bill 240, Section 1, Subsection 2 – 3 of the 2011 Legislature, DETR requests authority to extend the contract with a former employee, through a temporary service, so this individual may advise and assist with programming, testing and implementation of UInv Phase II, a modernization and improvement project for Nevada's Unemployment Benefits and Contributions business processes and automated computing applications. The extended term of assignment is from January 18, 2013 through June 30, 2013.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Agenda Item No. 5, authorization to contract with a former employee. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request from the Department of Employment, Training and Rehabilitation pursuant to Assembly Bill 240. We've had a few of these on the Agenda. This is the request to have a former employee help them with their Nevada

Employment Benefits Program, specifically the UInv Phase II project, which is a modernization of their IT, and I believe we have representatives from the department here.

Governor: I didn't even see you get to the table. You're quiet. Do you have a presentation you'd like to make, Mr. Woodbeck?

Frank Woodbeck: Well, I understand this is a very unique situation with Mr. McNabb. He was the Deputy Chief Financial Officer for a number of years, and started out the transition project and modernization of the UInv project. And his institutional knowledge is really necessary, quite frankly, in this transition in the last phase of it as we install -- or at the last phase of installation of the project, and actually bring it up to speed and into service. So it is a very unique situation. I understand any reticence in terms of contracting with former employees, especially on a third extension, and I certainly understand that, but this is a very unique situation, so we would ask for approval on that.

Governor: Thank you, Director Woodbeck. And my question is, I see the need, are we developing a bench so that we have that institutional knowledge so that somebody within the department can step forward and do the work in the future?

Frank Woodbeck: Yes. Mm-hmm. Yes, we are.

Governor: Questions from other Board members on this Agenda? The Chair will accept a motion for approval of Agenda Item No. 5, authorization to contract with a former employee.

Secretary of State: I'll move for approval.

Attorney General: Second the motion.

Governor: Motion for approval by the Secretary of State, second by the Attorney General. All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes unanimously. Thank you.

***6. FOR POSSIBLE ACTION – LEASES**

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

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

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

Clerk: Thank you, Governor. Before the Board are 11 leases for consideration. I do want to make a note that Lease No. 3 has been -- there was a request to withdraw that lease, No. 3, which is the Department of Administration, Purchasing Division, for reconsideration of that lease. So that item has been withdrawn from the Agenda, so that would leave ten leases remaining to be considered.

Governor: Before we go on to those other ten, is there -- why did we withdraw that lease?

Clerk: Yeah. The primary reason is this is an element where it's a five-year lease. There's a desire on the part of the agency to look at making sure that they have proper out clause, there's a proper other clause to be able to move to other different locations if in fact something comes up that's preferable. So they wanted to reexamine the lease to make sure that they have the proper flexibility to be able to move (inaudible) different location if a location in the future becomes a better situation for them.

Governor: But what about the situation that led to seeking a new lease?

Clerk: So this is Commodity Food Programming, and what happened is they had actually a rat infestation. We had the Health Division come out and do a study of that, look at it. After reviewing, they determined that quite honestly it was not going to be -- well, immediately we removed all foods from that facility that could be subject to contamination, and disposed of any foods that might have been contaminated. And then at that point in time we determined that we needed to find another location. Right now they're at three different locations across the Las Vegas valley. Part of it's in Three Square, and they have a couple other locations. This lease would provide for the consolidation pulling it into a single facility.

Governor: But we're not using the space that had the issue, correct?

Clerk: No. That is completely vacated at this point in time. And so it was determined that really there was no way to make that space -- it wasn't going to -- it was not going to be cost effective to upgrade that space, so they needed to find another location.

Governor: All right. So they're all taken care of until (inaudible).

Clerk: They are. They are removed from that. That situation has been taken care of. And now they are just looking for a long-term solution, but they want to take a step back and make sure the long-term solution is going to be the one that they need.

Governor: All right. Thank you. And then on Lease 5, that's for Taxi Cab Authority, and we had something on our Agenda several months ago, but they are staying in the space that they were in?

Clerk: They are for now. There is going to be a request coming forward. As you can see, this is only, I believe, a year extension, and so they will be coming forward. They are negotiating still to have a longer term facility. They don't believe this is going to suit their long-term needs, but until they get to the situation where they have the budgetary authority to go forward with a new lease, this is their solution.

Governor: Okay. And then, finally, just on Lease No. 10, I wanted to compliment Health and Human Services because over the life of the lease there's a savings of \$218,175. That's significant. Questions from Board members with regard to the leases described in Agenda Item No. 6?

Secretary of State: No, Governor.

Governor: The Chair will accept a motion to approve Leases 1, 2, and 4 through 9.

Clerk: Four through Eleven.

Governor: Eleven, excuse me. Thank you.

Secretary of State: Move for approval.

Attorney General: I'll second the motion.

Governor: We have a motion for approval by the Secretary of State. Is there a second?

Attorney General: I'll second the motion.

Governor: Second by the Attorney General. All in favor of the motion, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes unanimously.

***7. FOR POSSIBLE ACTION – CONTRACTS**

Forty – Five independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: Agenda Item No. 7, contracts. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are 45 contracts for consideration, and I did not receive any holdouts from the Attorney General or Secretary of State prior to the meeting.

Governor: I'm going to hold out 3, 23 -- see, Mr. Mohlenkamp, my numbers are off because when we withdrew that one contract. I want to make sure that I'm correct on these, 23 and 24.

Clerk: So 23 is the Health Services Advisory Group.

Governor: Yes.

Clerk: Twenty-four is the Board of Regents, UNR.

Governor: Yes.

Clerk: Okay.

Governor: Twenty-seven is with Health and Human Services and the Washoe County School District.

Clerk: It is.

Governor: Forty-one and forty-two.

Clerk: That's Nevada Works and Workforce Connections.

Governor: Yes, that is all.

Clerk: Madam Attorney General and Mr. Secretary of State, do you have any other contracts you want to hold out?

Secretary of State: No, Governor.

Attorney General: No, Governor.

Governor: Do we have somebody here from the Treasurer's office?

Mark Mathers: Good morning.

Governor: And I have no concerns about the contract. I just thought it would be a good opportunity to close the loop, because I know there's been some historical issues with this being located out of state, and now this will be in state; is that correct?

Mark Mathers: Yes, Governor. The proposed contract was with Wells Fargo Bank.

Clerk: For the record, just your name.

Mark Mathers: I'm sorry. Mark Mathers, Chief Deputy, State Treasurer. The proposed contract in front of you is with Wells Fargo Bank. One of the criteria we used in selection of Wells Fargo Bank is their geographic coverage. And as I think most people are aware, Wells Fargo has many, many locations in the State of Nevada, up and down the state and in rural areas. Yes.

Governor: And who do you have with you?

Mark Mathers: I'm sorry. Kelly Langley, our Senior Deputy Treasurer.

Kelly Langley: Good morning.

Governor: And good morning. Again, I know that historically there were some concerns because this lockbox was previously, I believe, in Arizona, and there were some concerns about that, so now we will have it here. I have no further questions. Board members, any questions on this Agenda item?

Secretary of State: No, Governor.

Governor: Thank you, Mr. Mathers.

Mark Mathers: Thank you.

Governor: Twenty-three. Good morning. If you'd state your name for the record, please.

Leah Lamborn: Good morning. My name is Leah Lamborn. I am the ASO for the Division of Health Care, Financing and Policy, and with me today I have John Whaley, Chief of Business Lines.

Governor: All right. We've seen this before, obviously. My question here is, essentially my note, how are we doing? Do we have a performance measure? How is this contractor performing?

Leah Lamborn: Do you want to speak to that?

John Whaley: Certainly. Good morning, Governor and members of the Board. For the record, my name is John Whaley, Chief of Business Lines for the Division of Health Care, Financing and Policy, and HSAG has performed exceptionally well. We've had no issues, no problems with them at all. During the last procurement, they were significantly less expensive than any other bidder. There were no Nevada bidders at that time. And since -- prior to that, they were our external quality review organization for the previous four years. So in the last seven-and-a-half years we've had absolutely no problems with them. They've performed spectacularly well.

Governor: And I guess the next step is how is the managed care program doing that they're assessing?

John Whaley: The managed care program is doing quite well. We've had studies done by the University of Nevada, Reno, and by other contractors who have determined that managed care in Nevada not only meets the goals of making it easy to budget for the Division, but it saves money and it provides better health care -- improved health care.

Governor: Great. That's all I have. Questions from other Board members? Thank you very much. Move on to 24, which is DHHS and the University of Nevada, Reno.

Steve Fisher: Hi, good morning.

Governor: Good morning.

Steve Fisher: Steve Fisher for the record, Deputy Administrator for the Division of Welfare and Supportive Services. I have with me Sue Smith. She's our ASO for the Division of Welfare and Supportive Services.

Governor: Good morning, Mr. Fisher and Ms. Smith. How do we know -- we've approved -- we see these quite often, and this is not a large sum of money, but the purpose of the contract is to help SNAP recipients to make better choices, or healthy food choices. Do you have a performance measure? How do you determine whether it's working or doing well?

Steve Fisher: Yeah, this particular contract is with the University of Nevada, Reno, Southern Cooperative Extension, and they have 15 education programs that they have for us, or for the SNAP recipients. Every program has a set of objectives that have to be measurable. And so every quarter they have to report to us -- those programs have to report to us how they're doing with regards to meeting (inaudible). And at the end of the year, also, we consolidate that and we have to send that off to the federal government letting them know how well we're doing, or not doing I guess I should say, with regards to meeting those objectives. Now, if, for example, one of the programs isn't making or meeting their objectives, then the following year that particular program would be looked at and either we would cut the program or maybe make some adjustments to the program, so on and so forth.

Governor: So do you measure it based on increased enrollment in the SNAP program?

Steve Fisher: It would be a number of -- it would be like, for example, if you have children attending a class, an education class, then we would have a set of percentages, like 80 percent of the children should learn how to eat healthier, for example. And then at the end of the class, obviously, we would take a test with the children to make sure that they learned how to eat healthier, for example. So we just want to make sure that the message is getting through to the children, that they're being educated properly, so that's the type of measures that we would have.

Governor: So how do they do that? Do they go to the high school or a middle school, elementary school and teach a class...

Steve Fisher: Yes, absolutely.

Governor: ... or appear in a class?

Steve Fisher: Or Boys and Girls Club or -- yes.

Governor: Okay. I have no further -- and at least the information you have now is that they've been meeting their performance measures?

Steve Fisher: That's correct.

Governor: Okay. I have no further questions. Board members?

Secretary of State: No, Governor.

Governor: All right. Thank you very much. You're here for the next one as well. I think the note I have to myself on this one is, do you coordinate with the Department of Education with regard to this contract?

Steve Fisher: This particular contract is with Washoe County School District. To answer your question, I don't know that there's a coordination with the Department of Education.

Governor: There is not.

Steve Fisher: The Department of Education licenses teachers K through 12.

Governor: And I know this is Pre-K.

Steve Fisher: Yes, exactly.

Governor: But it talks about standards to help teachers further understand and use the standards within preschool (inaudible).

Steve Fisher: Teachers, educators, early child educators I guess is probably what it should say, and also teachers if a teacher wanted to go through some of the classes and so on and so forth.

Governor: So here the Washoe County School District is going to daycares?

Steve Fisher: They administer what's called the Nevada Registry Program. And so the Nevada Registry Program is a career ladder opportunity for those who are in the early child education field. And so that's what this funds. It funds the Nevada Registry. So if I was a person working for a licensed childcare facility, I would register with the Nevada Registry. It has training opportunities for me if I want to further my career. And so that's what this funds is the Nevada Registry through Washoe County School District.

Governor: And do you know how much utilization that you have by Pre-K teachers? Are they taking advantage of this?

Steve Fisher: I don't have the statistics in front of me, but I was looking at it this morning. It seems like to me there were over 4,000 individuals registered in the Nevada Registry.

Governor: Okay. That's good. All right. Thank you, Mr. Fisher. We'll move on to 41 and 42. DETR and -- good morning.

Dennis Perea: Good morning, Governor. Dennis Perea, Deputy Director for DETR.

Governor: Thank you, Mr. Perea. And you know the history here with Workforce Connections. Is this contract all consistent with what we've been doing in terms of the waiver with the Department of Labor and some of the changes that have been made with the local Workforce Investment Boards?

Dennis Perea: Yes, Governor. This money -- the state has the ability to hold back 25 percent of the dislocated worker dollars for WIA to assist in mass layoffs and rapid response type activities. When all of that money isn't used, then we can contract down to the Boards with those through the regular formula to continue to provide services at the local level. The current situation, Workforce Connections is far better than it was. They have greatly reduced their expenses, primarily on staffing levels. I believe that they're close to a reduction in force of about 50. And they've also done salary surveys and whatnot and adjusted some of the salaries of the existing staff. It's been greatly reduced. It's still not at the same level as the northern Board, but they're continuing to look at places for efficiency.

Governor: And I think they should be commended for the changes that have been made. I just want to ensure that we're still on track.

Dennis Perea: We have no concerns, Governor.

Governor: I have no further questions. Board members, any questions with regard to these Agenda items?

Secretary of State: No, Governor.

Governor: All right. I have no other holdouts. Before I accept a motion, any further questions with regard to this Agenda item? All right. Hearing none, the Chair will accept a motion for approval of the contracts in Agenda Item No.7, 1 through 45. Is that right or is it...

Clerk: Yeah, 45.

Governor: Forty-five.

Secretary of State: Governor, I just have a quick question. Which one was pulled from my Agenda? I have 46 contracts.

Governor: It was with Department of Corrections. What was that number?

Clerk: Pure Produce. It was -- it used to be number 31, I believe.

Secretary of State: So there was a separate Agenda?

Clerk: There was. I'm sorry. I thought you had received the updated Agenda.

Secretary of State: Okay. I apologize. I move for approval of the 45 contracts under Agenda Item No. 7, under the updated Agenda.

Attorney General: I'll second his motion.

Governor: Motion by the Secretary of State for approval of Agenda Item No. 7, Contracts 1 through 45, second by the Attorney General. All in favor, please say aye.

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes unanimously.

8. 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 Administration – Overtime Report

Governor: Agenda Item No. 8, informational items. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board there were two informational items. The first is a report from the Department of Administration, Purchasing Division. As you recall, the Attorney General had requested some information with regard to this hiring and contracting with former employees, and specifically some inquiry with regard to cooling off periods and if the two were somehow inner related. So Kimberlee Tarter, I believe, is here. She was going to be here. There she is. She prepared the memo that you have before you that's dated November 7. And she also was working with the Attorney General's Office to provide the Board a little more guidance of distinction between 240 and the cooling off period as we see in other statutes.

Governor: Good morning.

Kimberlee Tarter: Good morning. For the record, Kimberlee Tarter with the Purchasing Department, Deputy Administrator. I prepared the memo. I don't know if there are any

additional questions that I can answer with respect to the information I provided. Essentially AB 240, which was codified as 284.3329, it did in fact function to an extent like a cooling off period. However, it is much more broad than the cooling off period that we see currently under NRS 281.

Governor: Madam Attorney General, did you have any questions?

Attorney General: No. I want to thank Kimberlee and the Director for putting this information together. This is very helpful for my purposes to understand the distinction between the two statutes and know that only those two statutes exist with respect to the cooling off period, and how AB 284 works in conjunction with the cooling off period under NRS 281A. So thank you very much.

Kimberlee Tarter: You're very welcome.

Governor: Thank you very much. Mr. Mohlenkamp, if we'd move on to the overtime portion.

Clerk: Thank you, Governor. Then the second item is the overtime report. And what you have before you is a summary of two different periods, if you will, the fourth quarter and the complete year for fiscal year '12, and then the first quarter for fiscal year '13. So I'll take the first piece first, and that is fiscal year '12. And so the good news, if you will, is that we have overtime for the full year is at 2.86 percent of total payroll, and this is a reduction from prior years. In fiscal year '10 we were at 2.99 percent, and fiscal year '11 2.92 percent. So we're down to 2.86, so this is a continuing trend line we've seen in the last three years of reduction in overtime. And just to remind you, this is -- overtime is inclusive of not only overtime for pay, but also for comp. So it includes all overtime worked.

Also, you'll see that for the year ended, we had some -- the usual cast of characters, if you will, who have the largest amount of overtime, Department of Corrections and Public Safety, Transportation, who all run, you know, 24/7 or extended hours programs. Health and Human Services, once again, they operate 24/7 facilities. And then Conservation and Natural Resources, the vast majority of their overtime comes through the Forestry Division and firefighting activities. We generally get reimbursed for the vast majority of that if it's on federal lands.

So those are the big high points with regard to fiscal year '12. I do want to point out some success stories, and that is we have DETR, Department of Employment, Training and Rehabilitation, Corrections, and then the Administration Division are all showing fairly substantial reductions in overtime contributing to that decrease. So I'd be happy to try and answer questions with regard to fiscal year '12. I did provide some highlights. And I apologize to the Attorney General. I was informed you might not be here today, but I do have a summary for you that I will provide to you from some of the larger groups with regard to their explanation of their overtime.

Attorney General: Thank you.

Clerk: You should have received this this morning, I hope.

Secretary of State: I received it this morning. Thank you.

Clerk: So if there's no questions, then moving on to fiscal year '13, the first quarter, now, we've seen a little bit of a tick up in overtime compared to the prior years. So our overtime has actually increased for this first quarter. This first quarter is typically a higher overtime period, you can notice on the chart. Even in the prior years, we were up over three percent. We're at about 3.44 percent of total payroll. And so we're a little bit higher than where we want to be, but the key driver here is Health and Human Services, and Public Safety and Conservation and Natural Resources.

In the report that I received, and the document I gave you, the primary driver behind DC&R is forestry. They say August was one of the highest fire months they've had in recent years, and so that's one of the key drivers there. Health and Human Services, two major principle things that they told me, one was quite honestly budget building. It's a pretty heavy month for budget building. DHHS had encountered fairly substantial turnover in their fiscal staff. And then the second piece is ACA. They have quite a bit of work to do with health care reform and extended hours and making sure that they could pull that through.

The last piece is DPS. And Department of Public Safety is talking about their Highway Patrol being the key driver, and specifically working a certain number of special events such as NASCAR races and wideload escorts and things of that nature. So I think that there's some pretty good explanations for why we (inaudible) some of these increases in the overtime.

Governor: And even for Public Safety, some of that is reimbursed as well.

Clerk: It is. And, you know, a lot of the Highway Patrol is (inaudible). But then when they're doing work for specific parties (inaudible).

Governor: I have no questions. That's very thorough and I appreciate your keeping track. Questions from Board members?

Secretary of State: No, Governor.

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

Comments:

Governor: We'll move on to Agenda Item No. 9. Any Board member comments? Public comment from Las Vegas?

Attorney General: No, Governor.

Governor: Public comment from here in Carson City?

***10 FOR POSSIBLE ACTION – ADJOURNMENT**

Motion By: Secretary of State Seconded By: Attorney General Vote: 3-0

Comments:

Governor: I'll accept a motion for adjournment.

Secretary of State: Move to adjourn.

Attorney General: Second the motion.

Governor: Motion by the Secretary of State, second by the Attorney General for adjournment. All in favor, please say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes. This meeting is adjourned. Thank you, ladies and gentlemen, and Happy New Year.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER