

MINUTES

MEETING OF THE BOARD OF EXAMINERS

May 10, 2016

The Board of Examiners met on May 10, 2016, in The 2nd Floor Chambers at the Laxalt Building, 401 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

MEMBERS:

Governor Brian Sandoval
Secretary of State Barbara Cegavske
James R. Wells, Clerk

OTHERS PRESENT:

Jennifer McEntee, Department of Employment, Training and Rehabilitation
Dennis Gallagher, Attorney General's Office
John Terry, Department of Transportation
Naomi Lewis, Department of Health and Human Services
Tony Wasley, Department of Wildlife
Steve George, Department Business and Industry
Gus Nunez, Department of Public Works
Larry Friedman, Department of Tourism and Cultural Affairs
Jon Sjoberg, Department of Wildlife
Ron Grogan, Department of Business and Industry
Scott Kennedy, Department of Employment, Training and Rehabilitation
Damon Haycock, Executive Officer, Public Employees Benefits Program
Aaron Frantz, Silver State Health Insurance Exchange
Matt Robison, Silver State Health Insurance Exchange

1. PUBLIC COMMENTS

Governor: Good morning everyone. I will call the Board of Examiners Meeting to order. Madam Secretary, can you hear us loud and clear?

Secretary of State: Yes, I can Governor, thank you.

Governor: It will be the Secretary of State and me today, the Attorney General is excused. We'll move to agenda item number 1, public comment, is there any member of the public here in Carson City that would like to provide public comment to the Board? [music playing] Never had a musical accompaniment to the beginning of a meeting. All right, Las Vegas, any public comment from Las Vegas?

Secretary of State: No Governor, there's nobody here that wants to make any public comments at this time.

Governor: Thank you.

***2. FOR POSSIBLE ACTION – APPROVAL OF THE APRIL 12, 2016 BOARD OF EXAMINERS’ MEETING MINUTES**

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Governor Vote: 2-0

Comments:

Governor: Agenda item number 2 is the Approval of the April 12, 2016 Board of Examiners Meeting Minutes. Madam Secretary, have you had an opportunity to review the minutes and do you have any changes?

Secretary of State: I have had a chance to review them and no I do not have any recommended changes.

Governor: Do you have a motion to approve?

Secretary of State: I would like to make a motion to approve the meeting from the April 12th Board of Examiners Meeting.

Governor: Secretary of State has moved for approval of the April 12, 2016 Board of Examiners Meeting Minutes. I will second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***3. FOR POSSIBLE ACTION – APPROVAL FOR STATE VEHICLE PURCHASES**

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
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Colorado River Commission	1	\$45,578
Department of Conservation and Natural Resources – Environmental Protection	1	\$27,195
Department of Conservation and Natural Resources – Forestry	13	\$2,904,265
Department of Conservation and Natural Resources – State Parks	11	\$302,058
Total	26	\$3,279,096

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We’ll move to agenda item number 3, approval for State Vehicle Purchases, Mr. Wells.

Clerk: Thank you Governor and good morning. Item number 3 includes a request for 26 vehicles, all of which were approved by the Legislature in the 2015 Session for the respective agencies. The first is a request from the Colorado River Commission to replace an SUV in FY16. The second request is from the Department of Conservation and Natural Resources, Division of Environmental Protection. This will replace two pick-up trucks in FY16, with a single truck primarily used for solid and hazardous waste inspections. The third request is from the Division of Forestry to replace 12 firefighting related vehicles, including a water tender, an aviation fuel truck, two fire engines, eight crew carriers and a ninth crew carrier body which will be installed on a chassis that was purchased in the previous biennium. These were all included in a one-shot funding bill, SB428. The fourth request is from the Division of State Parks to replace 11 vehicles in FY17 for use in various parks and around the State.

Governor: Thank you Mr. Wells. I have no questions, just a comment on the Forestry. I know they’re very much needed equipment but I hope they don’t get much use this year, respectfully. Madam Secretary, any questions from you?

Secretary of State: Yes, thank you Governor. I was just curious on the detailed agenda, it only asked for 25 but on the posted one it asked for 26. I just wondered if that was a—if there was a difference of one, of course for the Forestry, was that something that had been bumped up by staff or was that something that was in the bill?

Clerk: Madam Secretary, the detailed agenda has an incorrect number. There are 12 vehicles. One water tender, one aviation fuel truck, two fire engines and eight crew carriers. The 13th is a body, is a body for an additional crew carrier. There were nine crew carriers that were originally approved in the piece of legislation by the Legislature. However, the price increases made it so that they could not afford all nine of the crew carriers, so they purchased the body and are installing that body on an additional chassis that was purchased in the previous biennium. So there are in fact 13 individual units, not 12.

Secretary of State: Okay, I just wanted to make sure because of what was on the different agendas. Thank you.

Governor: Thank you Madam Secretary, any other questions? If there are none, the Chair will accept a motion to approve the state vehicle purchase described in agenda item number 3.

Secretary of State: So moved, Governor, to approve the state vehicle purchases as in agenda number 3.

Governor: I second the motion. All in favor of the motion, say aye. [ayes around] That motion passes 2-0.

***4. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

A. Department of Health and Human Services – Public and Behavioral Health

Pursuant to NRS 333.705, subsection 1, the Department of Health and Human Services, Division of Public and Behavioral Health requests authority to contract with Gregory Brown, a current Psychiatrist at the University of Nevada School of Medicine to provide independent medical examiner competence to stand trial evaluations for individuals at the Southern Nevada Adult Mental Health Services inpatient forensic unit on an as needed basis.

B. Department of Health and Human Services – Public and Behavioral Health

Pursuant to NRS 333.705, subsection 1, the Department of Health and Human Services, Division of Public and Behavioral Health requests authority to contract with Dr. Michelle G. Paul, a current Director and Associate Professor in Residence, Department of Psychology at the University of Nevada, Las Vegas to provide competency evaluations and neuropsychological evaluations to determine competency status for individuals at the Southern Nevada Adult Mental Health Services forensic unit on an as needed basis.

C. Department of Employment, Training and Rehabilitation

Pursuant to NRS 333.705, subsection 1, the Department of Employment, Training and Rehabilitation requests authority to continue contracting with Northern Nevada International Center through July 7, 2018 who uses the services of Joy Orlich and Manual Mederos and are currently Nevada System of Higher Education employees. These employees answer phones, schedule interpreting services and process billings.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Let's move on to agenda item number 4, which are the authorization to contract with a current and/or former Employee. Mr. Wells.

Clerk: Thank you Governor. Item 4 includes three requests to contract with current and/or former employees pursuant to NRS 333.705, subsection 1. The first two requests are from the Department of Health and Human Services, Division of Public and Behavioral Health. These will extend the emergency contracts that were approved last month with a current psychiatrist at the University of Nevada School of Medicine and a current Director and Associate Professor in Residence at the UNLV Psychology Department to provide independent competency and neuropsychological evaluations to determine the competency status for individuals at the Southern Nevada Adult Mental Health Services Forensic Unit on an as needed basis in order to

comply with the consent decree issued by the court. The request before you today extends those contracts through June 30, 2017.

The third request is from the Department of Employment, Training and Rehabilitation to continue contracting with the Northern Nevada International Center (NNIC) to provide certified translation and interpretation services. The contract and the requested contract with current and/or former employees was originally approved in July 2014 and was schedule to end on June 30, 2016. The Department has extended the contract through July 8, 2018 and is requesting approval today for continued use of two university system employees to perform the services for this contract. NNIC uses university system employees to perform its work on various contracts and then reimburses the university for those hours and benefits to those employees. There are representatives from the Department if there are any questions from the Board.

Governor: I have no questions. Madam Secretary, these are pretty straightforward, do you have any?

Secretary of State: No, just one out of curiosity Governor is, what is being translated? Is it language or is it sign language? I just wanted to see if it's the same or different.

Jennifer McEntee: Good morning. Jennifer McEntee for the record. To answer your question, there is a state contract already for translation services for sign language but this one is mainly Spanish and other languages.

Secretary of State: Okay, thank you very much. That's the only question I had Governor.

Governor: Thank you. Madam Secretary, do you have a motion to approve?

Secretary of State: I do Governor. Approval for agenda item number 4, to authorize a contract with current or former employees, A, B and C.

Governor: Secretary of State has moved to approve the authorizations to contract with a current and/or former employee as described in agenda item number 4. I second the motion. All in favor please say aye. [ayes around] That motion passes 2-0.

***5. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

A. Department of Transportation

Pursuant to NRS 333.705, subsection 4, the department seeks a favorable recommendation regarding the Agency's determination to use the emergency provision to contract with Mr. Ed Wilson, a former Program Officer III, from April 4, 2016 to June 3, 2016 to complete a manual of former duties and train employees on NDOT customer service, Logo Sign, Sponsor-a-Highway and Adopt-a-Highway programs.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We will move to agenda item number 5 which is another authorization to contract with a current and/or former employee. Mr. Wells.

Clerk: Thank you Governor. Pursuant to Subsection 4 of NRS 333.705, an agency may contract with a former employee without first obtaining Board of Examiners approval if the term of the contract is for less than four months and the head of the using agency determines an emergency exists. If the using agency contracts with an individual pursuant to this exception, they must submit a copy of the contract and a description of the emergency to the Board of Examiners, who shall review the contract and description of emergency and notify the agency whether or not they would've approved the contract had it not been entered into under the emergency provisions. Item 5 has one request from the Department of Transportation, seeking a favorable recommendation from the Board on their use of the emergency provision to contract with a former employee. The Department contracted through Marathon Staffing with a former Program Officer from April 4, 2016 through June 3, 2016. The former employee retired on April 1, 2016 with over 20 years' experience managing the Department's customer service, logos, signs, Sponsor Highway and Adopt A Highway Programs. The contract is to provide an opportunity for the employee to train other employees during the transition period and develop a desk manual detailing the duties of the position. There are representatives from the Department if there are any questions from the Board.

Governor: I do have a question on this agenda item. Is there somebody from NDOT?

Sean Sever: Good morning. Sean Sever from NDOT.

Governor: I suppose the question here for me is, what is the emergency? You've got an employee who's been there for 20 years and has an important responsibility in terms of dealing with the public and these other responsibilities, but I don't understand and we've talked about this here at BOE in terms of anticipating a retirement and training somebody to be able to fill that position.

Sean Sever: Sure. NDOT is one of the last agencies that still answers the live telephone. Questions and comments we get and the public really appreciates that. This particular individual has been working at NDOT for 20 years. Prior to him, Scott McGruder also answered the phone at NDOT, he was there for 27 years. With those two employees leaving, we had to fill the Program Officer position. We were going to hire a temp employee to fill that gap before we hired somebody. We thought, what better person to hire than the employee that's leaving, that way we didn't have to train him. We're hiring—we just did interviews and we have a number one candidate for that position. It's just for the time—the gap between when the employee retired and when we get the new employee on board.

Then, with his 20 years of experience, Mr. Wilson, the current person in that position, he has developed all kinds of programs at NDOT. To help with the transition, he would shadow this person for approximately a week and basically hand over his duties to this person.

Governor: He's only going to actually be training the new employee for a week?

Sean Sever: He's actually moving out of state and we knew that. It's just when there's a live telephone that needs to be answered, we need a body there to answer the phone.

Governor: I'm not disputing that and I don't want to make this a bigger issue than it needs to be but I guess I'm trying to emphasize, you knew this person was going to retire, so why didn't you anticipate that retirement and get somebody trained before Mr. Wilson left service?

Sean Sever: It's kind of a technical job. We get a lot of questions about trucking information. It is kind of a specialized field. When the new person starts, they will kind of develop their own objectives and things for the position. It's just a person that's been there for 20 years and making that transition pretty quick, I guess.

Governor: But they're only going to be a week together.

Sean Sever: Right. And he's also been showing me his duties as well. So I will work with the new employee as well. It's just that live telephone that's our difficulty.

Governor: I get it. Really there's nothing this Board can do about it because you already did it. But, my point being is in the future, we really need to anticipate retirements and get people trained prior to the departure so we're not doing this. This sets a precedent, I think for other state agencies. I've been trying to encourage everyone to anticipate these retirements so that we're not having to back contract with individuals. That's the only point I'm making. If it was so technical, you would think it would take more than a week to train the incoming person.

Sean Sever: The other thing is, he's also developing a detailed manual of all his duties. Kind of a start to finish of all the job duties he has. That's part of this period as well.

Governor: Again, it just begs the question, why didn't you do that leading up to the point of the retirement?

Sean Sever: Sure.

Governor: I mean, if every time somebody was retiring and then we had to hire them back to give their job description to the next person coming in, we'd have a lot of folks coming back. In the future, if you're aware that somebody is going to be retiring from state service, that we could anticipate and train the next person up. And also, ensure that there's a job description in there that allows for that next person to have the benefit of that.

Sean Sever: I understand.

Governor: Great, thank you. Madam Secretary, do you have any questions?

Secretary of State: Thank you Governor, you answered—or, you tried to get answers on all of the ones I had, so thank you. I want to know why we're not doing more cross training, you know, in the different areas? That's what we started to do in the Secretary of State's Office because we ran into the same issue that's being discussed right now is somebody leaves and nobody knows what they did. I'm just curious, why for 20 years, was there anybody else that was relieving him for vacations, sick days, how were they taking care of that? It's just along the same lines Governor, thank you.

Governor: No further questions. Do we have to take a motion? I'm really not inclined, Madam Secretary, even though it's already done, to support this because I don't really think there's a substantive enough explanation with regard to the emergency. What is the alternative Mr. Wells?

Clerk: The Board, if it determines there is not sufficient description of the emergency would inform the agency that it would not have approved this contract had it come under the normal provisions in advance.

Governor: Madam Secretary, I don't know how you feel about it. To me, an emergency is if somebody got sick, if somebody was away and suddenly wasn't able to perform their duties. In this case, I think there is no doubt that there was sufficient time to get somebody trained and to have a manual prepared. There's really no explanation, who was taking this individuals place when they were on vacation or taking leave and that didn't constitute an emergency. I'd love to have your input Madam Secretary.

Secretary of State: Governor, I agree with you. I was feeling the same way. I will not make a motion on this.

Governor: At least according to Mr. Wells, what would be the form of the motion?

Clerk: Governor, you would make an unfavorable recommendation. Basically, you would tell the Department that they do not—the Board does not believe the emergency exists in order to enter into this contract. It doesn't have any effect on the contract, as you stated earlier. The contract is still in effect until June 3rd. It would just say that you would not have approved it had it been brought to you under the normal circumstances.

Governor: Madam Secretary, does that give you a sufficient background to make a motion?

Secretary of State: Sure. Yeah, then we'll make a recommendation—you want a recommendation or do you actually have to have a motion that had this been brought to our attention during the regular proceedings, we would've—well, I'm trying to think how he wants us to state it so that it's legally and proper.

Sara Bradley: I think you would just make a motion and then your action. Should you vote on that motion, it would be to make that unfavorable recommendation.

Secretary of State: So, just go ahead with a regular motion on it?

Sara Bradley: Yes. I think the motion is that you make that unfavorable recommendation.

Secretary of State: Okay. I would make a motion, Governor, to not approve number 5 on the agenda, to authorize a contract with a current and/or former employee for the Department of Transportation.

Governor: Madam Deputy Attorney General, is that motion sufficient?

Sara Bradley: I think the record will be clear as to what your intent is. You could say that we want to make an unfavorable recommendation. I think the action is really either a favorable or unfavorable recommendation. So maybe a slight modification would be helpful to the motion.

Secretary of State: Okay. I would like to make an unfavorable motion to decline number 5, for the authorization of a contract with a current or former employee for the Department of Transportation, does that help? Did I get it there?

Governor: I think so, thank you Madam Secretary. I will second the motion but I do want to make a comment before I take a vote on the motion. This is—my voting in favor of this motion is in no way critical of the employee himself. He served the State with distinction for 20 years and provided a very valuable service. I don't want that impression to be left on the record. The message that I'm trying to send, with regard to my vote on this is that in situations like this, we have to anticipate retirements. We have to anticipate training and we have to make sure that there are job descriptions available so that an individual who steps into that slot will have the knowledge and the guidelines for which to perform their duties. Are there any other comments on the motion?

Secretary of State: I agree with you on your comments Governor.

Governor: Thank you Madam Secretary. All in favor, say aye. [ayes around] That motion passes 2-0. Thank you very much.

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

A. DEPARTMENT HEALTH AND HUMAN SERVICES – DIVISION OF WELFARE AND SUPPORTIVE SERVICES

The Division of Welfare and Supportive Services is requesting Board of Examiners' approval of the following provider agreement forms to enable them to enter into an agreement with providers for:

1. **Energy Assistance Program Intake Sites for Independent Contractors**
2. **Energy Assistance Program Intake Sites for Interlocal Agreements**

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move to agenda item number 6, which is an authorization to approve a provider agreement. Mr. Wells.

Clerk: Thank you Governor. Item 6 contains two requests for the Board to approve new provider agreements from the Department of Health and Human Services, Division of Welfare and Supportive Services. These requests would reimburse the vendors for assisting families with applying for the Energy Assistance Program, by ensuring the application packets are complete prior to their submission. The Division uses both private contractors and local government and non-profit organizations to provide these services, which requires slightly different language in the contracts. The first item is a request for these types of contracts for independent contractors. The second request is a similar agreement, but used for interlocal services as opposed to the independent contractors. There are representatives from the Division available if there are any questions.

Governor: Thank you Mr. Wells. My impression is this is like the other contracts at HHS. This is for efficiency purposes so that we can get the providers into action as soon as possible rather than having to wait 30 days in the process.

Clerk: That's correct. This just expedites the process for these particular contractors.

Governor: Madam Secretary, do you have any questions?

Secretary of State: The only question that I would have Governor and maybe Mr. Wells can answer it, is how are the providers, the companies picked? How are they chosen? Is there a Board or a group that examines who the companies or groups that they hired to go out and do this?

Clerk: I will defer that to the agency. I'm not exactly sure how they pick the clients. I know many of them are local government organizations and not-for-profits who already have a relationship with the Division for other services. I will defer that to the Division.

Secretary of State: Thank you Governor, and Jim, the reason I'm asking is because being in the Senate, we had this come up and there were a lot of programs that provided. Then we had some we had some issues with. I just wondered how they cleared it, how they looked at them, how they interviewed them? If they have a better process than they did several years ago.

Naomi Lewis: Good morning. For the record my name is Naomi Lewis. I'm the Deputy Administrator for the agency Division of Welfare and Supportive Services. It is as Mr. Wells indicated, they're vendors that are currently in the arena, assisting individuals. HELP of Southern Nevada, community services agencies, some of the tribal entities, some of the County social service agencies. Basically, it's indicating a desire to provide that service and then contract with us through the provider agreement, which includes auditing and reconciliation. The largest contract—not the largest, but the year-to-date payment average is \$910 for the member for the year. We're pretty small.

Secretary of State: Okay, that's great. Thank you so much, I really appreciate it. Thank you Governor.

Governor: Thank you Ms. Lewis. If there are no further questions, the Chair will accept a motion to approve the provider agreements described in agenda item number 6.

Secretary of State: So moved, thank you Governor, to move item number 6, the authorization to approve a provider agreement for Health and Human Services.

Governor: I will second the motion. All in favor of the motion say aye. [ayes around] That motion passes 2-0.

- *7. FOR POSSIBLE ACTION – APPROVAL TO PAY A CASH SETTLEMENT**
Pursuant to Article 5, Section 21 of the Nevada Constitution, 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 - \$3,000

The department requests settlement approval in the total amount of \$3,000 to fully resolve an eminent domain action to acquire a 155 square foot temporary easement for a period of two years, owned by Dawn Chavez, located at 4081 Snowshoe Lane, Reno, Nevada for the widening and reconstruction of South McCarran between Longley Lane and Greg Street. NDOT

previously deposited \$2,000 with the Court for a right of occupancy. NDOT now requests an additional \$3,000 to resolve the action. Approval of the additional amount of \$3,000 would bring the total to \$5,000.

B. Department of Transportation (NDOT) – Administration - \$250,000

The department requests settlement approval in the total amount of \$250,000 to fully resolve an eminent domain action to acquire the property located at 1234-1414 Western Avenue in Las Vegas for Project NEON. NDOT previously deposited \$2,877,000 with the Court for a right of occupancy. NDOT now requests an additional \$250,000 to resolve the action. Approval of the additional amount of \$250,000 would bring the total to \$3,127,000.

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We’ll move to agenda item number 7, approval to pay a cash settlement, Mr. Wells.

Clerk: Thank you Governor. Item 7 contains two requests for approval of cash settlements from the Department of Transportation. The first is in the amount of \$3,000 to fully resolve an eminent domain action to acquire a 155 square foot temporary easement for a period of two years, for widening and reconstruction of South McCarran in Reno. When combined with a \$2,000 previously approved amount, the \$5,000 total will resolve this particular action.

The second item is in the amount of \$250,000 to fully resolve an eminent domain action to acquire a property in Las Vegas for Project NEON. When combined with the \$2,877,000 previously deposited with the court, the total of \$3,127,000 will allow the Department to fully resolve this particular action. Mr. Terry and Mr. Gallagher from the Department of Transportation are available for any questions the Board may have.

Governor: Good morning gentlemen. Mr. Gallagher, good morning. If you would just make a brief record for each of these items, please.

Dennis Gallagher: Thank you. For the record, Dennis Gallagher, from the Attorney General’s Office. The first matter involves a single family residence that’s been impacted by the McCarran widening project up in Washoe County. Initially the appraisal, which was a couple of years ago value the temporary easement and the take at about \$2,000. The property owner contested that amount, indicating destruction of a very nice deck I’m told, I have not seen it. After extensive negotiations, we were able to reach a post settlement by increasing the amount by \$3,000 so that the total would be \$5,000. As indicated in the remarks, the easement is for two years. McCarran, as many of you know, is a very busy street and given the fact that this person will also lose their ability to use a significant portion of their backyard for that entire period, the Department believes that it’s in the best interest of the State to settle. By going forward, the litigation costs alone would exceed the additional amount that we’re requesting.

Governor: Just one question Mr. Gallagher. I have no issues with that settlement. Is that the only property owner that was affected or did the others resolve with the Department?

John Terry: John Terry from Nevada Department of Transportation. No, there were numerous properties that we had to get easements along here. Many of those were settled, similar to this

but because they were settled before it got into the legal realm, they didn't come before this Board. There were dozens of parcels that were settled that we had to get easements to construct this project.

Governor: Whereabouts on McCarran is that?

John Terry: I'm not sure the answer to that question. I know its Southeast McCarran, but exactly the limits, I'm not sure.

Governor: I don't drive that road that often, but if there were dozens of affected property owners, I'm just curious where it was.

John Terry: I don't know. I don't know the exact street names.

Governor: We can find that out later. It's not really germane to what we're talking about. Madam Secretary, any questions on this first item?

Secretary of State: The button is sticking, sorry. No, I have no questions.

Governor: Mr. Gallagher, if you could move on to the second item, please?

Dennis Gallagher: Yes Governor. The second item as indicated involves Project NEON. This is a piece of commercial property that had a number of different businesses located on it, including a business operated by the property owners. It also had a digital billboard on it. The Department was able to reengineer the property so that the owner could retain a small portion on which the digital billboard can be moved, allowing the owner to have an income stream in the future. The parties, the state's appraisal came in at a little over \$2.8M. The appraiser for the property owners valued it at about \$3.7 million. Approximately \$1 million difference. The property owners themselves value the property at \$9 million. The reason I mention that, in Nevada, a property owner is entitled to testify as to what they believe their property is worth over and above a licensed appraiser or real estate agent. Given the difference in the property values, it's reasonable for the State to believe that a jury could split difference which would mean an additional \$500,000, plus the costs of litigation and the costs that the State would be required to reimburse the property owner. Given that, the additional sum of \$250,000 is actually a great settlement for the State and it will allow the Department to acquire yet another key parcel for Project NEON.

Governor: One step at a time, so just again for the purposes of the record. You believe this settlement is in the best interest of the State?

Dennis Gallagher: For the record, I believe this is a settlement that is in the best interest of the State, as well as the property owner.

Governor: And then, perhaps this is an offline question but if you could answer very briefly. Has there been a case that definitively states how you value one of those digital billboards?

Dennis Gallagher: Governor, I wish I could answer that affirmatively. That is one of the great mysteries we are facing. Throughout the United States, they're-valued all over the place. With the technology of a digital billboard, the values have increased dramatically.

Governor: I guess where I'm going is, I'm really pleased to hear that you were able to maintain that sign on that property so that we didn't have to get into that issue. The property owner still has the benefit of the income from that sign and we don't have to deal with the sign company either, is that accurate?

Dennis Gallagher: That is correct.

Governor: Thank you. Madam Secretary, any questions from you?

Secretary of State: No, thank you Governor.

Governor: Thank you very much gentlemen. If there are no further questions, the Chair will accept a motion to approve the cash settlements presented in agenda item 7A and B.

Secretary of State: I make a motion to approve agenda number 7 to approve a cash settlement in A and B.

Governor: Thank you Madam Secretary, I'll second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

Dennis Gallagher: Thank you.

***8. FOR POSSIBLE ACTION – REQUEST FOR TRAVEL POLICY CHANGES**

A. Department of Wildlife

Pursuant to NRS 281.160, the department is requesting Board of Examiners' approval of their updated travel reimbursement policy which includes travel reimbursement rates that are less than US General Services Administration (GSA) rates.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda item number 8, request for travel policy changes. Mr. Wells.

Clerk: Thank you Governor. Pursuant to Subsection 6 of NRS 281.160, the Department of Wildlife seeks approval from the Board of Examiners, to update their travel reimbursement policy which includes travel reimbursement rates that are less than the U.S. General Services Administration or GSA Rates that are used generally for State Employees. For those employees who work in the field for several days or weeks at a time, the Department is proposing a camping, meal reimbursement allowance of \$26.00 a day. \$5.50 for breakfast, \$6.50 for lunch and \$14.00 for dinner, using the same meal times that are used for all other forms of travel. This is a flat rate for any location throughout the State.

Secondly, a camping gear reimbursement allowance to cover personally owned camping gear and equipment such as sleeping bags, camp stoves, propane, trailers, etc., that are used for overnight camping. The requested rate is \$5.00 per day, through June 30, 2016 and then increased to \$10.00 per day starting on July 1, 2016. This is also a flat rate for any location.

Secondly, for any game warden and trainees participating in the mini-academy and field training away from their permanent or temporary housing for more than 24 hours, the Department is proposing to pay a per diem rate equivalent to 50% of the GSA rate starting on July 1, 2016. This would equate to \$23.00 per day for rural Nevada and \$32.00 per day for Clark and Washoe Counties. There are representatives from the Department of Wildlife to answer any questions.

Governor: Mr. Wells, do you know what they're getting now? I would imagine this is going to result in a savings to the State?

Clerk: Governor, I believe that the Department already has a similar policy in place. They are updating this policy and I believe that they currently get the \$5.00 per day. This will increase to \$10.00 per day in July.

Governor: Good morning Director Wasley.

Tony Wasley: Good morning Governor. For the record, Tony Wasley, Director of Nevada Department of Wildlife. What we presently have is a camp rate of \$5.00 a night. We have approximately 250 employees. Approximately 100 of those employees have a significant portion of their time that can be spent in the field and camping. There's a long history in the Department of trying to provide some incentive for those individuals to camp and compensate them. Up until 2007 it was \$2.00 a night. We updated it in September of 2007 and made it \$5.00 a night. Now we're looking to update that policy again with your approval to \$10.00 a night.

Governor: Is part of what you're trying to do is incentivize them to stay out there rather than coming out and going back into town to stay at a motel?

Tony Wasley: Correct. There are huge efficiencies gained in cutting the travel costs, fuel costs, mileage accrual on vehicles and salary time spent traveling—working versus traveling.

Governor: Thank you. Madam Secretary, any questions?

Secretary of State: No Governor, thank you.

Governor: And not to mention, to have them out there at all times, in terms of what's happening on the ground, in terms of what their day-to-day duties are. I have no issues with this. Thank you very much. Madam Secretary, do you have a motion?

Secretary of State: I do Governor. I'd like to move for approval of agenda number 8, the request for travel policy changes for the Department of Wildlife.

Governor: I will second the motion. All in favor, say aye. [ayes around] That motion passes 2-0.

***9. FOR POSSIBLE ACTION – REQUEST TO WRITE OFF BAD DEBT**

A. Department of Business and Industry – Industrial Relations - \$1,145,067.48

Pursuant to NRS 232, as amended by AB 14 of the 2015 Legislature, the Advisory Council to the Division of Industrial Relations requests that the Board of Examiners designate the following

debts as bad debts as they have been determined to be uncollectible by the Office of the State Controller.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move on to agenda item number 9, request to write off bad debt. Mr. Wells.

Clerk: Thank you Governor. Most state agencies turn over their uncollectible debt to the State Controller who has the authority to request the Board of Examiners write off debt that has become impossible or impractical to collect. Bad debt under the purview of the State Controller cannot be removed from the State Books, unless the Board of Examiners designates that bad debt as uncollectible. Prior to the passage and approval of Assembly Bill 14, in the 2015 Legislative Session, the Division of Industrial Relations Advisory Council and the Nevada Gaming Commission, by the affirmative vote of the majority of their respected members, to remove from the records of the name of a debtor and the amount of a tax penalty or interest owed by a debtor if after a period of three years for DRI and five years for the Gaming Commission, they remained impossible or impractical to collect. Assembly 14 amended the respective statutes and requires the DRI Advisory Council and the Gaming Commission to report the debt determined to be impossible or impractical to collect to the Board of Examiners, through the designation of bad debt. Upon that designation, the Clerk will notify the State Controller to remove the debt from the State's books.

At the March 8th meeting, the Board approved a request from the Gaming Control Board to write off bad debt under the provisions of Assembly Bill 14. This is a similar request from the Department of Business and Industry, Division of Industrial Relations, to write off their impractical or impossible to collect debt in the amount of \$1,145,068. There are representatives from the Division available to answer any questions the Board may have.

Governor: Thank you Mr. Wells. Perhaps you can answer this question. You said it's impractical or impossible to collect some of these debts. As I go through the roster of the entities that owe money and none of them are huge sums of money, but in the aggregate they add up to a lot of money. There are a couple in there that are still ongoing concerns. I'd imagine, if they knew they owed this money, even if it is past the statute of limitations, they would probably likely be able to or be willing to pay those. The two that jumped off the page for me were NV Energy and Boyd Gaming. It's like I said, between the two of them, I don't think they add up to more than \$1,000 but at the same time, is it just one of those things that fell through the cracks?

Clerk: I'd prefer not to speak on behalf of the Division, but yes, my understanding would be that there's a threshold that they probably go after for—a minimum threshold they use for sending out and continued collection efforts. My guess is these fell under the minimum threshold and collection activities ceased. Therefore, the statute of limitation expired and now they are considered impractical to collect due to that reason.

Governor: Mr. George, I see you in Las Vegas.

Steve George: How are you?

Governor: Did you have a comment?

Steve George: No, I didn't know if you wanted me to comment on that. So what happens with our debt, we have three of our sections; Workers Comp, OSHA and Mechanical, which is elevators and escalators, that would either have fines, bills that are payable, assessments and such. So, they go through a process of a 30, 60 and 90 day warning to the company. Most of the debt you see on there is because this is old debt and frankly, it happened when the economy was not doing as well as it is now. Most of these are due to bankruptcies or the company going out of business.

In terms of the two you're talking about, I'd have to go back and research specifically, but I have asked about those kinds and our Advisory Council, which are all appointees of yours, certainly asked those same questions. Often the case is, we don't really have a mechanism for being able to get that money. That's part of the reason why we turn it over to the Controller's Office now because we can't do anything with their licensing or anything like that. Its hopeful the Controller's Office may have more success in that then what we would be able to do.

Governor: So, if we approve this, is there another list out there that is getting close to the point where they're beyond the statute of limitations? Are we systematically going through each of these owed monies to make sure that these companies are indeed bankrupt or out of business?

Steve George: As Mr. Wells indicated, this is the first time that we've turned it over. Before, after the 90 days, we would turn it over to the State Controller's Office to see if they could collect it. Then at some point, after the statute of limitations ran out, they would turn the debt back to us. Now as Mr. Wells said, with AB 14, that debt now goes to you guys to approve, as opposed to just our Advisory Council. Yes, this particular one is not just the three years, but other debt over that course of time that we have now put forward to try and have it written off of our books. Every year, we will go through this, by January 15th we're supposed to provide to the budget office a list of any. We'll probably always have some but I'll make the assessment it will be quite a bit lower in the future.

Governor: I'm just trying to understand a little better mechanically how this works. Are you holding on to that debt? I don't want to see it go over to the Controller's Office with one minute to go in the fourth quarter in terms of their ability to collect that money. This, as I said, individually, this isn't a bunch of money but in the aggregate, it starts to add up. As you said, as old as some of this debt is, I'm just curious why we held it so long.

Steve George: Thank you sir. What happens is, they send out letters on 30, 60 and 90 days. At the end of 90 days, if the company hasn't responded, we have always turned it over to the Controller's Office for possible collection by their agency because they have more teeth then we do to do that. Then when they find it, after the three years, no longer being something that can be collected, then it comes back to us. We do try to collect it. Workers Comp at least has the ability, the work with the Contractors Board and they can legally ask the Contractors Board to pull somebody's license. OSHA doesn't have any such mechanism like that. Mechanical, these are mostly for permits for property's elevators/escalators. If they don't get permitted, they'll essentially be written up for that.

Governor: If you're dealing with one of those entities that's within the purview of OSHA and they owe money, there's really no other leverage than a strict debt collection procedure?

Steve George: That is correct sir. We don't have any mechanism in OSHA as we do in Workers Comp to go, as an example, to the Contractor's Board and ask them for assistance in that.

Governor: Sounds like there's a bill in there somewhere. An idea for the next session of the legislature. As I said, with the economy improving and really in terms of when there's money owed, I don't see a legitimate reason why those shouldn't be paid. As you say, if there's no teeth in it, there's really not an incentive for them to pay that. We end up writing it off like we are today. Again, that's a conversation for another day. I just wanted a little more of the background as to how we got where we are. Madam Secretary, do you have any questions?

Secretary of State: No Governor, thank you.

Governor: The motion would be to approve the request to write off bad debt in the amount of \$1,145,067.48.

Secretary of State: Okay, so moved on agenda number 9, Governor.

Governor: The Secretary has moved for approval of the request. I second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***10. FOR POSSIBLE ACTION – LEASES ([Attached as Exhibit 1](#))**

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

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move to agenda item number 10, leases. Mr. Wells.

Clerk: Thank you Governor. There are three leases in Exhibit 1 for approval by the Board this morning. No additional information has been requested by any of the Members. I'd like to point out that Lease number 1 is subject to the IFC approval for the FY17 amount. A work program has been submitted to IFC for the June meeting.

Governor: Madam Secretary, I have no questions. Do you have any questions?

Secretary of State: No Governor, I move for approval of agenda number 10 for the leases.

Governor: Secretary of State has moved for approval of the leases presented in agenda item number 10. I second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***11. FOR POSSIBLE ACTION – CONTRACTS ([Attached as Exhibit 2](#))**

Thirty Four independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move on to agenda item number 11 which are contracts.

Clerk: Thank you Governor. There are 34 contracts listed in Exhibit 2 for approval by the Board this morning. Members have requested additional information on the following: Contract number 8 between the State Public Works Board and Penta Building Group, LLC. Contract number 10, between the Department of Tourism and Cultural Affairs and East West Marketing Corp. China. Contract number 26 between the Department of Wildlife and Invasive Species Action Network. Contract number 27 between the Department of Conservation and Natural Resources, State Parks Division and the Tahoe Regional Planning Agency. Contract number 30 between the Department of Business and Industry, Taxicab Authority and Taxi Research Partners, LLC. Contract number 32 between the Department of Employment, Training and Rehabilitation, Employment Security Division and Bank of America. Contract number 33 between the Public Employees Benefit Program and Hometown Health Plan, Inc. Contract number 34 between the Silver State Health Insurance Exchange and Penna Powers.

Governor: Thank you Mr. Wells. Madam Secretary, do you have any other contracts you wanted held?

Secretary of State: No, Governor, your staff was excellent and helped work through any questions that I had before the meeting, thank you.

Governor: You're very welcome. Let's begin with Contract number 8. Good morning.

Gus Nunez: Good morning Mr. Governor, for the record, Gus Nunez, Administrator with Public Works Division.

Governor: Will you go into a little more detail? This has to do with the Stein Hospital, correct?

Gus Nunez: Yes sir. This basically, as you know the project is completed. Punch list has been completed. We've been working on closing out documents with the contractor. This would be in order to make final payment, this is just taking all the change order requests that were provided -per the request of Public Works and the agency, wraps up the final change order on this project. This will allow us to, once all closeout documents are in, we can make final payment and close out the contract.

Governor: Thank you Mr. Nunez. The point of my asking this to be held out is, there's quite a history here. As you know, that Stein Hospital was closed at one time and there was a need to add more forensic beds as well as civil commitment beds as well. Through the work of a Committee—the Health and Wellness Committee and the recommendations there and the commitment of a substantial amount of money, that hospital is up and running and fully staffed. There has been a tremendous benefit to that. I know that's not really in your sphere of influence, but I want to thank you and the individuals in your Department to make sure that this got done. I've had the opportunity to tour that hospital. I was incredibly impressed with the condition that it's in and the cleanliness and the staff, most importantly. Again, it takes a lot of technical work on your part to get that done. Now, it is, as I say, up and running and serving the individuals who need it.

Gus Nunez: Thank you for the comments.

Governor: Madam Secretary, do you have any questions?

Secretary of State: No Governor.

Governor: Gus, do you know off the top of your head what the all-in number was to get this done? As I said, Stein was closed and now we've rehabilitated it and have it open again. I don't know if your documents reflect that.

Gus Nunez: Yes sir. Governor, for the record, the final number for—and this is just for construction, this doesn't deal with architect/engineers fees and plan checking fees, etc., our fees. Construction, final number for the construction contract was \$5.7 million approximately.

Governor: Thank you. The next agenda item is number 10 with the Department of Tourism and Cultural Affairs. You're on your home turf.

Larry Friedman: Yes, it's very comfortable. Larry Friedman from the Nevada Department of Tourism. I oversee Sales and Industry Partners.

Governor: Mr. Friedman, the reason I asked for this contract to be brought forward, as you know, there's a history here. We had a separate vendor. There was a separation from that vendor. There was a gap of time between when we had an office in China and now we've brought this new vendor on. Could you take us a little bit through that history please?

Larry Friedman: We were the very first State, as you know, to have a memorandum of understanding with the Chinese government. Instead of going a traditional route of hiring a representation firm to make a statement, our Director at the time decided to have an office dedicated to the State of Nevada. We maintain that office and that relationship for over a decade. As things have changed in China and tourism, etc., the belief is that it would be better and the State would be better served to have a specific representative firm, which is what we are now doing. We've gone through the RFP process, as you know, with State Purchasing. The Committee has chosen East West. There is one final piece expected in the termination of our relationship with the previous contractor. One final invoice and then July 1st, we plan to move forward with East West. Some of the strengths that they bring, they have five offices in China. In addition to having an office in Los Angeles, which will be easy for us to communicate with in addition to the receptive operators in Los Angeles are very important to the Chinese visitor and for our businesses. We see this as a great increase in our potential for visitation from China.

Governor: Will its primary function be to obviously market Nevada and how will they do that?

Larry Friedman: There are many different ways. Many of them traditional. Some of them have to do with the development of a website, working with tour operators, working with journalists, conducting sales missions, PR trips. In country and in addition to working with us to bring key tour operators and journalists to Nevada on press trips and familiarization. One of the first things they will do, they will bring journalists and tour operators to the Governor's Global Tourism Summit which will take place in October, which will also require them to participate in a pre-familiarization tour. Take appointments during our marketplace and participate in the conference. One thing that's different in China than our other representation in other countries is that they are also required to work with the Chinese government. They showed through the RFP process and our own knowledge of their work in China that they are very connected with the Chinese government.

Governor: Final question for me is, how will you measure their performance?

Larry Friedman: There are many different ways. Primary are research numbers that are available through organizations such as United States Department of Commerce, Brand USA and

the Las Vegas Visitors and Convention Authority. In addition, we are in constant contact with our industry and are aware of increases from various hotels and destination organizations.

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

Secretary of State: No Governor, thank you very much.

Governor: Thank you Mr. Friedman.

Larry Friedman: Thank you.

Governor: 26 and 27. Good morning gentlemen, my purpose of holding these out is not to question in any way the efficacy of this contract but I think it's really important. I didn't want it to be a routine contract because of the risk of invasive species at Lake Tahoe and throughout the State. If you could talk a little bit about what this contract will do and the relationship with the Tahoe Regional Planning Agency.

Jon Sjoberg: Thank you Mr. Governor. For the record, Jon Sjoberg, Chief of Fisheries for the Department of Wildlife. As you know, we've been coordinating a great deal with the Tahoe Program. Our statewide AIS program has been working essentially under some internal planning processes. The purpose of developing this official statewide AIS management plan serves several purposes. One is to help us increase that level of coordination, cooperation with other programs. This is what's going on in Lake Tahoe. It also will meet federal standards for a statewide AIS plan. We are one of the few states that has not been able to complete a formal AIS plan to Fish and Wildlife Service Standards for several reasons, including available staffing, which will allow us to access additional funding available for planning and implementation.

Governor: Then the second piece, I guess, what do you anticipate? The good news is, Tahoe is filling and I don't know if we're going to get back to where we want to be, but we are going to make some significant progress in that regard. I would expect that you're going to see a lot more use, particularly up in Sand Harbor and at Lake Mead. Not so much at Lake Mead with the water flow, but Tahoe, with those using the boats. I threw it away Mr. Wasley, but I had a license plate I had asked him to put in Lake Mead and I think it was a month or so and it had a tremendous amount of growth on it in that short amount of time which I think the point of all that being, it is definitely a risk. I guess, here's an opportunity for you to talk about how effective that program is throughout the State.

Tony Wasley: Thank you Mr. Governor. I guess there's two points, the two things that I'm most hopeful of accomplishing here is formalizing the coordination and communication that's already occurring with several of our neighboring states. We meet on a regular basis. We have a lot of coordination. This formalizes that coordination. This is a formal management plan.

The second thing is, it makes us eligible for federal funding in a way that we currently aren't eligible, absent that management plan. We will continue to coordinate with Tahoe. We share resources. We share funding.

Part of the reason, as Jon indicated, part of the reason we haven't completed that management plan as of yet is the triage approach that we've had with all hands on deck, making sure that we're doing the vessel inspections, the decontaminations. We have decontamination sites all over the state at this point. We have a significant crew of seasonal employees that come in to man those sites. We're trying to place them strategically at entry points and exit points around

the state. There's a great deal of concern, as you might imagine in the Pacific Northwest. They don't have quagga mussels in the Pacific Northwest. There would be concern not only through the water delivery infrastructure but also what that might do to the salmonid fisheries in that area. There's a great deal of concern, beyond our borders and we want to make sure that we're responsible in not only keeping places like Tahoe clean but also being responsible neighbors to adjacent states, the Pacific Northwest, for example.

Governor: The fact that we didn't have that management plan doesn't suggest that we were deficient in those efforts, but the distinction being that now we have that, we'll be eligible for the federal funding versus having to do it exclusively through the state, is that right? Madam Secretary, any questions from you on this agenda item?

Secretary of State: Governor, no questions. Just a statement that will probably go better with the second one, but as a member of the TRPA, I'm very, very proud of what Nevada is doing and what they have been doing with this aquatic invasive species management plan. They've just done a wonderful job, I'm very proud of them. Thank you.

Governor: Thank you gentlemen. We'll move to Contract number 27. Secretary, I think we covered it. Why don't we go with Contract number 30 which is Business and Industry and Taxi Research Partners. Director Breslow, it's good to see you up and about. I appreciate your attendance today.

Bruce Breslow: Thank you Governor, Member of the Committee. Bruce Breslow for the record. Deputy Terry Reynolds was on the evaluation committee for this. Ron Grogan with the TA should be in Las Vegas to answer any specific questions. Basically, the agency has not been allowed to follow a process over the years to determine recommendations to the Commission on rates, medallions, etc. In the past the Commission just acted and may have had some information but it did not come from the agency. It wasn't unbiased data, studies that showed the true nature of the taxi market in Las Vegas so that the Commission could make decisions based on that kind of data. During the last session, we went to the Legislature and requested funding to be able to do a study, an independent study. Since then, all sorts of other things have happened, but this was the first attempt to do it the right way or the process.

Governor: Director Breslow, I think you must feel like the elephant in the room it is like you said, a lot of things have happened. How will this make that process different? As you know, there was an executive audit of the Taxicab Authority which made some findings. That was disputed by the industry which has hired its own individual to study those issues associated with fuel costs and surcharge on the credit cards. Will this new Taxi Research Partners be able to provide some new information to the process?

Bruce Breslow: Yes Governor. The information that had been provided to the Commission in the past was information that had been handed to someone, never vetted through the agency, not processed by the agency, not presented by the agency. It had somehow—even if it had been presented, I don't have evidence that there ever was one presented to the Commission before they voted. This starts the process, the way it's supposed to be. Which means, here's data, here's stuff, the agency will evaluate it, analyze it, see how it fits with the neighborhood states, the other regions, cities that compare and then they'll make recommendations to the Commission and the Commission will have an unbiased document to work with. It was trying to reset the process. This is unique because this is a Commission that does not have to follow the guidelines that other Commissions follow or that we or the agency asks. Thank God, you had a great new appointment, we have a great new Chair who is working with the agency. I think this will start a

process that we'll have a legacy to move forward from in the future and base some very sound decisions on.

Governor: I want to be precise. You said 'Commission', it is not the Nevada Transportation Commission, it is the Taxicab Authority, correct?

Bruce Breslow: It is the Taxicab Authority, but they don't have another name. The agency is called the Taxicab Authority and the Board or Commission is also called the Taxicab Authority. I tried to just show a difference.

Governor: No, I just wanted to be precise for the record.

Bruce Breslow: Sure.

Governor: Also, in the way of process, this sounds familiar to what happens at the PUC. You have an internal unbiased information that's provided to that Commission or Authority and they have the opportunity to look at it. It is also made public to the industry. The industry has the ability to review that. If the industry disagrees with it, it has the ability to present its own independent information. Then it's up to those five commissioners, now four, as we speak, to review all of that and make a decision based upon that.

Bruce Breslow: Governor, absolutely. Bruce Breslow again for the record. There should be, when you get a study like this, there should be workshops, then analysis, then more workshops. Then a recommendation by the agency to the Taxicab Authority Board. They can take the recommendation, they can modify the recommendation. They can wait and make whatever decision they feel is right. The attempt to get them real data so that they can have workshops, so that they can discuss it, so they can get other input and follow a process. This is really what is needed to kick that off for us.

Governor: Just so I'm clear, this does not change the industry's ability to supply information and be part of that process, correct?

Bruce Breslow: Bruce Breslow again for the record. It doesn't change the industry's opportunity to attend meetings, provide information and testify or present anything they wish to the commission or the agency.

Governor: Let's talk a little bit about Taxi Research Partners and who it is and what they're experience is.

Terry Reynolds: Terry Reynolds, Deputy Director for Business and Industry for the record. There were three companies that actually submitted proposals for this, all fairly qualified but it is a limited pool of individuals that do this type of work. Interesting to note that Dr. Cooper, who was part of the presentation that's before you today was also a proposer and one of the sub consultants under Nelson\Nygaard. It's pretty much a fraternity of individuals that do this type of work and they do it worldwide. All of them have credentials both in the European area, Canada and the United States. We were looking for somebody that could really get to the heart of the issues to look at geographical distribution of taxis. Now the geo-restrictions were taken off, but in practicality, they're still geographical groupings of service areas for the cab industry in Clark County.

In addition to that, we were looking at somebody who was familiar and had done rate studies to look at the effective rates on the market and also to look at the ability to be familiar with trends and issues within, not only the Clark County area, but also what was happening in the rest of the United States and even Europe because of TNCs, Transportation Network Companies. So, we felt that this company was very well versed in these issues, would be able to do the work within the timeframe that we wanted it to be. Nelson/Nygaard was going to be a little bit later. They were about 25% higher, although I think they were highly qualified to do the work too. We selected Taxi Research Partners and they did have—they are setting up a Las Vegas office so they are going to be local to be able to do that work. I think we would've gotten this individual in either of the contracts. I think that they're very versed in being able to handle the issues that we face in southern Nevada with the industry.

Governor: The amount of the contract is \$107,423, is this a one-time task or will they be providing continual services to the Authority?

Terry Reynolds: It's a one-time study based upon a series of areas that they're going to be looking at. They're going to be holding workshops. They're going to be contacting the industry, contacting the public, doing that. Then they'll present a final report, draft report, which will—the Administration and the Taxicab Authority will be able to review before they make the final recommendations. They'll be done as to that period of time. We had recommended when we discussed this with the Legislature that this occur every couple of years. That we keep current with what's going on and provide this kind of baseline information. Not only for the administration of the division but also to the Board.

Governor: Part of what I'm trying to establish here in terms of the record is that, one of the criticisms was the transparency of the process before. If we're going to be bringing in a third party, will there be transparency with regard to this new process?

Terry Reynolds: Terry Reynolds again for the record. Yes sir, it will be. There's milestones in here and workshops to be conducted. They'll have time for comment, both from industry comment and from public comment on their findings as they go through this process. I think that was one of the things that was stipulated with this request for qualifications, request for proposal, to make sure it was a transparent process. That we did get input, not only from the Division but the Authority and the public and the owners of the companies that operate.

Governor: Last question for me and then I'll defer to you Madam Secretary is, when you were presenting this at the Legislative Session, was there any opposition to this?

Terry Reynolds: Terry Reynolds again for the record. No, there was not. I think there was a sense that this is something that had to be done, should be done and it was welcomed to have this type of information as a base for decision making.

Governor: Thank you Mr. Reynolds. Director Breslow, any other comments?

Bruce Breslow: Governor, just one. This is a very rapidly changing sector. By the time we meet again in a year, we may be looking at self-driving taxis, we may be looking at all sorts of things. Getting current information now may be a different kind of information we're looking for in the future, but it's evolving very quickly.

Governor: Thank you. Madam Secretary, do you have any questions?

Secretary of State: Thank you Governor. The only—and again, Governor, you did a great job, you asked all the important questions. I was just curious about the Las Vegas office they were talking about that’s being set up by this, it is a foreign corporation. I’m just wondering where they’re located in Las Vegas?

Ron Grogan: If I may, Ron Grogan, the TA Administrator, Governor. Part of their model is they set up offices in places they’re doing these studies. They’re going to be here for a while. Not only the first half of the project, the first six months or so will be to actually do the analysis. Provide us with a model that we can present to the Board and the industry for implementation. Then, the last piece of the project is to review the implementation of that data. They will set up an office and send people. That was one of the decision considerations, is that they would have people here locally working.

Secretary of State: I think that my question. I’d heard, I think the Director say that they are set up. Are you telling me they’re not here yet?

Ron Grogan: I don’t know that they have a business address here yet, I think they’re waiting to see if the contract is awarded.

Secretary of State: Okay, that’s what I was just wondering, because I had heard—

Ron Grogan: Maybe that’s more than the answer—

Secretary of State: No, no, that’s what I wanted to know. I thought I heard and I wanted to clarify that they were here and did have an office and you’re telling me they’re waiting to find out if they have this.

Ron Grogan: And they do currently have an office in Washington DC, too.

Secretary of State: Okay, Governor, thank you again, for your questions on this. This is one of those areas that I’ve been following through the Legislature, through the newspaper and through the elected officials. Keeping an eye on this is somebody who sat on transportation. I know you did too.

Governor: Thank you Madam Secretary, I believe Mr. Reynolds may have something to add.

Terry Reynolds: Yes, that was—Terry Reynolds for the record. That was part of the proposal that they would set up an office. I believe they were looking at an area around UNLV to be able to set up that office. They had made efforts to establish that office already because they felt they would be working there regardless, if this contract was selected or one of the other proposers was selected that they were part of. They were working on that at the time of the proposal.

Governor: I know where the Secretary is going. She is the Secretary of State and those filings and registrations, they need to be made. I would assume that once this contract is approved today that Taxi Research Partners will take the necessary actions to ensure that they’re properly doing business in the State of Nevada.

Governor.Anything else Madam Secretary?

Secretary of State: No, thank you.

Governor: All right, thank you gentlemen. The next item is Contract 32 which is DETR and Bank of America. Good morning sir.

Scott Kennedy: Good morning. My name is Scott Kennedy. I'm the Chief of Unemployment Insurance Operations for the Employment Security Division.

Governor: I asked this to be held just only so we can have a more public explanation as to what we're doing here.

Scott Kennedy: Currently the agency pays unemployment insurance benefits through a debit card. We have had this program since approximately 2009. We went out to RFP and had two vendors. The existing vendor, Xerox State Local Solutions, and Bank of America bid. We chose Bank of America specifically because of the reduced fees that they will be charging the claimants for the use of the debit cards.

Governor: Do you know what type of security precautions are taken with those debit cards? The process is, if I'm entitled to benefits, I receive a debit card and then once a month there is money that is transferred or deposited into that account.

Scott Kennedy: Actually weekly. Unemployment insurance benefits are paid on a weekly basis. Yes, once you file a claim for unemployment insurance, we notify the company to issue you a debit card. Once they issue you that debit card and then once you're eligible for benefits, we send them a file to put the money on the card. Once we've sent the file to the vendor and the claimant is required to establish a password and a pin on that card, just as they would for a regular debit card or a regular credit card, those funds then belong to the claimant. The money is put on their card and it's up to them to spend it how they wish to spend it.

Governor: You've anticipated where I was going. There are no restrictions on where that individual can spend that money.

Scott Kennedy: No, there are no restrictions.

Governor: Okay. Madam Secretary, any questions?

Secretary of State: Yes, thank you Governor. I was glad that you asked for this one to be held for discussion. I was just interested in the banking fees and I see the explanation on the page. What I was looking at was one of the responses we had gotten, when they go out of network, when they're out of network there is a fee that comes off the user's card. I was questioning that and wondered if there was any discussion to be had by the Department on the out of network charges that the person that's getting the card has to pay. It doesn't come from the vendor, it comes from the person, if they go out of network.

Scott Kennedy: Yes, that is correct. Right now, if the person goes and withdraws money at an ATM machine that is not a Bank of America ATM Machine, they will be charged \$1.25 fee. The other fees that they could possibly have is if they request an expedited card replacement. In other words, they request it be sent the next business day, there's a \$12.00 fee for that. The only other fee being an international fee, if they try to use the card internationally, there's a fee of 2%.

Secretary of State: And, Governor, if I may, are they told, the card users, are they told about the charges upfront, do they know about that?

Scott Kennedy: Yes, we will be sending them massive amounts of documentation about all the fees and everything. These are actually—excuse me.

Secretary of State: That's okay, go ahead and finish and then I'll ask.

Scott Kennedy: These are actually very reduced fees from what we have now with our current vendor. Our current vendor now has a \$1.75 fee for each out of network ATM withdraw. They have a fee of inactivity fee of \$2.50 if you don't do anything for 12 months on the card. All those fees with this new vendor goes away.

Secretary of State: Okay. Which is good, I'm happy about that. I'm just wondering, is there any way to exclude the users of the cards from going out of network with that charge? Or, is that more than we want to get into? The reason I'm asking is just because I still think that some people don't understand about the fees and then they're really surprised when they find out how much has been assessed to their debit card.

Scott Kennedy: I do not believe there is any way to do that. Bank of America operates off of regular banking regulations. These are regular debit cards. Just like you and I would get from our bank. I don't know how they would limit their ability to use an ATM out of network.

Secretary of State: Okay. That's what I wanted to just have clarification, thank you Governor.

Governor: Thank you Madam Secretary. Mr. Kennedy, the current provider is Xerox?

Scott Kennedy: Yes sir.

Governor: When will they be off and Bank of America be on?

Scott Kennedy: Well, we had to extend the Xerox contract through the end of the year, so December 31st and then Bank of America will be starting January 1st.

Governor: Thank you very much. We'll move to Contract number 33 which is PEBP and Hometown Health. Good morning.

Damon Haycock: Good morning Governor. Damon Haycock for the record. Do you want us to go over the contract? Excellent.

Governor: Could you please describe the process that's led up to this contract and what you see happening thereafter.

Damon Haycock: This contract extension is for HMO Services or Health Maintenance Organization Services in Northern Nevada with our current vendor Hometown Health. We needed to extend this contract last fall, around September. We released a request for proposal for HMO Services for the State of Nevada. We put into the overview of the project—if you'll bear with me a little bit to go through the story. There was a preference for statewide services, as well as a consideration for regional offerings. With that, we also allowed for creative proposals to ensure that we would allow every individual entity the opportunity to provide the best services that they do to the state. In hindsight, it appears that that was a little too broad. We were able to receive a multitude of proposals. One vendor bid three different options with six different versions of those options. It was very difficult for the evaluation committee and then

furthermore the Board, the PEBP Board who decide to perform a second level review on this contract, to really compare apples to apples and to get to the bottom of the exact type of services needed. They did select a vendor, a statewide vendor, which we began negotiations with earlier in the spring. However, due to the increased cost to the state and to their families, those increased rates, we did what we could to negotiate them down but we felt it was still not appropriate and it was still too high for the State of Nevada employees, retirees and their dependents to pay those rates. Canceling that RFP was our only other option per Nevada Administrative Code. Worked of course with the Division of Purchasing and we collectively decided it was in the best interest of the State to pull that request for proposal back and to refine it, make it more clear, make it more concise and make it easier to evaluate moving forward. That necessitated a need to extend current HMO contracts to buy us some time to do that sir.

Governor: Just a couple of questions. Will the extension of the current contract maintain the existing rates?

Damon Haycock: Yes, Governor. Through negotiation of this extension, we were able to keep the exact same rates, supplied by Hometown Health, for this plan year, for next plan year.

Governor: Your simple objective is to get the best service and benefits at the lowest price, correct?

Damon Haycock: That is correct Governor. I think I'm known to say, we want high quality healthcare at affordable prices. We take our jobs very seriously in providing the best we can for our State.

Governor: Backing up to this prior process, there would've been a significant increase in rates and premiums for state employees, correct?

Damon Haycock: Yes, that would be correct Governor. There would've been a significant increase. We were able to negotiate that down to a level that was much less, however, it still would've been higher than what we have going forward today.

Governor: How will this new RFP be different? I know you talked a little bit about that but if you could be a little more specific.

Damon Haycock: Well, Governor, next week we're having our PEBP Board Meeting where we will receive final direction, hopefully from our Board, or at least direction on the next steps to develop this RFP. What we want to do is we want to provide clear evaluation criteria. We want to ensure that we prioritize those services for our HMO participants in what is most important. Finally, we want to make sure that it's an apples to apples comparison so that the evaluation can be done a lot smoother. We are working with the Division of Purchasing right now to ensure and promote fair and equal competition for all PEBP contracts.

Governor: And, I know you said this before but I just want to make sure it's clear, the beneficiaries, the State employees won't be affected by this in anyway. They will continue to receive the same services they receive now from these same providers.

Damon Haycock: That is correct Governor. The Hometown Health Plan and also Health Plan of Nevada in the South, which was a no-cost extension, are both going to provide the exact same benefit plan design. The posted rates have been announced back in March.

Governor: Thank you very much. Madam Secretary, any questions?

Secretary of State: No Governor. I just want to thank them for what they're doing. They've come to my office to help explain some of the system and benefits to me. I'm very, very grateful to the PEBP employees, so thank you.

Governor: Thank you very much Mr. Haycock. Final contract is the Silver State Health Exchange. Good morning gentlemen. You can talk a little bit about the contract itself but the point of my asking you to come forward is, the good news is, we didn't hear anything from you since November. That speaks well to the process. I don't know if I have seen a final accounting on how many people enrolled and how the process worked. I was going to give you an opportunity to go through all of that.

Aaron Frantz: Thank you Governor, Madam Secretary. For the record, my name is Aaron Frantz, Finance Officer for the Exchange. With me today is our Community Liaison, Matthew Robertson. Mr. Gilbert is out on Exchange business today so he apologizes for not being in front of you guys today.

The final count for the open enrollment was 88,000 plus enrollees for Nevada. We did not experience any technical operation glitches and we've received high marks from the insurers, the agencies and the brokers and the public for our open enrollment numbers.

Governor: How should I put this, congratulations. It was a rough ocean, that first year. We received a lot of criticism, which was deserved. We had a lot of hiccups. At the end of the day, we needed to fix those and we did. It's a complement to the Silver State Exchange for recognizing where we went wrong, changing vendors and coming on with a new process in a very short amount of time. My only other question is, with regard to the enrollees, 88,000 was a good number. Was that what you anticipated? Was that the benchmark? Was it less or more than what you anticipated?

Aaron Frantz: I believe our Chairman of the Board, she wanted to see 100,000 or she had mentioned 100,000. Mr. Gilbert said that he did not want to be a predictor of any kind of enrollment, but he was just excited to see just an increase of the number of enrollees from plan year 2015 and the increase was a 20% increase from plan year '15 to plan year '16.

Governor: I can't remember the name of the provider off the top of my head, but nationally, it is withdrawing from many other exchanges across the country but that is not the case for Nevada, correct?

Matt Robinson: Governor, Matt Robinson, Community Liaison for the record. That is correct. We'll have United Healthcare through 2017 plan year and revisit them again in 2018.

Governor: When is the next enrollment period?

Matt Robinson: That begins in November of this year and will go through January.

Governor: What is your process between now and then to get ready for that?

Matt Robinson: We're ramping up our offseason enrollment efforts, if you will. We're really reaching out to underserved minority populations, tribal communities, rural Nevada, the self-employed, millennials, in an effort to kind of reach those folks that haven't been reached in a

broad way so far. We're also working with our—we've actually entered into contracts with nine navigator entities and in-person assisters. They'll be a really integral part in getting out into those communities and conducting efficient outreach which will then turn into enrollments come November.

Governor: I was essentially leading you into this contract is that you, Silver State Exchange is going to be very strategic because I would imagine you could identify where your underperforming in terms of those enrollments. That's what you described as the minority communities, the Native American communities, etc.

Matt Robinson: Correct, and the contract that we're discussing today will be funding that, funding those efforts moving forward.

Governor: The point I'm making is that, this isn't just going to be this wide casting net, hoping that we might get improvement. It's going to be strategic in terms of reaching those communities that haven't enrolled as much as you'd hoped for.

Matt Robinson: Correct. This will be very focused. It will really use the people that are in those communities, to do it in such a targeted way.

Governor: Thank you. Madam Secretary, any questions from you?

Secretary of State: No, thank you Governor.

Governor: Thank you very much gentlemen. Any other questions with regard to Contracts 1-34?

Secretary of State: Can I just make one comment Governor?

Governor: Of course.

Secretary of State: I just want to thank you for the Washington DC office. I know over the years there's been talk at the Legislature and I just want to state that, not only Ryan McGinnis but others you've had there, it is a very worthwhile office and they have helped many times when I've gone out there to meet the congress or senate representatives of Nevada, but also other functions that are going on. Thank you very much for that. I know we didn't bring it up for an issue, but I did want to comment on it.

Governor: I appreciate you bringing that up, Madam Secretary. I'll add on, Mr. McGinnis and his staff have done an extraordinary job. The relationships that they have with the White House and the various cabinet agencies and the individuals therein have been invaluable in terms of our ability to communicate Nevada-centric issues, as well as advocacy on Capital Hill too. It's pretty impressive and I'm in fact surprised myself, the depth of relationships and access that we have a result of Mr. McGinnis and his staff. I appreciate your bringing that up because this truly is money well spent on behalf of the people of the State of Nevada.

If there are no other questions or comments, the Chair will accept a motion to approve the Contracts 1-34 as presented in agenda item number 11.

Secretary of State: Okay, Governor, so moved to approve agenda item number 11, Contracts 1-34.

Governor: Thank you Madam Secretary. I'll second the motion. All in favor say aye. [ayes around] That motion passes 2-0.

***12. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENT ([Attached as Exhibit 3](#))**

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

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: We'll move on to agenda item 12, master service agreements, Mr. Wells.

Clerk: Thank you Governor. There is one Master Service Agreement in Exhibit 3 for approval by the Board this morning. No additional information has been requested by any of the members.

Governor: I have no questions. Madam Secretary, is there a motion?

Secretary of State: Yes, I move for approval of agenda item number 12 for the Master Service Agreement.

Governor: I second the motion. All in favor, say aye. [ayes around] That motion passes 2-0.

13. CONTRACTS APPROVED BY THE CLERK OF THE BOARD ([Attached as Exhibit 4](#)) - INFORMATION ITEM

Pursuant to NRS 333.700, subsection 7 (a), 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 March 22, 2016 through April 19, 2016.

Fourty independent contracts were submitted to the Board for review.

Comments:

Governor: We'll move on to agenda item 13, contracts approved by the Clerk of the Board, Mr. Wells.

Clerk: Thank you Governor. There were 40 contracts under the \$50,000 threshold approved by the Clerk between March 22nd and April 19th of 2016. This item is informational only and no additional information has been requested by any of the members.

Governor: I have no questions. Madam Secretary?

Secretary of State: I have no questions.

14. INFORMATION ITEM

A. Department of Motor Vehicles – Complete Street Program

Pursuant to NRS 482.480, Subsection 11, the Department of Motor Vehicles shall certify to the State Board of Examiners the amount of the voluntary contributions collected for each county by the department and its agents, and that the money has been distributed as provided in statute. This report is for the period beginning July 1, 2015 and ending March 31, 2015.

Comments:

B. Complete Street Program Uses

Per the Governor's request during the November BOE meeting, a letter was sent to Clark and Washoe counties and Carson City Consolidated Municipality requesting a report on how the Complete Streets Program funds are being utilized. This report is for all funds received through March 2015.

Comments:

Governor: We'll move on then to agenda item number 14 which is an information item for DMV, the Complete Street Program and the use of those funds. Mr. Wells.

Clerk: Thank you Governor. There are two reports, as you mentioned. The first is from the Department of Motor Vehicles on the voluntary contributions collected by county pursuant to NRS 482.480, also known as the Complete Streets Program. This report covers the period of July 1, 2015 through March 31, 2016. There is a typo in the agenda that says 2015, it is through March 31, 2016. During the third quarter, ending March 31st, the Department collected \$77,176. Slightly higher than the amount they collected in the second quarter and very comparable to what they collected in the first quarter. Of that amount, just over 80% was from Clark County. Just under 17% from Washoe County. Approximately 3% was from Carson City. After deducting the 1% to administer the collections, the Department distributed \$76,404 to the three counties. \$61,532 to Clark County. \$12,587 to Washoe County. \$2,285 to Carson City. Approximately 13.6% of those registering vehicles during the three quarters reported ranging from 10.9% in Washoe County to 14.3% in Clark County. Year to date, the program has distributed \$218,699.

The second report is a report on the uses of the Complete Street Funds by the three recipient counties. Carson City will be using its funds on the Downtown Carson Corridor Project that's going on out front of this building. Washoe County is planning to use them for Safe Route to School Programs in the current fiscal year. Clark County is using them for a Share the Road Signage Program in Mesquite and bike lanes and pedestrian upgrades at several major streets around the City of Las Vegas. The City of Mesquite has purchased the signs and they're said to be installing them in the fourth quarter of this fiscal year.

Governor: Thank you Mr. Wells. I see the Director is here but this is very thorough. What a great program. It's good to see that the dollars don't spend much time in the account and they're put out there for the intended purpose. Madam Secretary, any questions or comments?

Secretary of State: No. None at all, agree with you, thank you Governor.

15. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Comments:

Governor: We'll move to agenda item 15 which are board member comments or public comments. Is there any public comment from Carson City? Is there any public comment from Las Vegas?

Secretary of State: There is none Governor.

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

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State **Seconded By:** Governor **Vote:** 2-0

Comments:

Governor: Madam Secretary, is there a motion to adjourn?

Secretary of State: I move that we adjourn the Board of Examiners meeting today, thank you.

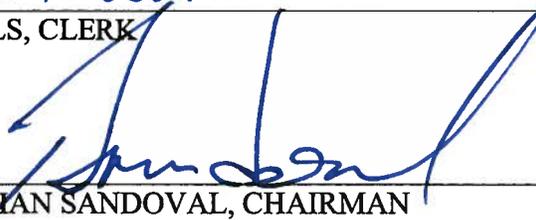
Governor: I second the motion. All in favor say aye. [ayes around] Thank you Madam Secretary. Thank you ladies and gentlemen.

Secretary of State: Thank you Governor.

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED:


GOVERNOR BRIAN SANDOVAL, CHAIRMAN



SECRETARY OF STATE BARBARA K. CEGAVSKE