

Governor Steve Sisolak
Chairman

Susan Brown
Clerk of the Board



Attorney General Aaron D. Ford
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

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<http://budget.nv.gov/Meetings>

MEETING MINUTES

Date and Time: December 8, 2020, 10:00 AM

Location: *Pursuant to the Governor's Emergency Directive 006, as extended, there will be no physical location for this meeting. This meeting can be viewed on YouTube. The link will not go live until 10:00 am*

https://www.youtube.com/channel/UCF8zpKli9VhMDNVq_GsEYuQ/live

MEMBERS PRESENT:

Governor Steve Sisolak
Secretary of State Barbara Cegavske – on the phone
Attorney General Ford – on the phone

STAFF PRESENT:

Susan Brown, Clerk of the Board
Dale Ann Luzzi, Board Secretary
Rosalie Bordelove, Board Counsel

OTHERS PRESENT:

Ward Patrick, Administrator, State Public Works Division, Department of Administration
Patricia Adkisson, Member of the Public
Fred Voltz, Member of the Public

1. Call to Order / Roll Call

Governor: I would like to call to order today's meeting for December 8, 2020 of the State of Nevada, Board of Examiners, to order. Could I ask the Clerk to take the roll, please?

Board Secretary: Governor Sisolak.

Governor: Here.

Board Secretary: Secretary of State Cegavske.

Secretary of State: I'm here.

Clerk of the Board: Attorney General Ford.

Attorney General: Here.

Board Secretary: Let the record reflect we do have a quorum.

Governor: Thank you. We do have a quorum.

- 2. Public Comment** (The first public comment is limited to comments on items on the agenda. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes).

Governor: This is item number 2, *Public Comment*. This is the first time set aside for public comment. Anyone wishing to address the Board on any item on today's agenda, please identify yourself for the record and comments will be limited to three minutes.

Do we have anybody for Carson City?

Clerk of the Board: We do not.

Governor: Do we have anybody for Las Vegas?

Public Comment: Patricia Adkisson (Attachment A)

Governor: Thank you very much for your comments.

Do we have anybody else for public comment? Hearing and seeing none. I will close the public comment.

- 3. Approval of the November 10, 2020 Minutes** (For possible action)

Governor: I will move on to item number 3, *Approval of the November 10, 2020 Minutes*.

Secretary of State: Move for approval.

Governor: We have a motion on the floor to approve the minutes. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

4. State Vehicle Purchases (For possible action)

Pursuant to Nevada Revised Statute NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the State Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Conservation & Natural Resources – Nevada Division of Environmental Protection	1	\$35,662
Department of Veterans Services	1	\$43,402
Total	2	\$79,064

Governor: Item number 4, *State Vehicle Purchases*.

Clerk of the Board: There are two requests for vehicles in this agenda item. The first request is from the Department of Conservation and Natural Resources, Division of Environmental Protection to purchase one replacement vehicle for \$35,662. The vehicle meets the age and mileage requirements in the State Administrative Manual. This vehicle was funded in the agency’s legislatively approved budget.

The second item is from the Department of Veteran’s Services to purchase one replacement vehicle for \$43,402. The vehicle being replaced meets the age and mileage requirements in the State Administrative Manual and this vehicle was also funded in the agency’s legislatively approved budget. Are there any questions on these items?

Governor: I do not have any questions on these items. Do we have any questions, Secretary or Attorney General?

Secretary of State: No.

Attorney General: Not here.

Governor: Do I have a motion?

Secretary of State: Move for approval.

Governor: Thank you. We have a motion for approval. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

5. Authorization for an Emergency Contract with a Current and/or a Former State Employee (For possible action)

State Controller's Office

Pursuant to NRS 333.705, subsection 4, the State Controller's Office seeks a favorable recommendation regarding the Department's determination to use the emergency provision to contract with former employee Brenda Laird to perform Comprehensive Annual Financial Report duties through Master Service Agreement #18405 between State Controller's Office and Marathon Staffing Group, Inc.

Governor: Item number 5, *Authorization for an Emergency Contract with a Current and/or Former State Employee.*

Clerk of the Board: Item number 5 contains one request from the State Controller's Office seeking favorable recommendation from the Board on their use of the emergency provisions in NRS 333.705 to contract with a former employee. The Department contracted with this employee through Marathon Staffing Group from November 16 through March 12, 2021. The former employee will provide assistance in the preparation of the State Comprehensive Annual Financial Report.

Governor: Do we have any questions on item number 5?

Secretary of State: Move for approval.

Governor: We have a motion for approval on item number 5. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

6. Authorization to Contract with a Current and/or a Former State Employee

Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Nevada Department of Transportation requests authority for HDR, Inc. to engage Troy Martin as a Lead Structural Engineer on their team for the preliminary engineering on Phase 2 of the Reno Spaghetti Bowl Project.

Pursuant to NRS 333.705, subsection 1, the Department of Transportation requests authority for Atkins North America, Inc. to engage L. Ron Dietrich to be a Project Manager who will provide right-of-way support services including professional advice for condemnation coordination and training for the Department.

Governor: Item number 6, *Authorization to Contract with a Current and/or Former State Employee.*

Clerk of the Board: Item 6 includes two requests to contract with former employees pursuant to NRS 333.705, subsection 1. Both of these requests are from the Department of Transportation. The first item is to contract with a former employee to provide lead structural engineer services for the preliminary engineering on Phase 2 of the Spaghetti Bowl Project in Reno. This individual is employed by HDR, Inc. Engineering Company.

The second individual will provide Project Manager services for right-of-way support and will be employed by Atkins North America. Are there any questions on this item?

Governor: Do we have any questions on item number 6? Do I have a motion?

Attorney General: Move approval.

Governor: We have a motion on item number 6. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

7. Request for a recommendation of Approval to the Interim Finance Committee for an Allocation Amount from the Contingency Account (For possible action)

A. Department of Conservation & Natural Resources – Division of Forestry

Pursuant to NRS 353.268, the Department requests the Board's recommendation to the Interim Finance Committee (IFC) for \$2,463,625 from the IFC Contingency Account to cover emergency response expenses within the Forest Fire Suppression account.

B. Governor's Finance Office – Board of Examiners

Pursuant to NRS 353.268, the Governor's Finance Office on behalf of the Board of Examiners requests the Board's recommendation to the Interim Finance Committee (IFC) for an allocation of \$500,000 from the IFC Contingency Account to replenish the State Claims account through June 30, 2021.

Governor: Item number 7, *Requests for a Recommendation of Approval to the Interim Finance Committee for an Allocation Amount from the Contingency Account.*

Clerk of the Board: This item includes two requests for a positive recommendation to the Interim Finance Committee Pursuant to NRS 353.268. The General Fund contingency account has an approximate balance of \$11.4 million to cover unanticipated costs for the remainder of the 2019 to 2021 biennium. If these items are approved, the remaining balance in the account will be approximately \$8.4 million. The first request is from the Department of Conservation and Natural Resources, Forestry Division for an allocation of \$2,463,625 to cover costs for emergency response expenses within the Forest Fire Suppression account.

Governor: Let's take them separately. Do we have any questions on 7-A?

Attorney General: None here.

Governor: Do I have a motion on 7-A then?

Attorney General: I move approval.

Governor: Okay. We have a motion for approval on item number 7-A for Department of Conservation and Natural Resources, Forestry Division. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

Item number 7-B, *Governor's Finance Office, Board of Examiners.*

Clerk of the Board: The second request is from the Governor's Finance Office on behalf of the Board of Examiners for an allocation of \$500,000 to replenish the State Claims account. The reason for this request is so that State Claims can continue to be paid for the remainder of this fiscal year. Are there any questions on this item?

Governor: I do not have any questions. Do we have any questions on item 7-B?

Attorney General: None here. I move approval.

Governor: We have a motion for approval. Is there any discussion? All in favor signify by saying aye. The motion passes.

Governor: Susan, I'm going to interrupt you, I apologize. I should have said this at the beginning. I want to thank you; I've had some backup material on items and anytime I have a question, your staff is great at getting back to us with the information that we ask about. I know my colleagues on this Board feel the same way. So, thank you, especially to you and your staff for doing such a great job in helping us prepare.

8. Request to Pay a Court Order

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.

Department of Employment, Training and Rehabilitation

The Department has been ordered to pay the fees for professional services and administrative costs related to the work performed by the Special Master related to court case CV20-00755. The Department requests approval to pay the Interim Order Awarding Special Master's Fees and Costs in the amount of \$42,507.27.

Governor: Item number 8, *Request to Pay a Court Order.*

Clerk of the Board: Item number 8 is a request for approval of a court-ordered payment of \$42,507.27 for professional services and administrative costs related to work performed by the Special Master in Case CV20-00755 regarding a dispute concerning unemployment compensation for eligible unemployed Nevadans. This request is from the Department of Employment, Training and Rehabilitation. Are there questions on this item?

Governor: Do we have any questions on the court-ordered payment?

Attorney General: None here. I move approval.

Governor: We have a motion for approval. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

9. Request for Approval to Join or Use Other Government's Contract
(For possible action)

Department of Motor Vehicles

Pursuant to Nevada Administrative Code NAC 333.175, the Department requests approval to participate in an amended Kentucky Transportation Cabinet/Division of Motor Carriers contract with Explore Information Services, LLC to provide access to an existing and fully operational International Fuel Tax Agreement system. The contract that the Department currently participates in has been amended by the other parties. This amendment would increase the maximum amount from \$667,464.52 to \$959,693.77 through December 26, 2022.

Pursuant to NAC 333.175, the Department requests approval to utilize the Department of Public Safety contract with Management Technology Group to provide quality assurance, senior advisory and change management services.

Governor: Item number 9, *Request for Approval to Join or Use Other Government's Contracts*.

Clerk of the Board: This item includes 2 requests from the Department of Motor Vehicles (DMV). The first item is a request to participate in the amended Kentucky Transportation Cabinet/Division of Motor Carriers contract with Explore Information Services for the International Fuel Tax Agreement System. The Department has been a party to this contract. Due to an amendment by the Kentucky Transportation Cabinet.

The second item is also a request from the Department of Motor Vehicles to utilize a Department of Public Safety contract with Management Technology Group to provide quality assurance, advisory and change management services to support the overall DMV transformation of its systems, environment and business structure. Are there any questions on these items?

Governor: I do not have any questions on this. Do we have any questions on item number 9?

Attorney General: None here. Move approval.

Governor: We have a motion for approval. Is there any discussion? Hearing and seeing none. All in favor signify by saying aye. The motion passes.

10. Approval of Proposed Leases (For possible action)

Governor: Item number 10, *Approval of Proposed Leases*.

Clerk of the Board: Item number 10 includes 9 leases for approval by the Board today. Are there any questions on any of these items?

Governor: I have a question on item number one with the five percent annual rate increases from Meow, LLC. My concern is that it is a four-year lease with a five percent per year increase each year compared to the other leases on this agenda that are nowhere near as rich. So, I know you're going to check on that one.

Clerk of the Board: The reason for the increase, per the information that we received from Buildings and Grounds (B & G), was that utilities for this building are going up and this is keeping in line with the increased cost to the landlord to cover those costs.

Governor: How is that different than every other lease though? Aren't utilities going up for everybody?

Clerk of the Board: It is my understanding that they are seeing this where utilities are going up and they are working with the landlords on those price increases. This particular lease, it's my understanding, is under the market rate, not that that's necessarily why the five percent increase is there. I don't have a response on that from the agency with me. B & G could give more information on this question.

Governor: My concern is that it's 15 percent over three years, so, do we have somebody from B & G to answer a question? What do you guys think about this one? Looking at other ones, they're zero to two percent annually.

Secretary of State: I think we should hold it, Governor.

Governor: Okay. Also, I've got a letter from them that basically says that costs are increasing and they believe it's due to COVID-19. Go ahead. Do I have somebody on the phone?

Ward Patrick: Good morning, Governor. Thank you, Governor and Members of the Board. We have comparable prices as always on these leases and these comparable prices are averaging \$1.35 and we have about seven or eight items on that list of \$1.35 per square foot per month. The actual starting rate here is \$0.87 per square foot, per

month. This is a little bit of an unusual lease in that it's a combination of warehouse space as well as office space. This is in Las Vegas and because of the comparable, this is seen as a bit of a loss leader for the lessor. While we're concerned about the five percent, at the end of the term, this will still be below current market rates. So, I would provide that information to you all.

I would point out that due to the recent audits, we're asking for lease requests from the agencies a year in advance which will enable us to do a greater level of negotiation. So, this lease would not need to be renewed until April 1, 2021. So, if it's unacceptable to approve the lease below current market rates, we could endeavor to continue negotiations because it's not needed to be enacted until spring. Thank you.

Secretary of State: Governor, I would instruct them to continue to negotiate because I am with you, I think 15 percent is very high and I think it would behoove us to have them go in and negotiate more instead of just leaving it at five percent each year.

Governor: Okay. Attorney General, are you good with that?

Attorney General: Let me ask a question. I just don't know the answers relative to the Coronavirus Aid, Relief and Economic Security (CARES) Act funding. Is there any implication of CARES Act funding that is involved with this particular lease? Just asking so that we could know for certain and we don't risk anything on that front.

Ward Patrick: Public Works and Buildings and Grounds are unaware of any CARES Act Funding related to this item.

Attorney General: Alright, well, if there's no concern in that regard, then I can accede to the Secretary's request.

Governor: Alright, that being the case, I'm going to go ahead and approve the leases with the exception of the first lease with Meow, LLC.

Give direction, go back and talk to the landlord and see what we're doing here. I mean, obviously, we can't keep paying five percent per year increases.

Clerk of the Board: Yes, we will give that direction to the agency.

Governor: Do I have a motion to approve the proposed leases except for number one, Meow, LLC?

Attorney General: So, moved.

Governor: We have a motion on the floor for approval except for item number one, which we're going to bring back. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

11. Approval of Proposed Contracts (For possible action)

Governor: Item number 11, *Approval of Proposed Contracts*.

Clerk of the Board: There are 35 contracts in agenda item 11 for approval by the Board this morning. Contract #11 with Governor's Office of Economic Development and the National Council for Community Development – I would just note that the correct amount is a reduction of \$10 million. Contract #20, the Department of Health and Human Services and Public Consulting Group has been withdrawn by the agency. Contracts 9, 12, 13, 21 and 28 are contingent upon funding being approved by IFC at their meeting on December 18, 2020. We will hold these in our office until the funding is approved for the contracts. Are there questions on these items?

Governor: Do I have a motion to approve this agenda item with the mentioned amount correction on item number 11 and the exception of number 20, which has been withdrawn, and contracts 9, 12, 13 and 21 contingent on IFC approval?

Attorney General: Yes, so moved.

Governor: Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

12. Approval of Proposed Master Service Agreements (For possible action)

Governor: Item number 12, *Approval of Proposed Master Service Agreements*.

Clerk of the Board: There are 4 master services agreements on item 12 for approval by the Board this morning. Are there any questions on these items?

Governor: No questions here. You've answered mine. Do we have any questions on this?

Secretary of State: I have none.

Governor: Do we have a motion on this item?

Attorney General: Move approval.

Governor: We have a motion for approval. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes.

13. Information Item – Clerk of the Board Contracts

Pursuant to NRS 333.700, 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 October 20, 2020 through November 16, 2020.

Governor: Item number 13 is the *Clerk of the Board Contracts*. This is information only. Does anyone have any questions?

Clerk of the Board: Are there any questions on any of these 31 contracts that were approved by the Clerk?

Attorney General: None here.

Governor: Not hearing any questions, Susan.

14. Information Item Reports

A. Department of Conservation and Natural Resources – Division of State Lands

Pursuant to NRS 321.5954, Subsection 4, the State Land Registrar is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act Program. Pursuant to Chapter 355, Statutes of Nevada, 1993, on page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the 1st quarter of fiscal year 2021.

B. Statewide Quarterly Overtime Report – Fiscal Year 2021 1st Quarter

Pursuant to NRS 284.180, the Department of Administration, Division of Human Resource Management must prepare and submit quarterly to the Budget Division of the Office of Finance a report regarding all overtime worked by employees of the Executive Department during the quarter. The Budget Division shall transmit quarterly to the Board of Examiners the report and the analysis of the Budget Division regarding the report. The Budget Division submits the 1st Quarter Overtime Report and analysis for Fiscal Year 2021.

Governor: Item number 14, *Information Item Reports*.

Clerk of the Board: There are two informational reports under this item. The first is from the Department of Conservation Natural Resources, Division of State Lands which is a report regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act Program as well as a quarterly report on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program, which is required pursuant to NRS 321.5954 and Chapter 355. This report is for the quarter ending September 30, 2020 and there were no acquisitions of land in this quarter. There were three transactions under the Lake Tahoe Mitigation Program resulting in 245 square feet of restored land coverage and an increase of \$6,247.50 for the Nevada Land Bank. Are there any questions on that item?

Governor: I do not have any questions. Does anyone have any questions on 14-A?

Attorney General: None here.

Secretary of State: No, Governor.

Governor: Alright – Item 14-B.

Clerk of the Board: Moving on to the second report. This is a report on overtime and accrued compensatory (comp) leave for the first quarter of fiscal year 2021. My staff has summarized the report into a two-page summary, so I am not going to read the details but I will hit a couple of highlights.

For fiscal year 2021, overtime pay and compensatory leave account for a total of approximately \$15.2 million or 5.83 percent of total pay. This is a 17.39 percent increase from the first quarter of fiscal year 2020. The Department of Corrections had the highest amount of overtime and comp time at \$4.63 million or 12.05 percent of their base pay, \$1.72 million of this overtime can be attributed to COVID-19. This is followed by the Department of Health and Human Services at \$3.28 million or 4.42 percent of base pay and the Department of Public Safety at \$2.19 million or 10.37 percent of base pay, which is a 12 percent increase over fiscal year 2020. For the first quarter, as a percentage of base salary, the Department of Veteran’s Services had the highest overtime at 17.37 percent, followed by the Department of Conservation and Natural Resources at 12.52 percent and then the Department of Corrections at 12.05 percent. Are there questions on this item?

Governor: How much of this, if any, were we able to recoup through CARES Act dollars?

Clerk of the Board: The overtime for the Department of Corrections, the \$1.72 million, will be recouped through the Coronavirus Relief Funds.

Also, for Health and Human Services, there is \$1.29 million of overtime that is related to COVID-19. I have not reviewed their requests for reimbursement from Coronavirus Relief Funds but those are potential candidates, depending on the original funding source. It looks like a large part of that is with the Division of Welfare, Field Services and a lot of their overtime, at this point, is attributed to helping out at the Department of Employment,

Training and Rehabilitation and those costs will be reimbursed through the Coronavirus Relief Funds.

Governor: Right. Thank you. I appreciate all of your answers to my questions. Do we have any further questions on this item? That completes this agenda.

15. Public Comment (This public comment period is for any matter that is within the jurisdiction of the public body. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes.

Governor: *Public Comment.* This is the second time set aside for public comment. Anyone wishing to address the Board on any item, please step forward, identify yourself for the record and comments will be limited to three minutes. Do we have anybody for Carson City?

Clerk of the Board: We do not.

Governor: Do we have anybody for Las Vegas?

Public Comment: Fred Voltz (Attachment B)

Governor: Thank you.

16. Adjournment (For possible action)

Governor: Moving on to item number 16. Do we have a motion to adjourn?

Attorney General: So, moved.

Governor: We have a motion on the floor. Is there any discussion on the motion? Hearing and seeing none. All in favor, signify by saying aye. The motion passes. Thanks, everybody. Happy Holidays, Merry Christmas.

Attachment A

Attachment B