

MINUTES

MEETING OF THE BOARD OF EXAMINERS

March 10, 2015

The Board of Examiners met on February 10, 2015, 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 Adam Paul Laxalt
Secretary of State Barbara K. Cegavske
James R. Wells, Clerk

Others Present:

Rudy Malfabon, Department of Transportation
Dennis Gallagher, Department of Transportation
Ms. Miller
Mercedes Menendez, Attorney General's Office
Mike Willden, Chief of Staff
Ann Wilkinson, Department of Administration
Jeff Collins, Department of Conservation and Natural Resources, Environmental Protection
Greg Loyato, Department of Conservation and Natural Resources, Environmental Protection
Jeff Menicucci, Attorney General's Office
Beth Hickman, Attorney General's Office
Nancy Katafias, Attorney General's Office
Elizabeth Watson, Department of Health and Human Services, Welfare and Support Services
Sue Smith, Department of Health and Human Services, Welfare and Support Services
Lee Ann Hollingsworth, Controller's Office
Steve Fisher, Department of Health and Human Services, Welfare and Support Services
Ellen Crecelius, Department of Health and Human Services
Leah Lamborn, Department of Health and Human Services, Health Care, Financing and Policy
Aaron Frantz, Department of Business and Industry
Kevin Quint, SAPTA
Kimberlee Tarter, Department of Administration, Purchasing
Kelly Lafayette, Department of Administration, Public Works Division, Buildings and Grounds
Teri Preston, Department of Administration, Public Works Division, Buildings and Grounds
Kathy Wynands, Department of Employment, Training and Rehabilitation
James Lewandowski, Department of Employment, Training and Rehabilitation
Dawn Rosenberg, Department of Corrections
Patty Cafferata, Attorney General's Office
Hillary Bunker, Attorney General's Office
Danette Kluever, Department of Health and Human Services, Child and Family Services

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, everyone. I will call the Board of Examiners meeting to order. We'll commence with Agenda Item No. 1, which is Public Comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? Is anyone present in Las Vegas that would like to provide public comment to the Board? And can you hear us loud and clear there? You can just give me a thumbs up. All right.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE FEBRUARY 10, 2015 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 2, Approval of the February 10, 2015 Board of Examiner Meeting Minutes. Have the members had an opportunity to review the minutes? And are there any changes?

Secretary of State: I have, but I can't vote. I wasn't there.

Attorney General: Yes, Mr. Chairman. I move to approve.

Governor: The Attorney General has moved to approve the minutes of February 10, 2015. I will second the motion. The Secretary of State is not going to participate because she was not present, so I will have her abstain from the vote. All in favor say aye.

Attorney General: Aye.

Governor: Aye. Motion passes 2-0.

*3. FOR POSSIBLE ACTION – CASH MANAGEMENT IMPROVEMENT ACT

A. Office of the Controller – Payment to U.S. Treasury not to exceed \$14,053

The State Controller requests approval of payment to the U.S. Treasury not to exceed \$14,053 from the General Fund. This is the highest possible payable liability for 2014. The U.S. Treasury is reviewing the report and should have a final liability figure by March 16, 2015. Payment to the U.S. Treasury is required by March 31, 2015.

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. 3 which is the Cash Management Improvement Act. First, I'd like welcome Mr. Wells. Your first meeting today. You're looking like you're ready to go.

Clerk: Thank you, Governor. I'm ready as I'm going to be. Agenda Item No. 3 is a request from the State Controller to approve payment to the U.S. Treasury, not to exceed \$14,053 from the General Fund. This is for the Cash Management Improvement Act which ensures that there is efficiency and equity between the time that federal funds are drawn and the payments are expended. The figure for last year was about \$4,000 I think it was. This is an annual reconciliation between the federal government and the state.

Governor: No, and we're pretty close then if this is the amount, so we're doing a good job.

Clerk: That's correct. Actually, as I said, it's the worst case possibility. The proposed submission from the Controller's Office is actually for a smaller amount than the net amount that is owed to the state. So if the federal government accepts our report, then we would actually get money from the federal government.

Governor: We like that too. All right. Questions from Board members?

Attorney General: No, Mr. Chairman. Vote to approve.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of the payment to the U.S. Treasury not to exceed \$14,053. Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

***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:
Colorado River Commission	1	\$33,200
Department of Conservation and Natural Resources – Environmental Protection – Bureau of Corrective Actions	1	\$30,372
Department of Conservation and Natural Resources – Environmental Protection – Bureau of Water Pollution Control	1	\$27,622
Department of Corrections	1	\$2,320
Total	4	\$93,514

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 4, State Vehicle Purchase. Mr. Wells.

Clerk: Thank you, Governor. Agenda Item No. 4 is a request from agencies to purchase four vehicles. There are three new vehicle requests. One from the Colorado River Commission and two from the Department Conservation and Natural Resources, and a used vehicle request from the Department of Corrections.

Governor: I have no questions. Board members? If there are no questions -- did you have something further, Mr. Wells?

Clerk: No, sir.

Governor: Okay. If there are no questions, the Chair will accept a motion.

Attorney General: I move to approve.

Secretary of State: Second.

Governor: The Attorney General has moved to approve the state vehicle purchase as described in Agenda Item No. 4. The Secretary of State has seconded the motion. Any questions or discussion? All in favor say aye.

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

***5. 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 (NDOT) – Administration – \$2,403,292.57

The department requests settlement approval in the amount of \$2,403,292.57 to resolve a contested condemnation case for the project known as Project NEON. This will compensate Westcare for the acquisition of its property on Martin Luther King Boulevard, Las Vegas, from where it has been operating for decades as a drug treatment facility. NDOT previously paid the sum of \$1.8 million for a right of occupancy and \$446,707.43 for relocation expenses of the operations. Approval of the additional amount of \$2,403,292.57 would bring the total to \$4.65 million.

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item No. 5, Approval to Pay a Cash Settlement. NDOT.

Clerk: Thank you, Governor. Agenda Item No. 5 is a proposed settlement in the amount of \$2,403,292.57 to resolve a contested condemnation case for the Project NEON. And this will compensate Westcare for the acquisition of property on Martin Luther King Boulevard in Las Vegas. Director Malfabon is here to speak.

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

Rudy Malfabon: Good morning.

Governor: So why don’t you take us through this, please.

Rudy Malfabon: Okay. This is in the acquisition footprint for Project NEON. Back in August of 2013 the department deposited with the court in order to gain right of entry on the property an amount of \$2,058,350. Westcare subsequently withdrew \$1.8 million. The issue was since they’re a displaced party, that we had to work with them on finding another site to relocate to. So this settlement request will allow them to -- they’ve already taken that site on Maryland Parkway in Las Vegas, so it basically settles all accounts and establishes the reasonable amount for buying the property and the relocation expenses in total. The total amount payment to Westcare is \$4.65 million.

Governor: And what was our exposure in this case, Mr. Gallagher?

Dennis Gallagher: Good morning, Governor, members of Board, Dennis Gallagher. Governor, our exposure range probably from about six to eight plus million dollars, factoring in the cost of

the property and the relocation expenses that NDOT would be facing of course. That also goes along with the uncertainty of a jury trial.

Governor: Well, in fact, they made a settlement offer of \$9.1 million in this case, and so as you say, the exposure could be that plus costs in attorneys' fees. What do you estimate those would've been going through a trial?

Dennis Gallagher: We estimated the trial would've taken seven to ten days. Trial costs would've been probably in the neighborhood of, with experts, \$250,000 to \$400,000.

Governor: And that's our nickel. What do you think their attorneys' fees and costs would have been?

Dennis Gallagher: I think they would've been in the same neighborhood, Governor.

Governor: Mm-hmm. And this is also an important piece to the puzzle in terms of commencing with Project NEON, Mr. Malfabon.

Rudy Malfabon: Yes, Governor. It is critical. And I wanted to also point out that Westcare provides a critical need for social services there. One thing that we have to consider is environmental justice issues with our projects to make sure that social issues are considered in the impacts of our projects. So it was critical that we reach a settlement.

Governor: So Westcare has taken a piece of that money that we deposited with the court and has relocated and is doing business as we speak.

Dennis Gallagher: Governor, they've removed the money that NDOT put on deposit with the court. They've identified a replacement property and identified contractors to bring that property up to meet their needs. They're currently operating under their existing -- at their existing location, but it's anticipated that, assuming of course this settlement is approved, that they will start construction right away and be moving sometime, I believe, later this year or early next.

Governor: And will settlement of this case resolve all claims associated with this piece of property?

Dennis Gallagher: There's one remaining ownership interest, and that's the power company has an easement.

Governor: I should be more specific, I apologize, but with regard to Westcare?

Dennis Gallagher: Yes.

Governor: Good. And do you believe this is a prudent settlement?

Dennis Gallagher: I believe this is a fair, just and equitable settlement for both the property owner as well as the taxpayers of the State of Nevada.

Governor: All right. Thank you. Ms. Secretary of State?

Secretary of State: Thank you, Governor. I want to thank you both for taking the time out of your day to go over all this with me and answer questions. Governor, I'm so happy with the agencies and the staff that have called to ask if there's any questions and answer several questions. I know there were a couple things that you were going to get back to me on that don't affect my vote on this, but I want to thank you for the thoroughness that you completed in talking to me and going over this whole project with me. So thank you very much. And it even goes back as far as the -- I can't remember, it was an obnoxious weed, but the environmental issues along that whole area there. So thank you. And it's been a long time coming, but thank you for your persistence and what you've done. So thank you, Governor.

Governor: Thank you. Ms. Miller, anything you wanted to add?

Ms. Miller: No, I have no questions. If you have anything else for me, I'd be happy to answer any questions.

Governor: I would imagine this is your case?

Ms. Miller: Yes. And this is a property on phase one on Martin Luther King and Alta. So we're getting close to wrapping up some of the properties in phase one, and this was a critical piece.

Governor: Okay. Well, again, I want to compliment you on how you've resolved this case. And I like you how you put it, Mr. Gallagher, that it's a win win for both, that Westcare has been property compensated and is satisfied with what they have, but this has also saved the taxpayers money, and in the best interest of the state, it allows us to move forward with Project NEON which we talked about at the Board of Transportation meeting yesterday. Phase one may be moving as quickly as February of 2016. We need to get these property issues resolved, and so it's good for everyone. So I really -- it's a lot of money, but at the same time it's fair. So I appreciate what you've done. Any other questions from Board members? Okay. If there are none, the Chair will accept a motion for approval to pay a cash settlement in the sum of \$2,403,292.50

Attorney General: Move to approve.

Secretary of State: Second.

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

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0. Thank you, Ms. Miller. Thank you very much, gentlemen.

***6. FOR POSSIBLE ACTION – APPROVAL OF AN EQUIPMENT LEASE**

A. Department of Health and Human Services – Division of Public and Behavioral Health – Carefusion Solutions Equipment Lease

The Division of Public and Behavioral Health is requesting Board of Examiners' approval of the amendment to the Carefusion Solutions pharmaceutical medication dispensing equipment lease. This is the fourth amendment to the original lease which continues ongoing leasing of pharmaceutical medication dispensing equipment to the state's facilities and hospitals. This amendment extends the termination date from March 31, 2015 to March 31, 2016 and increases the maximum amount of the lease from \$3,506,760 to \$3,964,308 due to a continued need for these services.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Agenda Item No. 6, Approval of an Equipment Lease. Mr. Wells.

Clerk: Thank you, Governor. Agenda Item No. 6 is a request from the Division of Public and Behavioral Health to amend a contract with Carefusion Solutions, which provides an equipment lease for pharmaceutical medication dispensing equipment. This is the fourth amendment to the original lease and extends the termination date from March 31st of '15 to March 31st of 2016. It increases the amount of the lease from \$3,506,760 to \$3,964,308. And this is a contract that the division has been working with Child and Family Services and the Purchasing Division to prepare an RFP, and they are projecting that the request for proposals will go out this month.

Governor: So that's the purpose is to extend this to allow for the RFP process to go forward?

Clerk: That's correct.

Governor: Okay. Questions from Board members?

Secretary of State: Move for approval.

Attorney General: Second.

Governor: Secretary of State has moved for approval of the equipment lease described in Agenda Item No. 6. The Attorney General has seconded the motion. Questions or discussion? Hearing none, all in favor say aye.

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

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

A. Department of Health and Human Services – Division of Child and Family Services

The Division of Child and Family Services is requesting Board of Examiners' approval of the following provider agreement forms to enable them to enter into an agreement with providers for specialized mental health and assessments for children and families:

- A. Child Abuse and Neglect Forensic Medical Consultation
- B. Diagnostic Mental Health Assessment
- C. Fetal Alcohol Spectrum Disorders Clinic
- D. Fetal Alcohol Spectrum Disorders Testing and Evaluation
- E. Individual and Family Therapy
- F. Neuropsychological Assessment
- G. Parental Capacity Assessment
- H. Psychological Testing
- I. Psychosexual Evaluation
- J. Substance Abuse Assessment

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move to Agenda Item 7, Authorization to Approve a Provider Agreement. Mr. Wells.

Clerk: Thank you, Governor. Agenda Item No. 7 is a request from the Division of Child and Family Services for the Board of Examiners to approve Master Agreement forms to enable them to enter into agreements with providers for the ten enumerated services that are listed under the Agenda item.

Governor: Thank you. And I think this is the third time we've had this, so I don't know if the...

Secretary of State: I'm fine.

Governor: ...have any questions, but...

Secretary of State: No.

Governor: ...in the name of efficiency and getting the services out to the clients, this is an important way to do it.

Secretary of State: I'd move for approval.

Attorney General: Second.

Governor: Secretary of State has moved for approval to authorize to approve a Provider Agreement as described in Agenda Item No. 7. The Attorney General has seconded the motion. Questions or discussion on the motion? Hearing none, all in favor say aye.

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

***8. FOR POSSIBLE ACTION – TORT CLAIM**

**A. Saggese & Associates and Antonio Davis – TC 17116
Amount of Claim - \$305,000**

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move to Agenda Item No. 8, Tort Claim.

Clerk: Thank you, Governor. Agenda Item No. 8 is a (inaudible) settlement on the Tort Claim in the amount of \$305,000. There are -- if there are questions, there are representatives from the Attorney General's Office too.

Governor: All right. If you'd take us through the claim, please.

Mercedes Menendez: Good morning. Mercedes Menendez, Deputy Attorney General. This is a claim brought by an inmate who was at High Desert State Prison, and he brought a 1983 civil rights action, as well as State Tort Claims regarding a shooting incident by a correctional officer. We reached a settlement after months of negotiations for \$305,000.

Governor: And what was the original demand in this case?

Mercedes Menendez: The initial demand was 900,000. He's represented by counsel in this case, so he's not a pro per plaintiff.

Governor: And had this case gone to trial, what was your estimate of attorneys' fees and costs?

Mercedes Menendez: Just alone based off of what we've seen so far and what's come out in discovery as well as negotiations, we believe the attorneys' fees would be somewhere around the range of 200,000. And the cost could be give or take 100,000, just based off of the amount of experts that are needed in this case, as well as, of course, our costs would be -- I was talking about the plaintiff's costs. And as well as our cost being, you know, in excess of \$60,000 to \$80,000 to defend this matter.

Governor: In this case, at least on my review of the information, is more of a damage case than a liability case. So in other words it's how much, not if the state is going to be responsible. So that's why I think this is a good settlement given what you've described in terms of what the exposure could be and the uncertainty of a jury trial, and the fact that we would be required to pay attorneys' fees for sure, because, again, it's a damage case, not a liability case. So I...

Mercedes Menendez: That's correct.

Governor: ...applaud you on the result. Yes, Secretary of State has a question.

Secretary of State: Thank you, Governor. In reading the additional information on our page, and it says they settled the claim for 305,000, it covers all attorney fees and costs. So that's -- all of that money is going to the attorney for this...

Governor: Well, I guess that's...

Secretary of State: Could you explain that?

Governor: ...that's the plaintiff's business how...

Secretary of State: But, I mean, it's worded that way, so I just want to fully understand that \$305,000 goes to the attorney and the inmate is not receiving any money.

Governor: No, I don't know if that's the case. I mean, that's some...

Secretary of State: That's what I'm just asking.

Governor: Yeah.

Mercedes Menendez: Okay, yes...

Governor: Ms. Menendez, go ahead, yes.

Mercedes Menendez: Okay, yes, what it is, is we have standard language in our settlement agreements, and what we put in our settlement agreements would state that this extinguishes all claims as well as any attorneys' fees and costs that have been accrued by either side. Each party would bear their own cost.

Secretary of State: Okay, thank you.

Governor: And, I guess, what she's saying -- what the Attorney General is saying is that's up to the plaintiff and his attorney to negotiate how much the fees are going to be and what have you.

Secretary of State: Okay.

Governor: But, as you say, we'll have a dismissal with prejudice once the settlement proceeds are given to the plaintiff's counsel?

Mercedes Menendez: Yes, sir.

Governor: That will extinguish all claims against the state associated with this incident?

Mercedes Menendez: That is correct, sir.

Governor: Okay. Any other questions?

Secretary of State: And did we -- just out of curiosity, I know that he had several surgeries. The state was no longer responsible for any other...

Governor: Is he still incarcerated?

Mercedes Menendez: He is. Yes, he is incarcerated, and the NDOC paid for his surgery, so there's no outstanding medical bills, if that was your question.

Secretary of State: And for future, are we still liable for the future?

Governor: Well, I would imagine that we are still responsible for his medical care as long as he is incarcerated. But once he leaves, the state doesn't have any responsibility for medical treatment.

Secretary of State: Okay, I just wanted clarification on that.

Governor: There's nodding heads, but just for the record, is that true?

Mercedes Menendez: That is true, sir.

Governor: All right, thank you.

Secretary of State: Thank you. Thank you. I'll move for approval.

Governor: Secretary of State has moved for approval for the payment of the Tort Claim described in Agenda Item 8A in the amount of \$305,000.

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussion? All in favor say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes 3-0. Thank you very much.

Mercedes Menendez: Thank you.

***9. FOR POSSIBLE ACTION – LEASES**

Twelve 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: Let's move on to Agenda Item No. 9, Leases.

Clerk: Thank you, Governor. There are 12 leases that are included in Agenda Item 9. And we have not had any requests for additional comment on the 12 leases.

Governor: Pretty straight forward. Yeah, I have no questions. Board members?

Attorney General: No questions, Mr. Chairman.

Secretary of State: I don't on this, but I do on another one. Should I leave it until the end? Or do you want me to ask it now? Just for future. Nothing on any of these.

Governor: But if you have a question relevant to leases...

Secretary of State: Yes.

Governor: ...please proceed.

Secretary of State: Thank you, Mr. Chair. I just wanted to know about the Easter Seals, if somebody can get back to me. I don't think that their lease has been finalized, and also there's the land between Opportunity Village and Easter Seals that has been, I guess, negotiated or still on hold for several years. I thought we had taken care of it in the legislature, but evidently we haven't. And there's some land that was supposed to be made into a parking lot, so I'd appreciate any information that we can get on their lease agreement plus the land between those two. Thank you, Governor.

Governor: And just an observation is that the good news is the economy's improving, so rents are up. The bad news is we're not getting those savings that we were getting before. But as long as they're within the market, I'm satisfied, and having reviewed the leases and the respective market rates for the communities that they're in. So if there are no further questions, the Chair will accept a motion to approve the leases described in Agenda Item No. 9.

Attorney General: I move to approve.

Secretary of State: Second.

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

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

***10. FOR POSSIBLE ACTION – CONTRACTS**

Twenty-four 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: Let's move on to Contracts, Agenda Item No. 10.

Clerk: Thank you, Governor. There are 24 contracts listed under Agenda Item No. 10. We would like to withdraw Contract No. 21 and we'll bring that back to the April Board of Examiners' meeting. There were requests to pull Contracts No. 22 and 23, but I think Mr. Dillard is still testifying (inaudible).

Governor: All right. I had asked for 22 and 23 to be held, not because I questioned those contracts, but I wanted an update from DMV about how we're doing. Mr. Dillard is detained

over at the legislature as we speak. What I'll do is trail this matter, and in terms of voting on the leases with the permission of the other Board members to give him some time to get here. If there are no other questions on any of the other leases, which I don't have, those of you that are here for those are respectfully excused because I know you have many things to do, but I appreciate your attendance today. So I'm not going to take a vote yet on that.

Contracts Discussion and Approval Continued After Agenda Item No. 13

Governor: So before I go to public comment, I guess we'll trail the DMV report to next month, but we do need to approve those contracts.

Secretary of State: The other ones?

Governor: Yes, so the...

Secretary of State: Should we move 22 and 23?

Governor: No, no, no. I mean, trail the questions that I have on that.

Secretary of State: Oh, okay. So you're okay approving it, just with them being able to come back to us with responses to your...

Governor: Well, I guess, I'll be more specific. I mean, we've had these wait times at the beginning, particularly in Southern Nevada, and Mr. Dillard was going to come today and discuss what's going on in terms of how DMV is responding to that and what's in the budget. And we're adding employees. We're going to be building a new building there in Southern Nevada. There's some technology issues that they're working on as well. But I don't want to speak for him. Mr. Willden, I don't know if you had any comment. I know that you've chatted with Mr. Dillard.

Mike Willden: Governor, Mike Willden, Chief of Staff, for the record. Just maybe an update from our conversations. Been a number of challenges with the backlogs at DMV, and we've been working diligently with Director Dillard. Couple of things, short-term, they are working a significant amount of overtime, and compliments to the staff and kudos to the DMV people there to help speed up those processes. They're working on their IT systems and solutions to make it more efficient. They've seen some shift in where the backlog is from one office to the other, so they're attempting to move resources. As you mentioned, new DMV building on the slate for the Sahara location, assuming the legislature approves that capital improvement project.

And we have also been working on a budget amendment with the Budget Office to send over an acceleration of hiring of DMV staff. The original agency request was to phase in 75 more staff, 50 in the first year of the biennium, 25 in the second year of the biennium. We are going to accelerate all of those to the front end of the first year of the next biennium. And Director Dillard has put together a plan that his team has worked on that we can bring all of those staff into academies, training academies, this spring. I guess we're almost at spring, so spring, early

summer. And we will be ready to hire all of those additional staff July 1, so bring down those times.

Secretary of State: Can I ask a...

Governor: Yes.

Secretary of State: Thank you.

Governor: Madam Secretary of State.

Secretary of State: Thank you, Mr. Chair. And you don't have to tell it now if we can find out later, but there was some damage that was done after hours down at the Sahara office. And I just wanted an update how much damage was done and what had happened if you could -- it was last month, if I'm not mistaken.

Mike Willden: I don't know the details. What I know, there were some broken windows from rocks thrown, broken windows. As a result of that, Director Dillard has informed us that he's seen less client volume at the Sahara office, probably some people concerned about safety.

Secretary of State: And so were the employees.

Mike Willden: Yeah, and we have picked up that volume now in the Flamingo office is what the report has been. So I'm assuming that will level back out, you know, between the offices. But because of those concerns there and broken glass and some rocks thrown, I think some of the clientele customers needing service have moved to the Flamingo office. And so, again, that's how we're trying to balance the resources.

Secretary of State: Thank you.

Governor: And if Troy were here, part of the explanation is the volume has increased substantially, and it's another one of those good news, bad news stories, is the economy has improved, so car sales are literally at pre-recession levels, when they had peaked in 2003, 2004.

Mike Willden: Yeah, I didn't bring those statistics, I apologize. But those have increased, and the DMV has seen between a 21 percent and a 25 percent increase in customer volume over the last year and a half.

Secretary of State: Great. And it's, like you said, bad...

Mike Willden: So, again, sort of like the good news of the economy, bad news of the economy.

Governor: But I will repeat what you said, I want to thank the DMV employees that are there because they're overwhelmed with the number of clients and the public out there. And they're

doing their absolute best. And, you know, I had heard anecdotally that on a Saturday morning there were enough people outside waiting in line that essentially took...

Mike Willden: Filled up every slot for the day.

Governor: For the day.

Mike Willden: When we opened the door in the morning, every slot was filled.

Governor: So there's, you know, the DMV personnel have worked really hard to try to move those folks through, and have been willing to work overtime to get this done. So thank you, Mr. Willden.

Secretary of State: And please thank Troy and DMV. They have just bent over backwards helping whenever there's been any questions or issues from our office, so please take that back to Troy when you talk to him. I'm appreciative.

Mike Willden: Thank you. We will convey the message.

Governor: So if there are no further questions on the contracts, the Chair will accept a motion to approve Contracts 1 through 20, and 22 through 24.

Attorney General: Motion to approve.

Secretary of State: Second.

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

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

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

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'll move on to Master Service Agreements.

Clerk: Thank you, Governor. There are two Master Service Agreements under Agenda Item No. 11. The first is an amendment for temporary employment services for additional dollars based on the usage to date, increasing the maximum contract amount from \$6 million to \$14 million. The second MSA is for an electric fuel dispensing and card lock system. That contract is for four years with a maximum value of \$20 million.

Governor: I have no questions. Board members?

Attorney General: No questions, Mr. Chairman.

Secretary of State: No.

Governor: The Chair will accept a motion for approval of the Master Service Agreements described in Agenda Item 11.

Attorney General: Move to approve.

Secretary of State: Second.

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

Secretary of State: Aye.

Attorney General: Aye.

Governor: Aye. Motion passes 3-0.

12. 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). Attached is a list of all applicable approvals for contracts and amendments approved from January 21, 2015 through February 13, 2015.

Twenty-two independent contracts were submitted to the Board for review.

Comments:

Governor: Agenda Item 12, Information Item.

Clerk: Thank you, Governor. There are 22 contracts that were underneath the threshold to be approved by the Clerk of the Board. And this is for the period of January 21, 2015 to February 13, 2015.

Governor: I have no questions. Board members?

Attorney General: No questions, Mr. Chairman.

Secretary of State: No, none.

Governor: All right. We'll move on. Wow, we're efficient today.

13. INFORMATION ITEM

A. Department of Motor Vehicles – Complete Streets Program

Pursuant to NRS 482.480, Subsection 11, the Department of Motor Vehicles shall certify monthly to the State Board of Examiners the amount of the voluntary contributions collected for each county by the department and its agents during the preceding month, and that the money has been distributed as provided in statute. The department began accepting contributions on December 15, 2014. This report is for the period beginning January 1, 2015 and ending January 31, 2015.

Comments:

Governor: Agenda Item No. 13, DMV Complete Streets Program.

Clerk: Thank you, Governor. Agenda Item No. 13 is a report from the Department of Motor Vehicles regarding the Complete Streets Program for the period of January 1, 2015 to January 31, 2015. \$7,240 was collected in that period, with \$10,246 collected since its inception on December 15th of '14.

Governor: This information speaks for itself. Do we have to do this every meeting, or can we do it quarterly?

Clerk: Governor, I thought that this was supposed to be a quarterly meeting, so I was a little bit surprised that it was on the Agenda. We will look into it (inaudible).

Governor: Well, as I said, I appreciate the information, but the amounts are small and it could be more valuable to get them on a quarterly basis so that we get more -- I assume you're all from DMV nodding no. But in any event, just in the name of efficiency and having more meaningful information so we can see the patterns. I prefer that we do it on a quarterly basis.

Unidentified Female Speaker: Governor, if I may, in the statute which was just handed to me, it does say that the department shall certify monthly to the State Board of Examiners.

Governor: All right.

Unidentified Female Speaker: That is a statutory requirement.

Governor: The law is the law. Any questions on Agenda Item 13? All right then.

14. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: The next Agenda Item is Board Member Comments. Ms. Secretary of State.

Secretary of State: Thank you, Mr. Chair and Governor. I am concerned about Buildings and Grounds, the difference between how things are handled from the Las Vegas office and how they're handled here. If I could just get someone to respond to me and meet with me and not cancel meetings, but I would really appreciate some help in the Las Vegas area with the Buildings and Grounds.

Governor: Ann Wilkinson's here and she'll probably...

Secretary of State: Oh, good.

Ann Wilkinson: Happy to do the follow-up.

Secretary of State: Thank you. I appreciate that.

Governor: Any other Board member comments? Is there any public comment from Carson City? Any public comment from Las Vegas?

***15. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Is there a motion for adjournment?

Secretary of State: Motion to adjourn.

Attorney General: Second.

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

Secretary of State: Aye.

Attorney General: Aye.

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

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED:



GOVERNOR BRIAN SANDOVAL, CHAIRMAN



ATTORNEY GENERAL ADAM PAUL LAXALT



SECRETARY OF STATE BARBARA K. CEGAVSKE