

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

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298
Phone: (775) 684-0222 / Fax: (775) 684-0260
<http://budget.nv.gov/Meetings>

MEETING MINUTES

Date and Time: July 13, 2021, 10:00 AM

Location: Old Assembly Chambers of the Capitol Building
101 North Carson Street
Carson City, Nevada 89701

Video Conference Location: Grant Sawyer Building
555 East Washington Avenue, Suite 5100
Las Vegas, Nevada 89101

MEMBERS PRESENT:

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

STAFF PRESENT:

Susan Brown, Clerk of the Board
Dale Ann Luzzi, Secretary

OTHERS PRESENT:

Andrew Clinger, Nevada System of Higher Education, Chief Financial Officer

1. Call to Order / Roll Call

Governor: I would like to call to order today's meeting for July 13th, 2021 of the State Nevada Board of Examiners. 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.

Board Secretary: Attorney General Ford?

Attorney General: Here.

Board Secretary: Let the record reflect 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: Thank you. Moving on to item number two, *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 step forward, identify yourself for the record and comments will be limited to three minutes. Do we have any public comment in Southern Nevada?

Attorney General: No.

Governor: Do we have any public comment up north?

Board Secretary: No.

Governor: Are there any phone calls?

Board Secretary: No.

Governor: Thank you. I'll close public comment.

3. Approval of the May 19, 2021, May 25, 2021 and June 8, 2021 Meeting Minutes (For possible action)

Governor: I'll move on to item number three, *Approval of the May 19, 2021, May 25, 2021 and June 8, 2021 Meeting Minutes*.

Attorney General: I move approval.

Governor: We have a motion for approval on all three sets of 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/Leases (For possible action)

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.

State Vehicle Purchases

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Board for the Regulation of Liquefied Petroleum Gas	1	\$20,000
Total	1	\$20,000
State Vehicle Leases		
AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Public Safety – Highway Patrol – Highway Safety Grant Account	5	\$68,357
Total	5	\$68,357

Governor: Moving on to Agenda Item 4, *State Vehicle Purchases and Leases*.

Clerk of the Board: Good morning. There are two requests for vehicles in this agenda item. The first request is from the Board for the Regulation of Liquefied Petroleum Gas to purchase one replacement vehicle for \$20,000. The vehicle that is being replaced meets the age requirements in the State Administrative Manual and the Liquid Petroleum Gas Board is self-funded.

The second request is from the Motor Carrier Safety Assistance Program to lease five vehicles at a cost of \$68,357 per year. The term of the lease is three years and there is a mileage requirement on these vehicles.

Are there any questions on these items?

Attorney General: I do have one.

Governor: We have a question from General Ford.

Attorney General: Just curious about the Highway Patrol vehicle that's going to be used by commercial vehicle inspectors. I understand it's going to be a lease from the Carson City Toyota. My only concern is whether the state using this might exceed the yearly mileage allocations of the lease, which I believe could involve additional costs to the state. I wonder if anybody could speak to that.

Clerk of the Board: Yes, the current lease is expired so, they've returned those vehicles and it is my understanding that none of those vehicles have met that mileage requirement.

Attorney General: We have precedent that we should be able to stay under the mileage limitations – is what I'm hearing you say?

Clerk of the Board: That is correct.

Attorney General: Very good. I have no further questions.

Governor: Thank you.

Obviously, we've run an analysis on leasing versus purchasing vehicles, correct?

Clerk of the Board: We are looking into that for this agency. The preference would be for them to purchase the vehicles or to lease from the Fleet Services Division. Fleet Services Division, at this time, does not have vehicles available for long-term lease and would have to purchase those vehicles. Due to the funding source, if the agency were to purchase these, there would be additional steps that would take several months to go through the process, is my understanding.

Governor: Alright, do I have a motion on Agenda Item 4 for the two agencies' purchase and leases of vehicles.

Attorney General: I move approval.

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

5. Request to Pay a Cash Settlement (For possible action)

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 Transportation

The Department requests settlement approval in the total amount of \$18,500,000 to fully and finally settle a matter that began with a complaint in inverse condemnation filed by First Presbyterian Church of Las Vegas, dba Grace Presbyterian in the Eighth Judicial district Court on July 17, 2018 and which was set to go to a jury trial on May 24, 2021 had the matter not been settled.

Governor: Agenda Item 5, *Request to Pay a Cash Settlement*.

Clerk of the Board: Item number five is a request from the Department of Transportation for approval of a settlement agreement between First Presbyterian Church of Las Vegas, Nevada doing business as Grace Presbyterian Church and the State of Nevada in the amount of \$18.5 million. This cost would be paid from the Highway Fund and reimbursement will be sought from the Federal Highway Administration. There are representatives from the Department of Transportation here today to answer any questions.

Governor: I appreciate it, Director Brown. You gave me a great briefing on this one, so I'm fully aware of this one and think it's in our best interest so, I don't have any questions.

Secretary of State: I have a statement, Governor. I'd like to make a disclosure. While I personally don't have an interest in the matter under consideration in Agenda Item 5, I must disclose that one of my staff is a member of the Grace Lutheran Church and sits on their board of directors. I do not feel I can be impartial in this vote and therefore, will abstain from this vote. Thank you.

Governor: Thank you very much for that disclosure. Any questions, General Ford?

Attorney General: I just want to get clarification, if I could? Secretary Cegavske, you mentioned Grace Lutheran. I just want to be certain that you knew this was Grace Presbyterian. Does your conflict still apply?

Secretary of State: Yes, it does. If I gave the wrong name on my disclosure, I apologize for that.

Attorney General: Very good.

I move approval.

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

Aye.

Attorney General: Aye.

Governor: All abstaining?

Secretary of State: Abstain.

Governor: Secretary Cegavske abstained. The motion passes.

6. Requests for the Allocation and Disbursement of Funds for Salary Adjustments (For possible action)

The 2019 Legislature, through Assembly Bill 542, Section 3, made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet salary deficiencies that may be created between the appropriated money of the State’s respective departments, commissions, and agencies and the salary requirements for the personnel of those departments, commissions, and agencies. The Board of Examiners, upon recommendation of the Director of the Governor’s Finance Office, may allocate and disburse amounts, from the appropriate fund, to the departments, commissions and agencies of the State for the purpose of paying personnel salary deficiencies.

The following department, commission and/or agency requests for allocations from the General Fund and/or Highway Fund salary adjustment accounts are recommended by the Director of Finance:

	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT
2980	University of Nevada Reno	\$3,149,393
2982	UNR School of Medicine	\$487,396
2983	Intercollegiate Athletics UNR	\$25,329
2985	Statewide Programs – UNR	\$81,308
2987	University of Nevada Las Vegas	\$2,470,225
2989	Agricultural Experiment Station	\$79,159
2990	Cooperative Extension Service	\$89,220
2992	UNLV Law School	\$208,548
2994	Great Basin College	\$272,588
3001	Statewide Programs - UNLV	\$29,770
3002	UNLV Dental School	\$292,959
3003	Business Center North	\$33,841
3004	Business Center South	\$29,568
3005	NV State College at Henderson	\$275,800
3010	Desert Research Institute	\$110,896
3011	College of Southern Nevada	\$1,504,915
3012	Western Nevada College	\$239,077
3014	UNLV School of Medicine	\$403,275
3018	Truckee Meadows Community College	\$631,471
3221	Laboratory and Research	\$26,952
	Total	\$10,441,690

Governor: Agenda Item 6, *Requests for the Allocation and Disbursement of Funds for Salary Adjustments.*

Clerk of the Board: Sections 4, 5, 6, and 7 of Assembly Bill 542 from the 2019 Legislative Session appropriated Salary Adjustment Funds to the Board of Examiners to cover a 3% cost-of-living adjustment (COLA) that was effective July 1st of 2019. These funds were not included in agency budgets. An agency whose actual salaries exceed their budgeted amount due to these COLAs is allowed to request salary adjustment dollars from the Board of Examiners. This item requests access to these funds by the various institutions and accounts within the Nevada System of Higher Education (NSHE) in the amount of \$10,441,690 in General Funds. The balance in the General Fund Salary Adjustment account, if these requests are approved, would be approximately \$20.3 million, and representatives from NSHE are available to answer any questions.

Governor: We do have some questions on this one. How is it that University of Nevada, Reno (UNR) is \$700,000 higher than University of Nevada, Las Vegas (UNLV) when it's smaller? Is it because the salaries are higher because the faculty are more seasoned? Also, why is College of Southern Nevada the lowest when it's, by far, the biggest school?

Andrew Clinger: Good morning, Governor. To answer your question, the methodology that's used for each of these is the same and essentially it depends on the vacancies that they may have at each of the institutions. I'm assuming that UNLV had more vacancies and thus, could justify less of the dollars because we look at what the total budgeted payroll was. We compare that to what their actual payroll was, then that's adjusted for vacancies, as well as the state share of funding.

Governor: I can appreciate that but if the difference in the adjustment is \$700,000, how much vacancy could they possibly have that it is that high? Do I have the Chancellor or President Whitfield on the phone?

Andrew Clinger: No, Governor, I think it's just me today. To maybe give you a run-through, the legislatively approved budget for payroll for UNLV was \$237 million. Then, \$19.5 million came off for budget reductions; \$2.8 million came off for furloughs; and a little over a million came off for the Public Employees Benefits Program (PEBP) premium holiday; and then, as you look at the projected payroll, the total salary adjustment eligible after making those adjustments was \$213 million. Then, excluded costs, which would be items that were not eligible, brought that down. So, the eligible personnel costs were \$218 million and the projections or the actuals, came in at \$123.9 million. I know that's a lot of numbers and I apologize. I think the simple answer is the number of vacancies at each of the institutions varies. The methodology is exactly the same for each of the institutions and certainly, your staff does a great job of going through and verifying the numbers.

Governor: Okay, Mr. Clinger, I appreciate it but I spent 10 years at that System so, I understand how they try to work things sometimes. Give me the side-by-side comparison of UNR to UNLV and explain to me the \$700,000 difference, please? What is the eligible salary at UNLV versus UNR?

Andrew Clinger: The eligible number for UNR at the 64% is \$3.1 million and their request is \$3.1 million. For UNLV, their total eligible amount is \$4.1 and their request is \$2.4 million or the justified request.

Governor: There is a difference between 'justified' and 'eligible' because I've never seen one of the institutions be eligible for \$4.1 and only request \$2.4.

Andrew Clinger: I appreciate the question, Governor and UNLV would certainly love to have all of the Salary Adjustment Funds but based on the methodology, it just didn't amount to that.

Governor: Is there time sensitivity to this item?

Clerk of the Board: The time sensitivity would be in closing the budgets for the fiscal year. If this were not approved today, we would have an opportunity to bring it back to the August meeting and that would give us sufficient time to close out the fiscal year.

Andrew Clinger: Governor, I would be happy to come back in August and I can give you a more detailed answer to your question.

Governor: I'm going to hold this for the next meeting because I have a concern that I want the money to follow the students and I don't know if that's happening here. There's a reporting variance between the institutions. They should be eligible for the same per-student amount of money, depending on the faculty salaries. Now, are the salaries that much higher at UNR?

Andrew Clinger: No and I don't know without doing a more detailed analysis that it's the level of the salaries. Again, I think it has more to do with the vacancies but certainly would appreciate the opportunity to go back and review it and give you better answers to your questions.

Governor: Unless there's an objection by one of the Members, I'm going to bring this item back to the next meeting. Secretary, are you alright with that?

Secretary of State: I am, Governor.

Governor: Thank you very much. I appreciate it. We'll bring that back, Mr. Clinger and I'd like a simple explanation on this without your throwing all of those numbers in there and complicating it. I want to know why UNLV, UNR, and CSN don't seem to align with the student ratios.

Andrew Clinger: Will do, Governor.

Governor: Thank you very much. I appreciate it.

7. Approval of Proposed Leases (For possible action)

Governor: Moving on to Agenda Item 7, *Approval of Proposed Leases*.

Clerk of the Board: There are 6 leases under Agenda Item 7 today for approval by the Board. Are there any questions on any of these items?

Governor: I do not have any questions. Does anybody have any questions?

Attorney General: I don't.

Governor: Secretary?

Secretary of State: I don't have any but I would like to, again, thank your staff for answering our questions and giving us information in talking with my staff. So, again, they're doing a great job. Thank you.

Governor: They are and I appreciate that, thank you. Do we have a motion on item number seven?

Attorney General: Move for 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. Are any opposed? The motion passes.

8. Approval of Proposed Contracts (For possible action)

Governor: Agenda Item 8, *Approval of Proposed Contracts*.

Clerk of the Board: There are 59 contracts in Agenda Item 8 today for approval by the Board. Are there any questions on any of these items?

Governor: I do not have any questions on the contract summary. Secretary Cegavske, do you have any?

Secretary of State: I have none, Governor.

Governor: Do we have a motion?

Attorney General: Move approval.

Governor: We have a motion for approval on Agenda Item 8, *Approval of Proposed Contracts*. Is there any discussion? Hearing and seeing none. All in favor signify by saying aye. Is anybody opposed? The motion passes.

9. Approval of Work Plan (For possible action)

Governor: Agenda Item 9, *Approval of Work Plan*.

Clerk of the Board: There is one work plan under this item for approval by the Board this morning. Are there any questions on this item?

Governor: I do not have any questions on this and I want to echo what Secretary Cegavske said, that I really appreciate your taking the time to work with us ahead of time on our questions so that we can facilitate these and get through a lot quicker. So, thank you for that. Do we have any questions on the work plan?

Attorney General: None here. Move approval.

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

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

Governor: Item number 10, *Approval of Proposed Master Service Agreements*.

Clerk of the Board: There are 7 master service agreements under Agenda Item 10 for approval by the Board. Are there any questions on these items?

Governor: I do not have any questions on this again. I'm just going to ask for clarification in case somebody asks. Item 6, Thrive Wellness of Reno, that has nothing to do with the cannabis dispensary, does it?

Clerk of the Board: Thrive Wellness of Reno is for ongoing mental health services. This is for behavioral and community-based health services.

Governor: Kyle just brought up information on it and my concern is satisfied.

Secretary of State: That would have been a red flag for me.

I did want to make a comment on seven.

Governor: Go ahead on seven.

Secretary of State: I would just like to thank Department of Public Safety, Capitol Police. I talked to my criminal investigators about what they went through and what's been going on over the last few years and have a better understanding of that amount of money that was allocated and that they didn't realize the increases. I understand and I will approve these master service agreements. I just wanted to thank the Capitol Police for all they've done, the training, all that they put themselves through here in Nevada. Thank you, Governor.

Governor: Do I have a motion for approval on item number 10?

Attorney General: So moved.

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.

11. 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 May 18, 2021 through June 21, 2021.

Governor: *Information item – Clerk of the Board Contracts.*

Clerk of the Board: There are 75 contracts under the \$50,000 threshold that were approved by the Clerk of the Board between May 18th, 2021 and June 21st, 2021. I would note that contract number 74 says that it is with the Board of Examiners, Statutory Contingency Account. That is incorrect and that contract is, in fact, with the Attorney General's Office and it is between the Attorney General's Office and Weinberg Wheeler Hudgins Dunn and Dial, LLC. I just wanted to put that on the record. Are there any questions?

Governor: Do we have any questions? No, we do not.

That completes Agenda Items 1 - 11.

12. 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: Moving on to Agenda Item 12, *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 in Las Vegas for public comment?

Attorney General: None.

Governor: Anybody in Carson City for public comment?

Clerk of the Board: Not seeing anyone in the room.

Governor: Do we have anybody on the phone? None. Hearing and seeing none.

13. Adjournment (For possible action)

Governor: We are adjourned. Thank you, everybody.