

MINUTES

MEETING OF THE BOARD OF EXAMINERS

March 11, 2014

The Board of Examiners met on Tuesday, March 11, 2014, 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
Jeff Mohlenkamp, Clerk

Others Present:

Rebecca Salazar, Department of Administration
Mike Willden, Department of Health and Human Services
Rudy Malfabon, Department of Transportation Las Vegas
Dennis Gallagher, Office of the Attorney General
Ruth Miller, Office of the Attorney General
Jeff Marrow, Department of Child and Family Services
Sue Smith, Division of Welfare and Supportive Services
Claudia Vecchio, Department of Tourism and Cultural Affairs
Mike Torvinen, Department of Administration
Bruce Beamer, Enterprise Information Technology Services
Lee Ann Hollingsworth, Controller's Office
Karen Jaquez, Controller's Office
Tim Rubald, Conservation and Natural Resources
Priscilla Colegrove, Division of Child and Family Services
David Stewart, Division of Welfare and Supportive Services
Elizabeth Neighbors, Division of Public and Behavioral Health
Michael McMahon, Division of Welfare and Supportive Services
Naomi Lewis, Division of Welfare and Supportive Services
Scott Sisco, Department of Corrections
Kelvin Hickenbottom, Water Resources
Leticia Metherell, Division of Public and Behavioral Health
Mary Woods, Department of Health and Human Services
Leah Lamborn, Department of Health Care Finance and Policy
Robert Nellis, Department of Transportation
Katie Armstrong, Attorney General's Office
Jeffrey Menicucci, Attorney General's Office
Carol Sweeney, Administrative Services
Michelle Kossman, Administrative Services
Donna Lopez, Public Employee's Benefit Program
Megan Sloan, Public Employee's Benefit Program
Terry Rubald, Taxation

Rick Gimlin, Taxation
Rob Boehmer, Deferred Compensation
Ellen Crecelius, Department of Health and Human Services
Vanessa Alpers, Department of Health and Human Services
Mary Wherry, Division of Public and Behavioral Health
Mark Winebarger, Division of Public and Behavioral Health
Teri Preston, Leasing Services
Julie Kidd, Leasing Services

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, ladies and gentlemen. I'll call the Board of Examiners' meeting to order. All members are present. We'll commence with Agenda No. 1, Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Seeing none, I'll move to Las Vegas. Is there anyone present in Las Vegas that would like to provide comment to the Board? And it's okay to sit at the table if you like in Las Vegas. All right. I see no public comment from Las Vegas.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE FEBRUARY 4, 2014 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: So we'll move to Agenda No. 2, Approval of the February 4, 2014 Board of Examiners' Meeting Minutes. Have the members had an opportunity to review the minutes, and are there any changes?

Attorney General: I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of the minutes of February 4, 2014. Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

*3. FOR POSSIBLE ACTION – VICTIMS OF CRIME PROGRAM (VOCP) APPEAL

Pursuant to NRS 217.117, Section 3, the Board may review the case and render a decision within 15 days of the Board meeting; or, if they would like to hear the case with the appellant present, they can schedule the case to be heard at their next meeting.

Janice Evans

The issue before the Board is the appeal of a denial for VOCP survivor benefits on behalf of Ms. Evans' minor child.

Pursuant to NRS 217 and Victims of Crime Policy Section 11 (9), survivor benefits are available for certain qualified dependents of victims of violent crimes. Survivor benefits are intended to provide support to dependents that are wholly or partially dependent on the victim's income at the time of death.

Ms. Evans acknowledged during the appeal hearing that her child has never been financially dependent on the victim Mr. Holloway.

Clerk's Recommendation: I recommend to uphold the denial of this claim.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We will move on to Agenda Item No. 3, Victims of Crime Program Appeal. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is an appeal by Janice Evans, and the question here -- I'm just going to kind of read the material. The issue is the denial of the survivor benefits on behalf of Ms. Evans' minor child. And the situation here is that the child was never supported by the deceased parent. This is the father. And under our statute 217, unless they had been supported by that individual, they're not really eligible for survivor benefits. I believe we have Ms. Salazar in Las Vegas to be able to speak directly to this issue.

And, Governor, for your information, at the end of this Agenda Item No. 3 is a statement from Ms. Evans that she was not able to be here, but there's a statement, the last page in your summary materials, is her representation of why she thinks that the Board should approve her request.

Governor: And there are two documents that are authored by Ms. Evans, one that is stamped December 13 of 2013 and then the second is the document that you just referenced that does not have a date or a date stamp on it.

Clerk: This is the most recent, Governor. The last document, the one I did reference, is what she had requested by provided to the Board members instead of her being able to be here for your consideration.

Governor: And just for my benefit temporally, was this document received subsequent to our last meeting?

Clerk: It was.

Governor: Okay.

Clerk: It was after our last meeting because we had to postpone this because she wasn't able to testify, but we wanted to make sure she had the opportunity to provide written testimony.

Governor: All right. Thank you very much. Good morning, Ms. Salazar.

Rebecca Salazar: Good morning.

Governor: Did you wish to make a presentation on this matter, please? Or will you make a presentation?

Rebecca Salazar: Sure. Yes. As Mr. Mohlenkamp said, Ms. Evans requested survivor benefits from the program for her minor child after the death of the child's father. The Statute 217.040 states that the dependent is a person who was wholly or partially dependent on the victim at the time of their death. Ms. Evans stated in the appeal hearing that her child has never been dependent on the victim for her entire life. She was adopted as a very young child by Ms. Evans in Chicago. We've never received any proof that Mr. Evans ever supported her financially.

Governor: And that was something that she testified to during the hearing?

Rebecca Salazar: Yes. It states in the transcript that I supplied that she did state that her child was never supported by the victim.

Governor: And that's pursuant to statute a disqualifier for benefits with...

Rebecca Salazar: Correct.

Governor: Okay. Okay. Questions from -- does that complete your presentation, Ms. Salazar?

Rebecca Salazar: Yes, it does.

Governor: Questions from Board members?

Secretary of State: I've got one. Thank you. Is there anything in the record that would've established that Mr. Holloway provided Ms. Evans' daughter any items of value at or near the time of death?

Rebecca Salazar: Any what?

Secretary of State: Items of value.

Rebecca Salazar: No, we haven't received anything that he ever provided anything for her at all.

Secretary of State: Okay. There's a letter that was included as part of the packet from Ms. Evans. And on Page 2 of that letter she makes reference to the fact that Ms. Evans' dad, I guess Mr. Holloway, had at one point in August gave Ms. Evans' daughter a cell phone, and also made

promises to purchase school uniforms and supplies for her at that point. Was that part of the record also? Or was that merely included in the letter that was included in our packet?

Rebecca Salazar: Everything we've received is what was included in your packet, so I guess I just -- I'm forgetting about that letter. But, yes, you have everything that we have.

Secretary of State: Okay. So would that letter have been included in the hearing officer's decision which references...

Rebecca Salazar: Yes, yes.

Secretary of State: ...a cell phone?

Rebecca Salazar: Yes. Everything that you've received has been reviewed by the appeals officer.

Secretary of State: Okay. And how do you establish what constitutes financial dependency for the purposes of making that determination?

Rebecca Salazar: We require the last two years of tax returns that precede the victim's death. So Ms. Evans was not able to supply those. And then we also considered her statement that the child was never supported by Mr. Holloway.

Secretary of State: Okay. When she says that she was never supported by Mr. Holloway, she did in fact say that he gave her a cell phone shortly prior to the death; is that right?

Rebecca Salazar: Right.

Secretary of State: And would that...

Rebecca Salazar: But we don't count...

Secretary of State: Go, sorry.

Rebecca Salazar: We wouldn't consider that financial support. We're thinking more like when a parent claims a child on a tax return. That's the type of proof that we require.

Secretary of State: Okay. But where is that burden established? Is it statutory or that's through policy? I mean, to me, a cell phone is clearly an item of support. If somebody gave me a cell phone, they'd be supporting me in some capacity.

Rebecca Salazar: It's through policy. Our policy states that the proof that's required is last two years of tax returns showing the child as a dependent.

Secretary of State: Okay. And to our knowledge, did Mr. Holloway ever file a tax return that showed her as a dependent?

Rebecca Salazar: No. We did receive tax returns from another parent who has children with Mr. Holloway. She provided the last two years of tax returns. They appeared to be filed after Mr. Holloway's death and filed by her, but they did not list any dependents.

Secretary of State: Okay. So I'm looking at a copy of that tax return. And on that form I see that he lists two dependents. Is that not accurate? Or that the individual that filed this on Mr. Holloway's behalf listed two dependents?

Rebecca Salazar: Maybe I'm looking at something else. The ones that I saw didn't list any dependents. I saw two tax returns for 2011, 2012.

Secretary of State: Yeah, you don't have a copy of the tax return, do you, in front of you?

Rebecca Salazar: No, not in front of me. But if they -- if you're looking at something that lists two dependents, it would not be the dependent in question, right?

Secretary of State: How do we know that?

Rebecca Salazar: I've been told that Mr. Holloway had seven children, so the lady that filed the tax returns that I'm talking about was not related to this child that we're talking about here.

Secretary of State: Okay. Since you're saying that the onus is on the minor child to provide the tax returns of the decedent in order to establish that they were in fact a dependent?

Rebecca Salazar: It would be, yes. I mean, it would naturally be the parent of the minor child, but yes.

Secretary of State: Okay. But in a situation like this where, you know, the parent didn't have much of a relationship with the child, how would that dependent child obtain access to these tax returns?

Rebecca Salazar: That would be very difficult. So that's hard to answer. I don't know. But if you're thinking that by buying the cell phone and promising to buy uniforms means that the father was supporting, there's no way for us to calculate any amount of support to give her, so that's why we require the tax returns. I'm not sure what more to say about that.

Secretary of State: Well, I mean, if we're going to assume for the sake of argument that that is some level of support, where are we looking to for any kind of guidance as to what the threshold is in order to meet that statutory definition of being considered a dependent?

Rebecca Salazar: Well, that would be up to the board I would guess. I mean, if it's not addressed in our policy, that would be something the Board would have to determine, of course, with our help.

Secretary of State: Okay. Based on your knowledge of what was in the packet, what was contemplated in terms of the adoptive relationship? Was there any expectation or desire that Mr. Holloway provide assistance?

Rebecca Salazar: To my knowledge, no. She was adopted as a young child. I don't believe Ms. Evans is her natural mother. So my understanding is when someone is adopted, their natural parents are no longer financially responsible, so I don't imagine there would be any expectation of financial support once she was adopted.

Secretary of State: Okay. But we don't know that for sure?

Rebecca Salazar: We do not know that.

Secretary of State: Okay. So we didn't ask...

Rebecca Salazar: No.

Secretary of State: ...Ms. Evans throughout the course of this hearing whether or not that was in fact the case?

Rebecca Salazar: No, we did not.

Secretary of State: Did we attempt on our own to go and try to find the tax returns for Mr. Holloway to determine whether or not he had claimed this minor child as a dependent?

Rebecca Salazar: We did not attempt that. Like I said, other than the two tax returns that we received from his wife or girlfriend.

Secretary of State: And how did we receive those?

Rebecca Salazar: She submitted them because she made a request for survivor benefits also.

Secretary of State: Okay. So the onus was placed on the claimant to try to track all of these documents down somehow?

Rebecca Salazar: That's correct.

Secretary of State: Okay. And so the Victim's Assistance Program doesn't affirmatively as a matter of routine go out and assist the victims in trying to track these documents down?

Rebecca Salazar: No. I don't believe that, you know, if we were to try to make a request from the IRS, I'm not sure how far we would get. But we certainly could try.

Secretary of State: Okay. Wouldn't that presumably be the same boat that this minor child would be in, in trying to track down the required proof, going to the IRS for...

Rebecca Salazar: Yes.

Secretary of State: ...for deceased individual? So in some ways the policy that we've established makes it very difficult for somebody to be able to establish that they were in fact a dependent at the time of the death.

Rebecca Salazar: Yes. I understand what you're saying. All I can offer is that we are doing a policy revision later this year. We can address that in our policy, but at this point, yes, you're correct.

Secretary of State: Okay. And this is largely statutory that drives the definition of a dependent; is that right?

Rebecca Salazar: Correct.

Secretary of State: Okay. And that's defined I believe in NRS 217.060 which says that the compensation officer may order payment or compensation to a dependent. And then dependent is further defined specifically in the statute to be someone who is dependent financially upon the victim at the time of the death; is that right?

Rebecca Salazar: That's right.

Secretary of State: Okay. I know that as you're preparing your legislative practice that a number of other states have taken a much broader approach. In Connecticut they define dependent to not only include somebody who's wholly or partially dependent upon the time of his death, but also the child of a deceased victim. And that is also modeled by some Uniform Law Commission recommendations on this area. Has the agency had a chance to look at any of those statutes?

Rebecca Salazar: We have not.

Secretary of State: Okay. Nothing further, Governor.

Governor: Thank you. Any other questions? I guess I would note -- and I understand what the Secretary is -- at least the policy that he's discussing, but there's a phrase in Ms. Evans' letter that says, "Consider here's a child who's already dealing with the abandonment, neglect and absence of a parent. Now to be compounded with the loss and death of that parent." I think she's referencing Mr. Holloway. And is that consistent with what the officer heard during the course of this proceeding?

Rebecca Salazar: Yes, it is.

Governor: So I think this is what we're dealing with here is we have a child whose father -- natural father was abandon, neglected and just not there, and apparently at the -- toward the end there was this offer or purchase of a cell phone and maybe an offer to provide school clothes. But other than that is there any record of any type of support?

Rebecca Salazar: No, there's no.

Attorney General: And, Governor, I have a couple questions.

Governor: Sure.

Attorney General: So the child, at least what I'm seeing, was adopted by Ms. Evans; is that correct?

Rebecca Salazar: That's correct.

Attorney General: And how long ago was -- did the adoption take place?

Rebecca Salazar: I believe when she was five or six years old.

Attorney General: And how old is the child now?

Rebecca Salazar: Sixteen or seventeen.

Attorney General: And so it's my understanding under at least our state law that when somebody adopts a child their parental rights with their biological parents are terminated, extinguished. And so I guess I'm questioning why we would want to change a policy with respect to dependency when the parental -- the biological parents in this case, their rights with respect to this child were terminated when the child was adopted.

Governor: Mm-hmm.

Attorney General: Now, you know, I understand that when it comes to a child wanting to get to know their biological parents and their family, and I'm assuming that's what happened here, that's normal. But at the same time, who bears the burden of responsibility for this child? And I would say the adopted parents. And I think if we're going to open this door to the Victims of Crime Compensation to allow any child who's been adopted to now come back and try to access these funds based on some horrific, tragic death of a biological parent, we'd have to be prepared for how much money's in the fund and whether or not we are going to allow it. And what's our bright line test? But at least in this particular instance, if this child was adopted and the parents - - biological parents' rights were extinguished and/or terminated under our state law, I don't think there is a financial obligation for the biological parents to be considered in this context.

Now, with that said, if the adoption papers say something differently, I'm will to take a second look at this. I don't -- at least my experience in working as an attorney in this state, I've never seen adoption papers where a child has been adopted but the biological parents still retain some sort of rights over the child. That would be very unusual, but it possibly I guess could happen. I'd be curious to see the documentation with respect to that however. In this particular instance, I completely understand where Ms. Evans is trying to go and feel for this child, but based on the policy that we set, and they're not easy decisions to make, these are all tough decisions, but

there's only so much money in the fund, I would move that we affirm or uphold the denial of the claim in this particular case.

Governor: Attorney General has moved. Is there a second?

Secretary of State: If she's moved, I'll second and just like to make some comments.

Governor: Okay. Let me -- there's been a motion to uphold the decision of the officer in this matter. The Secretary of State has seconded the motion. Discussion?

Secretary of State: I agree that it's probably highly unlikely that the documentation relating to the adoption provided for any kind of expectation that Mr. Holloway provide any kind of financial assistance, and certainly acknowledge that the statute is very clear in Nevada that NRS 127.060 makes clear that the natural parents of an adopted child are relieved of all parental responsibilities following the adoption. But the fact is we don't know, nor do we know what's in Mr. Holloway's tax returns. We weren't provided with a substantial amount of testimony. Unfortunately Ms. Evans isn't here. It appears that they live in Illinois. I don't think, you know, we should expect somebody to be able to travel from Illinois to attend the hearing to be able to testify for themselves. I think there are a lot of unanswered questions. And this is a hard case obviously where we're obligated to follow the law. It's my personal opinion that if we were to enact a policy that would be much better off following the approach of Connecticut or the Uniform Law Commission to prevent this kind of hardship, where the child of a deceased victim could make this kind of claim. But, you know, unfortunately there doesn't appear anything to be in the record in Nevada's law that would allow for any kind of compensation at this point. So I'll second the motion.

Governor: All right. Any further questions or discussion? If there's none, all those in favor of the motion say aye. Aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Opposed no? Motion passes 3-0. Thank you, Ms. Salazar.

Attorney General: So on that same vein and still in discussion on this particular topic, I guess I would ask the Secretary, is there then the intent to revisit this issue and maybe take a look at the policy? I mean, we set the policy for this Victims of Crime Compensation Fund, the Board of Examiners does. And I don't know if that's your pleasure that we put on a future Agenda item addressing this issues, looking at the practices in other states to see if this is an area that we want to explore expanding for compensation under the fund.

Secretary of State: I'd certainly be open to this. You know, obviously it would take a statutory change, so we'd have to work in concert with the legislature to change it. But, I mean, this is a tough case. I think if the father had been an active parent like you would expect him to, this minor child would've gotten compensation from the Board. I think that's within the policy of

what the Victims of Crime program was established for in the first place. But because he was not an active father, some would say a deadbeat, she can't get compensation. And to me that's just fundamentally unjust and not in keeping with the policies and the purpose that this program was established.

Attorney General: Well, or at the very least with respect to the policies that we set for this Victims of Crime Compensation Fund, we can determine the type of evidence we want to see, and that we expect the Victims of Crime Compensation Fund to get. And if it's -- in cases like this where there's an adoption, we want to see the adoption record or the information there, or we want to see specific tax return information. We can at least task them with obtaining that information in future cases that may come across in this particular to define dependency I guess.

Secretary of State: And I think that's a very good point. I mean, at least as we saw in this case, I mean, this program does an outstanding job, and clearly we see a lot of frivolous cases being brought to us for appeal where clearly statutory definitions aren't met. But this is a tough case also because, you know, under our policies, this minor child victim was expected to bring tax returns for a deceased father that wasn't involved in her life. How's she supposed to do that? How's she supposed to meet those obligations? You know, it wasn't possible in my mind for her to be able to establish this claim even if she had a case.

Attorney General: Okay.

Governor: Well, and I think we need to be careful though with regard to the Victims of Crime Program because it's not as simple as them calling up the IRS and getting tax returns. There have got to be releases involved in those types of issues. And I think part of the policy of this program is to replace support that was otherwise given prior to the death of the parent. And in this case it was clear that the natural father didn't provide any support. In fact, the mother -- the adoptive mother said that she had -- he had abandoned her and neglected her and those types of things, so -- and that there had been no demonstration of support by him. So, I mean, these are discussions that we can have later on if there is a proposal, but even if this natural -- Mr. Holloway's parental rights were terminated as part of that adoption proceeding, I wouldn't be in support because there was no demonstration of support in the first place.

Attorney General: Mm-hmm.

Secretary of State: I guess to that point, I made an assumption here, I should've checked perhaps with the AG's Office, that we were merely here to consider the appeal. But outside the context of the appeal, there are other areas where Ms. Evans' daughter could be compensated. There's specific authority to allow for counseling and the like. You know, I didn't think it appropriate to bring it up in the appeal to try to direct the program to pursue that route, but I'm not entirely clear as to what the process for doing that or how the Board can direct the program to consider those types of issues.

Attorney General: So let me make an offer before we have counsel weigh in. So I chair a subcommittee on Victims of Crime that reports to the Advisory Commission, Administration of Justice. One of the areas that we've always looked at and has been a partner of ours is the

Victims of Crime Compensation Fund. If it's okay with the Board, what I would do is our next meeting for the Victims of Crime subcommittee, this is an issue we explore, particularly when it comes to this particular provision and the documentation that is required to prove this particular, I guess, argument being made by a child. And what needs to go into it, what burden is placed on the Victims of Crime Compensation Fund, what burden may be placed on the individual bringing the request, taking into account, you know, the age of the child, how difficult it is to get the documentation, let us explore that. And then we can come back and report back to the Board if that's your pleasure. And we can also make sure that you're aware of the discussion that's happening with the Victim's in Crime Compensation -- I mean, excuse me the subcommittee which is subject to the Open Meeting Law. And we can explore it that way, okay?

Governor: Yeah, and that's a good suggestion. As I continue to look at this, it's likely that those parental rights were terminated because the child was in foster care when she was adopted by Ms. Evans. So in any event, I think that's a good suggestion, Madam Attorney General, and look forward to your report back on that.

***4. 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 Business and Industry – Industrial Relations Division – Enforcement Industrial Safety	1	\$21,766
Department of Conservation and Natural Resources – Division of Water Resources – Las Vegas Basin Water District	1	\$26,424
Department of Administration – Enterprise IT Services	1	\$36,371
Total:	3	\$84,561

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Let's move on to Agenda Item No. 4, State Vehicle Purchase. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board for consideration are three separate vehicles. Each is one vehicle, Business and Industry, Conservation and Natural Resources, and then Department of Administration. You see the dollar amounts in front of you and you have the materials, the rationale behind the request.

Governor: I think these are pretty straightforward. I have no questions. Is there a motion for approval?

Attorney General: I'll move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***5. FOR POSSIBLE ACTION – STATE ADMINISTRATIVE MANUAL**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of additions and revisions in the following Chapters:

- A. Department of Administration – Clerk of the Board of Examiners**
 - 1. 0336 – Amendments to Contracts**
- B. Department of Administration – Division of Human Resource Management**
 - 1. 2542 – Position Control**
 - 2. 2544 – Legislative Approval for Changes of Positions**
 - 3. 3708 – Unemployment Compensation Assessment**
- C. Department of Administration – Budget Division**
 - 1. 2525 – Work Programs to augment an approved budget not requiring Approval of the Interim Finance Committee**
- D. Department of Administration – Deferred Compensation Program**
 - 1. 3804 – Deferred Compensation Committee**
 - 2. 3811 – FICA Alternative Plan**
 - 3. 3814 – Administration**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We'll move on to Agenda Item No. 5, State Administrative Manual. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are several requests. Most of these are cleanups and I'll go through them individually. There's one item that I would like to make a correction on here today if the Board will approval that. So the first item under 5A is Amendments to Contracts, and this is to reflect that \$50,000 threshold, so this is a cleanup to make it consistent with the other sections in SAM.

Under 5B there are three separate sections. The first two 2542 and 2544 are, again, cleanups. And these are to basically just get language in compliance with statute. The third item is the one that I would like to recommend changing. And that is 3708 -- Chapter 3708. Initially my staff had recommended that we strike the entire section. And having looked at this, I don't believe that's appropriate. What we really are trying to do is that third paragraph. And if you see it in your materials, it's all struck out in red. That third paragraph really is what changes from year to year. It's the compensation -- it's the amount of the contributonal level from the different state agencies. So it's that third paragraph that needs to be taken out because it's really probably not good to have in the SAM manual rates. If you can see them, the rates were -- last weeks' we had it, they were 2006 and '07, so obviously not being updated enough to be consistent.

The first two paragraphs I believe need to remain, because those describe the structure and how we do it. And consistent with other areas that we have, we do explain how it works and how some of the other AG Fund recommendations, how those work. And so if the Board is acceptable to this, I would identify that we would only eliminate the third paragraph of that section.

Then if we move forward to Item 5C, that is to make consistency with statute which raises the threshold that requires Interim Finance Committee approval on both gifts and grants. And then the last piece, 5D, is to provide some consistency with statute. And this is just a recent change from the last set where they changed some terminology with regard to records management. And, Governor, that's the summary of my overview of the requests that are before the Board.

Governor: Thank you, Mr. Mohlenkamp. Questions from Board members? Pretty straightforward, nothing real new here, correct, Mr. Mohlenkamp?

Clerk: No, no. And, like I said, most of this is clean up. The only one I wanted to highlight to you is we got a little aggressive with our changes and that one item.

Governor: If there are no questions, the Chair will accept a motion for the amendments to the State Administrative Manual as proposed by the Budget Director and the Department of Administration, but with the one change that we keep the first two paragraphs of the suggested change for 3708, Unemployment Compensation Assessment.

Attorney General: I'll move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***6. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT OR FORMER EMPLOYEE**

A. Department of Administration – Division of Human Resource Management

Pursuant to NRS 333.705, subsection 1, DHRM requests authority to contract with a current employee to serve as a subcontractor of Oasis Consulting, a contractor approved by the Board of Examiners to provide services to the Certified Public Manager Program (CPM).

B. Department of Conservation and Natural Resources – Director's Office

Pursuant to NRS 333.705, subsection 1, The DCNR Director's Office seeks approval to contract with a former employee, from March 15, 2014 through August 31, 2014 to provide short-term program development support services to the Sagebrush Ecosystem Team and Conservation Districts programs. If approved, the agency will contract with the employee through the state's Master Services Agreement with Manpower.

C. Department of Health and Human Services – Division of Public and Behavioral Health

Pursuant to NRS Chapter 333.705, subsection 4, the Division of Public and Behavioral Health seeks retroactive approval to contract for the term of February 1, through May 1, 2014 with two former state employees to provide professional psychological services and administrative assistance for the Lake's Crossing Center.

D. Department of Taxation

Pursuant to NRS 333.705, subsection 1, Taxation seeks retroactive approval to contract with a former employee, for the term of February 24, 2014 until April 30, 2014 through

use of temporary employment services to provide desk reviews of net proceeds of mineral tax returns, establishing certified values for net proceeds, defending values if appealed to the State Board of Equalization, and training staff in the net proceeds procedures.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We will move on to Agenda Item No. 6, Authorization to Contract with a Current or Former Employee. Mr. Mohlenkamp.

Clerk: Governor, we usually don't have many of these, and now we have a few all on one Agenda. And so there's four separate items on here, 6A, B, C and D. I'll go through those real briefly. First is the Division of Human Resource Management. This is requesting a current employee who works approximately 18 hours a week, so they're part-time, to be able to continue to work for a group called Oasis Consulting. This group works with the CPM Program. And what they do is they have these Capstone Projects at the end of the program. This group helps to manage that Capstone Project. This individual reviews a certain -- a selected number of them, helps to mentor some of the CPM candidates that are going through. I understand that person is compensated \$250 per reviewed project and mentoring, which totals to about \$3,000 annually for this individual. And it does not conflict with their existing work that...

Governor: That was my next question. Yeah, or that was going to be the question.

Clerk: It's absolutely separate from the work that they do for the state otherwise. And so it's within my section, so I wanted to make sure you understood the nature of that work. The second item is DCNR, and this is requesting somebody to work with the Sagebrush Ecosystem Team to help them deal with an increased workload that they're dealing with trying to make sure that they can get all their materials together, make sure that they're pulling in the right resources. And this is an individual that used to work for my shop as a grant's manager, and she's looking to go to work for them on a part-time, limited basis at about a price of \$18 an hour, so it's a pretty inexpensive contract.

The third is the Division of Public and Behavioral Health. And I believe Mr. Willden is here. I thought he was going to be here to be able to discuss that, and that's bringing in some additional resources for Lake's Crossing. And then the last is the Department of Taxation who is bringing in -- looking to bring in somebody to do some additional review on their processes on a temporary basis related to the net proceeds of minerals program. And I didn't have any questions come up on A, B or D, but I know you had requested some information on C.

Governor: Yeah, Director Willden. Good morning.

Mike Willden: Good morning. I'm going to hand out a copy of the statute just in case there's any questions about the statute. So, Governor, members of the Board, Item C is related to the

statutes relating to the prohibition about bringing ex-state employees in. If you review the statute, Section 1 prohibits an agency such as HHS from engaging an ex-state employee for a 24-month period unless one of two exemptions are given. One in Section 2, the Board can determine that there's short-term emergency. And then in Section 4, the director of an agency can also determine that there's a short-term emergency, and I can authorize short-term employment for up to four months, but then that statute also requires us to come before the Board to, I would say, get your concurrent or advisor agreement or disagreement on our action.

What we did is in the Lake's Crossing facility, the forensic facility, as you know, I think I've reported before that the Clark County Public Defenders filed a lawsuit last June, just after the last legislative session, dealing with wait lists regarding wait times into our forensic facility. Just as, excuse me, Magistrate McQuaid was assigned to that case, and we had several meetings negotiating a settlement. Judge Miranda Du signed a settlement on June 28 settling that lawsuit. So as part of that settlement agreement we believed it was best that we bring back in two employees, a psychologist that had recently retired and our head, if you will, administrative clerical support person. They have skills in evaluating these forensic patients, writing the court reports, speeding up the process.

So the whole goal was to bring down wait lists, speed up the process, so there's kind of a three-prong approach to the settlement. We agreed that we would take actions including the ones today to bring in additional resources and try to bring down the wait lists immediately being within 60 days of the settlement. Then we have some midrange solutions to bring the wait lists down even further within one year, and then to be in full compliance in September of 2015. Full compliance currently means no one would exceed a waiting list of more than seven days.

I'm happy to report that with this staff we've also assigned staff as part of the settlement from our rural clinics to help with these evaluations. We've also assigned staff from Northern Nevada Adult Mental Health Services to assist with nursing and medical needs at Lake's Crossing. So what was the wait list of around more than 30 out of Clark County, the wait list yesterday was 13. We have a plane scheduled next Thursday bringing seven more in. And so we're moving forward and making, I think, tremendous progress in the settlement.

That's dynamic, depending on how many people the courts order each week for treatment, but, again, our goals are everybody less than 21 days at the end of this month, everybody less than 14 days in 1 year, and everybody back to the 7 days in September 2015. What is magic about September 2015 as the Board knows, we've been working on multiple initiatives. We added 10 more beds to Lake's Crossing as part of the Governor's legislative budget. Those beds have come online. We're staffing an additional 10 on top of that. That's in the process of happening now, so we can run 56 beds in Lake's Crossing proper, and up to 30 in the Annex now. Again, assuming we can keep them all staffed.

We also demonstrated to the court that we're building -- remodeling and building Building 3A down south. The architect's report to me Monday morning was that we're 99 percent complete on that project. That will give us both additional civil beds and a forensic option in Las Vegas. We're having final staffing meetings with leadership today and we expect that we can open Building 3A somewhere between the 24th and the 31st of this month, so that option is coming

online. And then the ultimate option is by September '15 to bring on the Stein Hospital down south. We just got some preliminary construction numbers. They're over our construction estimate by about 20 percent, so we're meeting to figure out what we need to do to fine tune the construction estimate for the new Stein Hospital that also has forensic beds. And then we will need to staff that Stein Hospital at the 2015 legislature.

So I feel good about where we're at. I want to compliment the staff at Lake's Crossing, compliment the Attorney General's staff who helped us with this settlement, and obviously public defenders and justice -- excuse me, Magistrate McQuaid and Judge Du. I think it was a good settlement for us. And so we would respectfully request your concurrence that we -- these two folks and we may need them longer than the end of May, and then we'll have to come back and get that approval, but just depends on how well our recruitment is for additional psychological and administrative support.

Governor: Do you want more time?

Mike Willden: I think it's a two-step process. I have the ability for four months to come in with your concurrence, and then I think we have to come back in a second step and say it's going to last longer than 120 days, because my authority is only for 120 days.

Clerk: I think the Board -- well, I think -- but that's what's before the Board now.

Governor: Okay.

Clerk: But we can certainly, you know, when we come back, the Board can approve longer periods of time.

Mike Willden: We want to stay current so that we're in trouble with the court again, so we will do what we need to help engage the experts. And both of these recent retirees were experts in the field.

Governor: And, Mr. Willden, thank you for all your hard work and commitment to this.

Mike Willden: We've still got all oars in the water.

Governor: Yes, you do. But the addition of the beds in Las Vegas is going to be a tremendous help because now we're not going to have to fly these individuals here. And part of the issue is the scheduling of that airplane and seats available, isn't it?

Mike Willden: Absolutely. The plane from Clark County flies twice a month. You know, I think next week's -- the next flight as I indicated on the 20th, and then I think it's scheduled in April 3rd and 17th. So, yes, that is -- that compounds the situation. We may have beds available, but the plane isn't available to fly. We have made it clear in the settlement agreement that if the plane doesn't fly or it can't fly, then that's not a fault of ours, not a fault of the defendants. If we have a bed available, that stops the clock. You know, from the time the judge issues an order to when we have a bed available, that's the clock. Not when the plane flies.

Governor: Yeah. And how many -- what's the net new beds in Southern Nevada?

Mike Willden: I believe it's 42 new beds or 46 new beds in the forensic facility, new beds that we are building as part of the Stein Hospital. So in theory, again, we have 56 north, the forensic facility proper. We can run up to 30 forensic beds in what we call the Annex. And we would have 42 to 46 new beds in Stein Hospital forensic.

Governor: But that won't come online until--

Mike Willden: September of 2015 is the current estimated opening date.

Governor: But at least...

Mike Willden: Now, we won't run the 30 Annex up here. We'll go to really the goal would be Clark County defendants would be in Clark County and...

Governor: No. And you're anticipating my next question is that there'll be an exponential improvement in timing because we'll be able to keep the Clark County defendants there, rather than having to wait for...

Mike Willden: Correct.

Governor: ...you know, plane available, beds available.

Mike Willden: Correct. And weather's a factor always in the winter it seems like. Planes don't fly. They have a contract airline. It's not like we put them on a commercial airline. They're on a contract airline. And when weather is bad, weather is bad. We also, you know, we talk all the time. Dr. Nabors indicated, you know, we're transporting people on ground. Occasionally we're taking people back. And whenever we have an opportunity, we pick up and bring somebody else back. But it's not like we're bringing six, eight at a time. You can only bring onesies and twosies on ground transportation.

Governor: Well, and the other benefit is it's very, very expensive to fly people back and forth. So will the savings from the flights be able to utilize for perhaps more staff?

Mike Willden: The savings of the air flight is paid for by Metropolitan Police, Clark County. They pay the airline. So, I mean, certainly it's a benefit...

Governor: Save them money.

Mike Willden: ...savings to them.

Governor: What's the cost?

Mike Willden: I don't know if Dr. Nabors knows the cost of a flight.

Dr. Nabors: It's around \$10,000 a flight.

Mike Willden: \$10,000 a flight.

Governor: Mm-hmm.

Mike Willden: And we do two a month.

Governor: So that's money that can...

Mike Willden: Sometimes three a month.

Governor: ...go back to Metro.

Dr. Nabors: Mm-hmm.

Governor: \$10,000 a month, yeah. So there's some more savings there. I mean, the most important point is what you said, is Clark County defendants being able to stay in Clark County and it will expedite their treatment that's necessary, and then hopefully help with regard to their treatment and then ultimately the process within the courts.

Mike Willden: Correct.

Governor: Questions from Board members? Thank you very much, Mr. Willden.

Mike Willden: Thank you.

Governor: And you covered the taxation position as well, Mr. Mohlenkamp?

Clerk: I did, Governor.

Governor: And, Board members, any further questions with regard to Agenda Item No. 6?

Attorney General: I'll move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval of the authorizations to contract with a current or former employee as described in Agenda No. 6. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Opposed no? Motion passes 3-0.

***7. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A PROVIDER AGREEMENT**

A. Department of Employment, Training and Rehabilitation – Rehabilitation Division

The Rehabilitation Division is requesting Board of Examiners' approval to modify the existing services provider agreement and associated procedures for the Vocational Rehabilitation and Bureau of Disability Adjudication programs.

Clerk's Recommendation: I recommend approval.

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

Comments:

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

Clerk: Thank you, Governor. So for consideration by the Board is the modification of a provider agreement. This is with the Department of Employment, Training and Rehabilitation. And this does a couple things. One and the largest thing that it does is it increases the threshold for these provider agreements that don't require Board approval from 100,000 to 200,000. And then on Page 8 of the actual documentation they have added some additional services that will be covered under Vocational Rehabilitation. And under Disability Adjudication they've added a few items, clinical testing, radiology, interpreter services, translation services. And then they've done some other general cleanup in the language that is more dictated by risk management and insurance related requirements, and so we didn't have any concerns. But the biggest -- the most meaningful change is it increases -- doubles the amount that a provider agreement can be before the Board has to approve it separately.

Governor: How many -- how many transactions do you think that will affect?

Clerk: You know, I don't know the overall threshold, how many additional or fewer contracts would come bid. But I haven't seen many of these come to the Board already, even at the 100 threshold. I mean, in my time doing this, I think I've -- I don't know if I've yet even seen any of them. So maybe that will increase the amount that they're giving to certain providers. And it allows them to do that without coming to the Board. So it might allow certain providers that are doing a good job for them or that they think are doing a good job allows them to maybe add additional business to those specific providers. Could narrow the field of people that are actually doing the work. That probably would be the outcome.

Governor: Any questions from Board members?

Secretary of State: No, Governor.

Governor: If there are none, the Chair will accept a motion for approval of Agenda Item No. 7.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***8. FOR POSSIBLE ACTION – CASH MANAGEMENT IMPROVEMENT ACT**

A. Office of the Controller – Payment to U.S. Treasury not to exceed \$17,162

The State Controller requests approval of payment to the U.S. Treasury not to exceed \$17,162 from the General Fund. This is the highest possible liability for 2013. The U.S. Treasury is reviewing the report and should have a final liability figure by March 16th. Payment to the U.S. Treasury is required by March 31st.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item No. 8, Cash Management Improvement Act. Mr. Mohlenkamp.

Clerk: So, Governor, we've seen this come before the Board a few times now. This is -- we reconcile at the end of the fiscal year whether we owe the federal government money or whether they owe us money. And typically there's a swing one way or the other. It's a matter of whether we've kept federal dollars longer than we were supposed to or whether we've not received federal dollars timely in our drawers and stuff, and so there's a reconciliation that's done. There's a single audit that entails. And then ultimately the Controller's Office comes back and says, "Okay, we want to be prepared to make that payment to the federal government." And that's what you have here.

They're estimating that the maximum amount they might have to pay is \$17,162. Their documentation indicates that they believe we're actually going to get \$5,000. So this is kind of one of those requests to be ready in case we have to owe the federal dollars.

Governor: But the fact that the spread is either we owe 17,000 or they owe us \$5,000 is a pretty good indication that we're right on the mark.

Clerk: It's pretty nominal, yeah.

Governor: Yeah.

Clerk: I mean, considering the amount of federal dollars we pull in, it's -- the fact that it's that close is actually kind of amazing.

Governor: Any questions from Board members?

Attorney General: Nope. I'll move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval of Agenda No. 8. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***9. FOR POSSIBLE ACTION – APPROVAL TO PAY A CASH SETTLEMENT**

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.

A. Department of Transportation – Administration – \$61,500

The department requests settlement approval in the amount of \$61,500 to resolve an eminent domain action that NDOT brought pertaining to a portion of real property necessary for the purpose of reconstructing the I-15 freeway from Blue Diamond north to Tropicana Avenue. The sum of \$63,500 was previously deposited with the Court and released to the property owners as a condition of NDOT acquiring occupancy of the subject property. Approval of this additional amount would bring the total to \$125,000.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: We'll move on to Agenda No. 9, Approval to Pay a Cash Settlement.

Clerk: And before the Board is a request for \$61,500, and this is in addition to additional dollars that had already been authorized pursuant to this specific item. I believe we have legal representatives and representatives from the department.

Governor: Good morning, Director Malfabon, Mr. Gallagher.

Rudy Malfabon: Good morning, Governor, Board members. What occurred on this project, this was the I-15 South Design-Build Project that was primarily funded by Las Vegas Division of Visitors Authority Bonds. It was a design-build process which means we hire a design-build team. The contractor hires a designer. And the design is not completely finished when we enter into the contract with the design builder. So what happened in this instance, we did know that we had to acquire the property and the Transportation Board approved the condemnation action. Subsequent to that, the owner wanted us, NDOT, to install the sewer line to his vacant land. We felt that it was not in our interest to delay the contract or the construction project because that would be very costly. And then after negotiations we determined there is standard Public Works policy and NDOT policy, so Clark County maintains this road, but it's standard policy for Public Works agencies to not allow cutting the new pavement for five years. So that was basically the position of the landowner was that he's going to incur additional costs and may not be able to cut the road for five years. And subsequently through negotiations we determined that to address potential liability for damages that it was best to proceed with a request to the Board of Examiners for this settlement.

Governor: And was the exposure greater than the amount that we're settling for? Do you know, Mr. Gallagher?

Dennis Gallagher: For the record, Dennis Gallagher from the Office of the Attorney General. Yes, our exposure was more than we're settling for Governor. And I just would like to point out that the Senior Deputy Attorney General Ruth Miller who's handling the case is on screen...

Governor: Good morning, Ms. Miller.

Dennis Gallagher: ...available for any questions.

Ruth Miller: Good morning.

Governor: Did you have any comments that you'd like to provide to the Board with regard to this case?

Ruth Miller: No, I do not.

Governor: Just in that -- I think Mr. Gallagher answered the question, but my question was obviously part of a good settlement is that we're able to resolve the case for less than what the demand or what the possible exposure would be. And in this case, is that what's happening here?

Ruth Miller: Yes. What happened once -- when we hired our expert appraiser, his damages came out higher than the landowner's damages. But our expert had offset those damages with special benefits, so the issue that would be remaining in litigation is whether or not special benefits applied. If the judge or the jury found that special benefits did not apply, then we would be subject to \$100,000 in damages in addition to the costs and expenses that the landowners -- that they incurred.

Governor: Not to mention the cost of litigation as well.

Ruth Miller: Correct.

Governor: All right. So in your opinion, this settlement's in the best interest of the state?

Dennis Gallagher: In this matter, Governor, we do believe it is in the best interest of the state and therefore recommend to the Board that you approve the settlement.

Governor: Thank you. Questions from Board members?

Attorney General: No.

Governor: Thank you very much. If there are no further questions, the Chair will accept a motion to approve a cash settlement in the amount of \$61,500.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***10. FOR POSSIBLE ACTION – VICTIMS OF CRIME FY 2014 1ST QUARTER, AND 2ND QUARTER REPORT AND FY 2014 3RD QUARTER RECOMMENDATION**

NRS 217.260 requires the Board of Examiners to estimate available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs a proportional decrease in claim payments.

The fiscal year 2014, 1st Quarter, Victims of Crime Program report states they satisfied claims totaling \$4,431,120.99 in victim medical bills and claims, with \$1,435,054.79 paid out of the Victims of Crime Program account and \$2,996,066.20 resolved through vendor fee adjustments and cost containment policies.

The fiscal year 2014, 2nd Quarter, Victims of Crime Program report states they satisfied claims totaling \$13,817,152.38 in victim medical bills and claims, with \$3,213,017.53 paid out of the Victims of Crime Program account and \$10,604,134.85 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$7.1 million to help defray crime victims' medical costs.

Based on the projections the Victims of Crime Program recommends paying Priority One, Two and Three Claims at 100% of the approved amount for the 3rd quarter of FY 2014.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item No. 10.

Clerk: Governor, the report before the Board, this is a quarterly report for the third quarter. And what you have here is a recommendation by the Victims of Crime Program to pay all three Priority One, Two and Three claims at 100 percent of the value. As you can see later on in the materials, it's actually the last page on here, it provides the financial position. And even after the claim payments, we would still be sitting on a very healthy reserve in this program. This is one - - you can see it's coming down, however, that we started off at almost 14 million, and we're, you know, be about 11 million based on the materials and the claims we're paying out. So we are seeing that the claims amounts are offset -- are more than the dollars amount. So there might be a point in time down the road where we have to reexamine paying all three priorities. But at this point we're in good shape to do so.

Governor: And I don't know if you know the answer to this, Mr. Mohlenkamp, but we rely on federal funding for this program. And do you know what the status of future federal funding is pursuant to the newly proposed budget?

Clerk: You know, I think Ms. Salazar is still there, I hope.

Rebecca Salazar: Yes, I am.

Clerk: And I'll ask her to directly address that. I do know that there were some challenges that I had heard about, but I'm not sure what's transpired lately.

Rebecca Salazar: What we've heard so far is that we're not in danger of losing any funding. Of course things can change at any moment, but as of now we're still expecting to receive grants like we have. We do expect them to decrease based on the amounts we've spent, but we still expect that to be a viable source for revenue.

Governor: Any other questions from Board members? Thank you, Ms. Salazar. Is this informational or do we...

Clerk: (Inaudible) to accept the report.

Governor: Okay. Is there a motion to accept the Victims of Crime FY 2014 1st Quarter and 2nd Quarter reports and FY 2014 3rd Quarter recommendation?

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded. Any questions or discussion on the motion? All in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***11. FOR POSSIBLE ACTION – LEASES**

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

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item 11, Leases. Mr. Mohlenkamp.

Clerk: Governor, there are four leases for consideration, and I know you had requested some discussion on Items 1 and 2. I didn't get any other comments on that. Items 1 and 2 are both Health and Human Services, Division of Child and Family Services and Welfare and Supportive Services respectively. And the third item is the Nevada Arts Council. And then the final item is Department of Transportation.

Governor: No, and the only reason I brought up the first one, and perhaps the honeymoon's over, but this is the first lease that I've seen in a while that is above market, rather than what we've saved. And I know this is the relocation of the Division of Child and Family Services, but I suppose that what the market demands at this point.

Clerk: Well, you know, I think there's mixed information on this. I think we have people that are here to be able to speak directly to this. It does appear that we're on the higher side of the market here, and there's escalation clauses essentially every year going forward at about a 3 percent level. And so I believe your questions are valid.

Governor: Mr. Willden's indicating that there may be someone in Las Vegas to...

Mike Willden: Yes.

Governor: ...respond, yes.

Jeff Marrow: For the record, Jeff Marrow, ASL4 with the Division of Child and Family Services. This was a combination of a lot of moves going on. We've been at a property a long time and the space was not adequate for the staff we had. And with this move we were between two properties working closely with Buildings and Grounds. And we had quite a few tenant improvements which pushed the rate up on this property a little bit. But looking at it, the first three years of the contractor rate is lower than the current rate, if staying at the property.

Governor: Yeah, and as I said, it just may be -- I'm not questioning the need for you guys to grow and to get new space, and perhaps the absorption in the market is so great now that it's just real competitive and we can't get the deals that we got -- that we've been getting, I should say, for the past few years. But that was basically what I wanted from you was just a confirmation as to why that is. And is a 10-year lease typical for you?

Jeff Marrow: Well, we go anywhere between 5 and 10. With this particular property because of the tenant improvements pushing it out to 10 years for the -- to make sense for the landlord. The landlord also takes a risk on this because we always had the out-clause, if we don't get funding, we're out, and they've spent a lot of money on the tenant improvements.

Governor: Yeah, agreed. All right. Thank you very much. And then another one is a DHHS lease as well. I think the reason I brought that one up is because it's a 15-year lease. Although I understand that there are some options at the 5th and 10th year. So as long as we have flexibility as we move on and we're not locked in for 15 years, I'm comfortable with the lease. And I see Mr. Willden nodding.

Mike Willden: Mm-hmm.

Governor: Yeah, just for purposes of the record, if we just say -- have somebody say yes.

Sue Smith: Good morning. Sue Smith, Division of Welfare and Supportive Services.

Governor: Good morning.

Sue Smith: Yes, there are two options to renew for 5 years each making it a 15-year lease. The original 5-year and then two options to extend.

Governor: Okay. And there is -- you know, I will remark that there's savings of \$424,000 in the first 5-year period, so that's pretty significant amount.

Sue Smith: B and G did an excellent job for us.

Governor: So that's one of the biggest numbers I've seen on a lease, so that -- I guess that makes up the first one, Mr. Willden. That's all I have. Thank you.

Mike Willden: Thank you.

Governor: Yeah. And I'm fine with the...

Clerk: Governor, I'll just comment. My comment is about the 3 percent installation work for the first contract. This one as you can see in your materials has 2 percent, 4 percent and in some years a zero percent increase, and so it varies a little bit on this contract.

Governor: All right. Board members, any other questions with regard to the leases that are included in Agenda Item No. 11?

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

***12. FOR POSSIBLE ACTION – CONTRACTS**

Twenty Two independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We will move on to Agenda Item No. 12, Contracts.

Clerk: Thank you, Governor. For consideration by the Board we have 22 contracts. And this is one of, again, the lighter Agendas. I'm not sure how long this will last. I'm sure as we get near the end of the fiscal year you'll see some larger Agendas.

Governor: All right. And I had asked for 7, 8 and 18 to be held out. That's all I have. Board members, do you have any other...

Secretary of State: Nothing, Governor.

Governor: ...contracts you want to be called out? So let's begin with Agenda Item No. 7, Commission on Tourism. Good morning, Ms. Vecchio.

Claudia Vecchio: Good morning, Governor, Board members. The Nevada Commission on Tourism is part of the Department of Tourism and Cultural Affairs is requesting a contract amendment to its Burson-Marsteller contract. It's actually up to the amount listed here which is approximately \$582,864. And I just want to kind of explain how this works. When NCOT contracted with Burson-Marsteller it was as part of a three pronged integrated marketing effort. One of the pieces is public relations of which Burson-Marsteller's doing that as an agency. Another one is the digital and our website development, and a group called Digitari is doing that as a subcontractor to Burson-Marsteller. And the third is the creative, and that's the development and design of our new television commercials. And that is done -- it's originally done by Y&R, and now being handled by Oglev.

When we went through the purchasing process and identified Burson-Marsteller as the agency that would be doing this work for us, within the realms of the contract we did not include what this is really primarily for, and that is the payment to the Screen Actors Guild for use of talent in those commercials. It's a very normal cost of doing business with an agency at a national level. And up to this point it really has been paid for by the agency as part of their contract.

So there are several different types of union fees that we pay. We pay session fees which are those fees for the actors to be included in the actual commercial production. Those are paid to the actors the day we do the shoots, and that's all fine and dandy. There's another set of costs which are called holding fees, and those I've gone back and forth frankly with the agency about whether or not we need to pay those, because those are fees that hold these actors doing these jobs throughout the time that this campaign would -- between the times of campaign run. So if

our campaign runs, for example, April through July, for example, then our next campaign runs in November, the holding fees hold these people doing these jobs in these roles, if you will, through that time period between July and November. And this comes in -- this is important if you have an actual actor, actor who is playing a role that you don't want him to go out and play that same role for a competitor.

Again, I've gone back and forth on the need for this, because a fly fisherman's a fly fisherman, and I really don't care if he does it for -- but ultimately the cost for reproducing that piece of the commercial and reshooting it and doing all that is more than holding that -- the cost of holding these people throughout this length of time.

The third is the actual usage fees, and that's the fees that are determined and those are the most costly based on your media buy. So the number of times the spot runs and the various markets a spot runs and that sort of thing. So that is an estimation that we don't know until the buy is actually made. And right now we're actually making the Spring/Summer buy so it's the estimate -- we're estimating the amount of cost for that based on previous buys.

So these costs are odd in that they are not necessarily included in the overall fees paid to the agency because they really are just pass through fees under the Screen Actors Guild. So when you look at this number, there are two component of this. There is that talent fee number which is about \$385,000. And then there's another component of it back to the production company, Oglev, to refine the ads. So, again, I think a very normal cost of when you're going through a commercial production period to do a set of ads, to review them and see how they do in the market, this was the first time we were out with these ads, and to see how they -- how market responds. And I'll share that with you in a second. But we've found out that while we were doing that, that there were components of the ads that needed to be tweaked, totally normal, and so that's what this additional funds are for, to go back to those Spring/Summer ads, take out -- change the audio a little bit. It really is just a remix of the audio.

So that's about -- again, these numbers are up to numbers. I think that's going to be right around \$75,000. And then the talent fees will be somewhere between \$385,000 and \$400,000. The talent fees, again, being pass through the Screen Actors Guild, and the additional dollars to Oglev just to refine the ads. Does that make...

Governor: No, it makes perfect sense.

Claudio Vecchio: ...sense?

Governor: How are those ads doing?

Claudio Vecchio: The ads are actually doing incredibly well. And there are costs dealing with an agency at this level, but I think that the results really have been quite extraordinary. We are -- for the first ads, and they went out in Spring/Summer, our return on investment went from 19 to 1 to 22 to 1, so we're -- the ads are doing well. We boosted direct visitor spending. And this is direct spending to tourism related activities. Went from \$263 to -- wait, went from \$228 per visitor to \$263 per visitor year over year, so the numbers are really solid. My favorite piece of

this actually are the more sort of holistic reactions, and through our research report we know that people like these ads, that the don't fence me in concept appeals to them. They say that they learn enough from the new commercial to feel that it improved and broadened their image of Nevada and that it is definitely impacting their desire to visit.

So I think it is -- the ads are working. There are costs associated with involving a global agency, and that's kind of what we're fixing at this point. Again, they've been paying for these costs up to this point, but within the realm of this contract, we've kind of run out of those dollars (inaudible).

Governor: And we're going to use the same don't fence me in ad for Spring and Summer that we used last time, but with the remix of the sound?

Claudia Vecchio: Exactly right. Yeah, and we will continue to do production. Well, you only have one Spring and Summer ad and one Fall and Winter ad, and that's not enough. So during the next year we'll continue to do production on two new ads, and we do some 15-second ads and we have -- the whole video world is so important now to marketing that we will continue to use these people and other people in various ways. So these costs will continue through the next year. Our contract with Burson-Marsteller is up at the end of July. Oddly we got up one month into a new fiscal year. That's how it is. And we will look then at incorporating these costs into that next contract now that we can expect them and we know what we're up against.

Governor: Do we maintain the rights to the song?

Claudia Vecchio: No. The song is a Cole Porter song, so we have to pay for that. But we do maintain -- The Killers are still committed to working with us and so that's all going to be part of our campaign for sure, and probably in a bigger way than it has been now.

Governor: And one last question, is that app available yet? We were going to have an app where...

Claudia Vecchio: Yes.

Governor: ...somebody travels to Nevada, they hit the Nevada app and it gives them options and experiences that they can...

Claudia Vecchio: It is not available yet. That has been -- this contract has not been without some frustration, and the app is one of them. And they are committed, we are committed to having that done in the Spring. By the time this launches -- our new campaign will launch on April 21st. We anticipate having a revised website by then. Well, we will have a revised website by then. And this app will be completed as well.

Governor: So if I hit the app, it'll give me a calendar of events statewide of things I can do and places I can stay and places I can eat, things like that?

Claudia Vecchio: Absolutely. The app -- there are so many apps now that it will not only provide our information, sort of proprietary information, but it will also link you to other apps that already do that. So there's no reason for us to reinvent Google app that does that very thing. So I think it's going to be a really robust way for us to convey the brand, to provide traveler information and just really kind of grass roots, here's what's in your neighborhood. So it'll be a -- they're in the right -- going in the right direction. We just have not gotten this done from them yet.

Governor: All right. Thank you. Questions from other Board members?

Attorney General: No.

Governor: Okay. Thank you, Ms. Vecchio.

Claudia Vecchio: Thank you.

Governor: Next was Contract No. 8, Mr. Mohlenkamp.

Clerk: Thank you.

Governor: I think the purpose of my bringing that up is this is a part of that piece of our upgrading our technology in the state investment.

Clerk: Absolutely it is, Governor. We've got a couple representatives here. Mike Torvinen, he works with my office. And then we have a representative from EITS to be able to speak to this. But, yeah, absolutely is part of that process of both centralizing it and refreshing, yeah, our technology.

Governor: Good morning.

Mike Torvinen: Good morning. Thank you, Governor, members of the Board. I'm Mike Torvinen, Deputy Director for the Department of Administration. And next to me is Bruce Beamer with the Enterprise Information Technology Services. He's our phone guru. And very briefly, we had a consultant study a little before last session. And what they told us was we had probably three phone systems that were capable of handling the entire state, and they'd be happy to sell us more, but they really recommended against that. So we tried to hop on one of those systems and couldn't make that happen. So what this does is creates the new state core phone system that once all those other systems expire and the contracts expire, everybody will move onto this phone system.

So you can see the potential costs. This one -- what we're doing here is leasing the equipment for the phone system. It's called a tech refresh lease, so we'll have the most current technology. It'll be updated constantly with new software releases. And it's for five years. And so other contracts expire, they'll move onto this one, and we'll renew again in five years. But as you -- what I was going to say is this is about \$75,000 a month for this equipment. So if we eliminate two to three other systems at that price, we're talking some fairly serious money every month.

And right now we have several other state agencies ready to come on. Welfare had money to replace their phone system and they jumped on early. We'll be ready in about six months for everybody to start jumping on as they need this Department of Corrections will be moving on. And we're replacing a phone system that we cannot add one more phone to at this point. So this is a big step forward and a potential for significant savings as we centralize this whole process.

Governor: Well, and a necessary step.

Mike Torvinen: Absolutely.

Governor: And so there actually will be some -- we may even break even with those other systems falling off that we're paying for?

Mike Torvinen: I think so. Again, right now what we're doing here is we're going to pay \$75,000 a month for this phone system that will handle the entire state. There's already a couple of those existing. Again, we couldn't jump on for many, many reasons I won't bore you with, but as those other phone systems go away, they'll have to -- they can quit paying for those and they'll be on this one.

Governor: And then the other distinction here is historically we've been purchasing these phone systems versus leasing them, and so we get locked into some antiquated technology in that regard.

Mike Torvinen: Correct. The phone system we have now is not worth anything, so we're leasing this equipment. At the end of five years we'll renew the lease, go out to bid, get another lease for the new technology at that point. And it's a more efficient way to do technology, more cost effective.

Governor: Yeah.

Bruce Beamer: I was just going to say, the switches that are installed now, one Carson City, one in Las Vegas, the Carson City one was installed in 1998, the one in Las Vegas in 2000. They're two completely separate systems. The new system will be redundant, so if there's a failure in the south, the north will take over. If there's a failure in the north, the south will take over, which is not possible in today's environment. At Information Technology we're serving about 9,000 people right now that will immediately go onto the new system. And then from there is when we start consolidating the other ones on. So this will be a somewhat lengthy process because it is not something that happens overnight. We currently have about 56 locations around the state we're serving, so we have to update all of that, and that's what this lease will do. And at that point we'll be ready to take on the other entities that want to jump on. As Mike was saying, Department of Corrections, they're chomping at the bit. They...

Governor: So this does beg a question, why didn't we do this a while ago?

Bruce Beamer: I requested funding at the previous session, and nothing was forthcoming.

Governor: Oh, it was my fault then.

Bruce Beamer: Absolutely not.

Governor: No, and it's fine. It may have been a product of funding, but I guess the point being that this is -- this is a good thing that we're unifying and consolidating it.

Bruce Beamer: Right. And a good analogy I can use is cars. Got a lot of old cars that are out of production, parts are no longer available. Those older cars, instead of having to replace the entire car, you can bring the chassis over to us, we'll provide the engine and we'll provide the drivetrain for them. So instead of having to pay for an entire car, you're going to pay, you know, a little bit less.

Governor: Mm-hmm.

Bruce Beamer: So that's, I mean, a way to look at it as we bring people on. So is there a savings? Yes, multiple different ways, not only the actual hard dollar, but in the soft dollars also. You know, consolidate, you have fewer people taking care of the core systems, instead of lots of different people out there.

Governor: And what's your target date? When do you anticipate that this will -- we'll have that consolidation?

Bruce Beamer: We will be ordering the equipment tomorrow based on signatures today. It'll take six to eight months to upgrade the basic EITS, our 9,000 people. At that point during that time we'll be looking at the other locations, doing the engineering and design so they know what they're going to have to provide for us. And at that point we can start doing timeframes. Each one's going to be different. If you're here in Carson City, probably a little faster than if you're out somewhere else in the outstate. But, you know, it's going to be a two to three year process overall, because we have to wait until some contracts expire for existing equipment. And as soon as they expire, we'll be ready to move them onto the consolidated system.

Governor: So we won't have closets full of old phones anymore.

Bruce Beamer: No, there is -- I mean, think of your cell phone what it looked like in 1998, that's what we're still working with, basically that technology. And it's manufactured discontinued. We can't get support for it, so...

Clerk: Governor, one thing that I would just add, that this is -- this is one prong. It's a decent sized prong of a several prong approach we're taking statewide to try and do a better job with that overall technology. You know, we are also moving forward simultaneously with the centralized security process across the state. And that's ongoing and we're really rapidly moving that process forward. We're in the process of sending out an RFP to centralize our email system, and to get everybody onto a similar -- the same email system. I know that's been something that a lot of people have struggled with. And we're also now in the process of looking at our different data centers that are out there across the state and trying to look at a consolidation

strategy to bring those together to minimize the number of distinct data centers that we manage separately. So this is one very big step in overall process to try and get better efficiencies and run better in our technology world. And so we're -- I'm excited about this because I think it's been several months in the work and I want to compliment Mike and Bruce for really having the staying power, because this has been a very challenging process to get through.

Governor: Yep. Attorney General has a comment or a question.

Attorney General: So you're excited, I'm excited about it. So let me ask you this, what -- how is it improving communications? Let me give you an example. Just in my office, when I have conference calls between the Carson City and Las Vegas, depending on what end you're on, you have to mute one end of it just to hear the conversation that's going on. Is it going to improve our communication amongst the various agencies when we are doing things like conference calling and the hardware that we're using?

Bruce Beamer: There's multiple answers to that because of the connectivity between here and the south, depending what we're using, whether it's state infrastructure, whether we hit the public telephone network. There's things that -- you know, once we get beyond our switch, our box, we hit other carriers, so we're dependent upon them for access. There will be improvements internally, even with like conferencing. Right now a lot of times you have to call the state operators to set up the conference. The new equipment, you won't have to do that. You can have conferences. We can have up to 666 different conferences going at the same time if we want, or one 666 person conference, so there's a lot of things in there. But to your point specifically as far as transmission between the points, we should be improving it. And to Mr. Mohlenkamp's point, what we're trying to do in the future, throwing a quick pitch here, is we also have to look at upgrading our connectivity to all these other locations, because we've got some old technology there also. We need to step up the Ethernet connections which will allow voice over IP. So there's multiple steps to this that need to be implemented because frankly the state's kind of behind in their technology.

Mike Torvinen: And Enterprise Information Technology's currently working on that bandwidth also. Similar situation as the phone, we've maxed out our internet bandwidth, and they're in the process of purchasing more, so that should speed things up too.

Attorney General: Is this going to require state agencies to put a request in their budget for any of this hardware if they need now to migrate to this? Are we going to be made aware of that I guess?

Clerk: We'll be looking for two things. I mean, I think the Governor was pretty keen on looking at is there some cost savings to be achieved.

Attorney General: Right.

Clerk: Because we're running redundant phone systems. One of the things that happened in this is we did a study. A little while back we did a study and they looked at all of the disparate phone systems that were operating. And they recommended, "You don't need that. You know,

it's wasteful." So, yes, I think there will be some cost -- some connectivity cost probably, but then we're hoping that that will be offset by the savings. And then in going forward we'll just see the savings. So, you know, when we do this migration to a more centralized IT environment, and in this case in the phone environment, there is some -- there's some upfront costs that we have to bear, but the longer term savings should be much more than those costs. And so I think that's going to be case by case, what you're describing.

Attorney General: Okay. Okay.

Mike Torvinen: Last month you approved the service part of this whole system, the carousel contract last month, and they are in fact working with Corrections and Welfare now designing their system so that when they have this completely installed, they'll be able to start moving forward very quickly with them. So it's a two prong, service and equipment.

Governor: Any further questions? Thank you very much. Appreciate it. Then the only other contract I had on was 18. And, again, this was more of a opportunity to highlight kind of how antiquated our system was and the upgrade here.

Clerk: Yeah, and, Governor, I can speak directly to this having worked at the Gaming Control Board for a number of years. They're using the system that was there when I first started my state career. And...

Governor: When was that, Mr. Mohlenkamp?

Clerk: Well, 1986. And their system was a few years old at that point. And so they are looking to upgrade their primary licensing system, the system that they use to manage all of the data that they have. It's an old Cobalt based system. And the last people that could support this are currently retired as we speak. And so...

Governor: So there's no outside entity that could even work on this because they're...

Clerk: You know, I'm not saying that you probably couldn't find somebody, but I think it would be costly and difficult. And so this is the first of a three phase process. As you know we're dealing with so many different IT challenges in the state, and this is the first in really a three step process for the Gaming Control Board to refresh and replace that system that they rely on for, like I said, all of their licensing data and all of the information that they rely on to make sure that they're keeping watch over that industry. And so I'm personally excited about this because of my experience having been with Gaming for so long. And you'll see going forward in the next budget request, and then I would assume the budget request following that, incremental request to replace that Cobalt based system. I think the initial estimate was -- it was going to be about \$5 million.

Governor: Now I'm looking at this system was initially developed in 1982, so I guess you could say we got our money's worth.

Clerk: Yeah, yeah. No, I mean, you think about where we were then from a computer standpoint. And so...

Governor: I remember those little Apple computers that were those first home computers, so yeah.

Clerk: Yeah, so this is exciting. This is something that's going to be I think a trend for the state in general. As we go forward to have to refresh our technology, this is an extreme example, but we have a number of places where our systems are becoming older and less efficient. And we're looking at coming up with a better comprehensive strategy for replacement. As opposed to everybody for themselves. More of a controlled process so that as we're preparing to replace one system, we're looking at other groups and trying to come up with a more collaborative approach. So I think you'll be -- I'll be looking to that process to help educate us better as we go forward.

Governor: Thank you. I appreciate it. It's not an easy area, but one that we need to pay attention to. All right. If there are no questions on Agenda Item No. 12, Contracts 1 through 22, the Chair will accept a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

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

One master service agreement was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move on to Agenda Item 13, Master Service Agreements. Mr. Mohlenkamp.

Clerk: Governor, there's a single master service agreement for the Board to consider. This is FIA Card Services. And this is for travel type expenditures? So any questions from Board members on this one?

Governor: Yeah, I have no questions.

Attorney General: Unh-unh.

Governor: The Chair will accept a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Attorney General has moved for approval of Agenda Item 13. The Secretary of State has seconded the motion. All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

14. INFORMATIONAL ITEM

Pursuant to AB 41 of the 2013 Legislative Session, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Below is a list of all applicable approvals for contracts and amendments approved for the month of February.

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/AMENDMENT	AMOUNT
15268	Department of Administration – State Public Works Division	Fred McConahay dba West Coast Truck & Equipment	Contract	\$41,684
Contract Description:	This is a new contract to provide pick up, repair, and return of the generator located at the Grant Sawyer Building, 555 E. Washington Avenue, Las Vegas, Nevada.			
12684	Department of Administration – State Public Works Division	Gen Tech of Nevada, Inc.	Amend	\$24,000
Contract Description:	This is the fourth amendment to the original contract which provides service, inspections, maintenance and as needed repairs to all automatic transfer switches, and to the generators and fire pumps at the Grant Sawyer Building, located at 555 E. Washington Avenue and the Campos Building, located at 215 E. Bonanza in Las Vegas, Nevada. This amendment increases the maximum amount from \$74,755.78 to \$98,755.78 to continue needed maintenance and repair services through the term of the contract.			
12860	Department of Health and Human Services – Division of Child and Family Services	Cornerstone Programs	Amend	\$21,870
Contract Description:	This is the first amendment to the original new contract, which provides necessary facilities, equipment, personnel and staff training that will satisfy the delivery of required services and programs conducive to the rehabilitation needs of either male or female juveniles while maintaining sight and sound separation from adult offender populations. This amendment is to increase the current contract by \$21,870 due to an error in calculating the original contract total amount.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
14708	Governor's Office of Economic Development	Board of Regents – UNR	Amend	\$35,110
Contract Description:	This is the first amendment to the original interlocal agreement that provides pass-through funding from the Department of Employment, Training, and Rehabilitation to the Governor's Office of Economic Development for the Nevada System of Higher Education's Nevada Industry Excellence training programs for Nevada businesses. This amendment increases the value of the agreement by \$35,110 to \$635,110 from \$600,000.			
13801	Department of Conservation and Natural Resources – Environmental Protection	McGinley & Associates, Inc.	Amend	\$48,000
Contract Description:	This is the third amendment to the original contract, which provides services to aid the state in conducting investigations of soil, groundwater and surface water contamination resulting from leaking underground storage tanks throughout the state. This amendment increases the maximum amount from \$2,810,885 to \$2,858,885 to implement database improvements to allow access to UST database information during field inspections, improve inspector efficiencies, field-printable compliance reports and improve accuracy of the database per attached proposal.			
15332	Department of Administration – State Public Works Division	Rounds Engineering, Ltd.	Contract	\$28,570
Contract Description:	This is a new contract to provide a feasibility study document with soils report for the HVAC and electrical upgrades at the Washoe County Armory located at the Reno Stead airport. The study shall determine the feasibility of converting the HVAC system to a ground source heat pump system with wellfield. The vendor will also provide a feasibility of adding a photovoltaic system capable of handling 75% to 80% of the building's electrical power consumption; Project No. 14-A020; Contract No. 94193.			
15334	Department of Administration – State Public Works Division	Kelly Mier Architect	Contract	\$16,325
Contract Description:	This is a new contract to provide professional architectural/engineering services for the sidewalk replacement and restroom remodel at the National Guard Recruiting Center at Plumb Lane in Reno, Nevada; Project No. 13-S02-G; Contract No. 94237.			
15245	Department of Conservation and Natural Resources – Environmental Protection	The Nature Conservancy	Contract	\$25,127
Contract Description:	This is a new contract for the Nature Conservancy, a non-profit organization, to develop, implement and assess educational workshops and special events that promote awareness of watershed concerns and non-point source pollution issues at the Whit Hall Interpretive Center located at River Fork Ranch in Douglas County, Nevada.			
15124	Department of Training, Employment and Rehabilitation	Board of Regents - UNR	Contract	\$29,250
Contract Description:	This is a new interlocal agreement to provide Professional Development training for Washoe County School District staff as part of the Customized Employment training for the Vocational Opportunities for the Inclusive Career Education (VOICE) Program.			

CONTRACT #	STATE AGENCY	CONTRACTOR	CONTRACT/ AMENDMENT	AMOUNT
15257	Department of Administration – Enterprise IT Services	Solutions II, Inc.	Contract	\$12,740
Contract Description:	This is a new contract to provide data erasure services for two (2) Symmetrix DMX 3 to ensure a secure data migration by rendering data unrecoverable from the source arrays in order to mitigate the risk of information dissemination.			
14127	Department of Administration – Enterprise IT Services	Clark County Treasurer	Amend	\$20,000
Contract Description:	This is the first amendment to the original Revenue Intrastate Interlocal agreement, which provides for rack space at Apex Peak in Clark County. This amendment was provided for Clark County so they could pay the Legislatively approved amounts for FY 2014 and FY 2015. The original contract provided prior 'tentative' amounts for FY 2014 and FY 2015. The overall maximum amount of the contract has not been changed.			
15205	Department of Administration – Enterprise IT Services	Sirius Computer Solutions, Inc.	Contract	\$21,000
Contract Description:	This is a new contract to provide a properly working storage unit for the remaining AIX applications.			
15076	Department of Administration – Enterprise IT Services	Energys Delaware, Inc.	Contract	\$27,600
Contract Description:	This is a new contract to provide installation of 24 each OPzV3000-2V, 3065 amp hour, 2 volt battery for Hickison Summit solar powered microwave communications site near Austin, Nevada, which includes installation in existing racks. Due to battery leakage, haz mat clean up as well as cleaning of the racks and painted is required.			

Governor: We'll move on to Agenda Item 14, Informational Item, Contracts. Mr. Mohlenkamp.

Clerk: So 13 items this month for your review for information. And I didn't receive any questions or comments on these, but as always if there's anything that's showing up on here that gives you pause, it's -- we always have the ability to pull them into the primary contracts. So when you guys get your materials, if you think something is on an informational item that you would like to have considered by the Board, please let me know, you know, so that -- I think we can always move it -- it doesn't have to be approved by the Clerk. It can be considered by the Board.

Governor: No, and I understand that. And I know probably say this every month, but the benefit of this is the people we contract with don't have to wait, and the agency, a couple months to get this on a -- to hit an Agenda, and it just makes it more efficient. So I appreciate it and I think that this new system is working extremely well. Any other questions on that item? All right.

15. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Governor: And we'll move to Agenda Item 15. Any Board member comments? Is there any public comment here in Carson City? Any public comment from Las Vegas?

***16. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: And Agenda Item 16, is there a motion to adjourn?

Attorney General: Move for adjournment.

Secretary of State: Second.

Governor: Attorney General has moved. The Secretary of State has seconded. All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0. The meeting is adjourned. Thank you, ladies and gentlemen.

Attorney General: Thank you.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER