

MINUTES - JOINT MEETING OF SENATE FINANCE-WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE - 56th SESSION - FEB. 12, 1971

The Joint meeting was brought to order at 8:02 P.M.

Present: Ways and Means - R. Young, Howard, Capurro, Hafen, F. Young, Brookman, Mello, Schofield, Swackhamer, Hilbrecht, Lingenfelter. Senate Finance - Gibson, Brown, Harris, Pozzi, Fransway, Titlow.

Absent: Lamb (Excused)

Guests: Earl Oliver, Fiscal Analyst; Officers and Members of the State Planning Board: Mr. Fitz, Mr. Echerverria, Mr. Empey, Mr. Flangas, Mr. Gibson, Mr. Krug, Mr. Sample, Mr. Sandorf, Mr. Sheehy, Mr. Hancock, Mr. Littlefield, and Mr. Baker; John Dolan, Dept. Admin.; Cy Ryan and George Frank UPI.

Mr. Fitz stated that the two areas of concern were: operating budget and capital improvements. Priority ratings must be assigned in the capital improvements program. He cited the increase in the tax base and the population growth in the State. There has been a 500% increase between 1961-71 in projects. Pressures are being put on State agencies and there will have to be an increase in physical facilities. Mr. Fitz stated that if we experience the same rate of growth over the next decade, with an unfunded background, we will be in trouble.

Operating Budget - Mr. Fitz stated that the State Planning Board feels that some inequities have been created by removal of across the board increases for classified personnel and unclassified personnel. He cited the Governor's recommendation for the following positions: Manager (U39), Deputy Manager (U38) and Chief Assistant (U24). If there is an increase across the board for unclassified personnel, the Board recommends that the Manager be moved up to a U41, the Deputy Manager be moved up to a U39, and the Chief Assistant be moved up to a U27 classification. Mr. Fitz stated that these people have tremendous responsibilities in analyzing and making recommendations on every project. In order to compete with industry for personnel, salaries must be commensurate with responsibilities. Mr. Fitz mentioned that the Public Works Director of Carson City earns \$19,000 to \$25,000 a year. In comparison to this the Manager of the State Planning Board earns \$17,664 a year. He cited salary recommendations for the above personnel by the Society of Nevada Engineers which placed the Manager in the \$25,000 range and the Deputy Manager in the \$23,000 range.

Mr. Hancock discussed the highlights of the capital improvement program. Mr. Hancock referred to a chart on page 9, Nevada State Planning Board Recommended Capital Improvement Program 71-73, which gives a 14 year history of what the State has accomplished in capital improvements. The State Planning Board is recommending 31 Priority I projects for the next biennium for a total cost of \$20,640,600; \$18,941,800 of State money will be required. The Executive Budget only recommends the first 25 projects on the Priority I list:

PRIORITY I PROJECTS

1. Children's home, Carson City	\$34,200
2. Site Development, Mental Health Center, Las Vegas	\$101,200
3. Medium Security Prison, Dairy Equipment	\$ 44,500
4. Misc. Improvements, DMV, Reno and Carson City	\$ 25,900
5. Reroof Buildings and repair State buildings	\$ 38,000
6. Replace TV and Sound Systems in Maximum and Medium security prisons	\$ 54,200
7. Forestry Fire Station at Lake Tahoe	\$ 75,500
8. Parking and security roads at Nev. State prison	\$ 35,000
9. Repair buildings, State Hospital, Sparks	\$1,200,000
10. Classroom Building and Misc. improvements, Youth Training Center	\$1,044,300
11. Classroom addition, Girls Training Center	\$ 253,500

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12. Addition to Women's State Prison	\$ 223,400
13. DMV, Las Vegas (new building)	\$1,000,000
14. Hqs. Bldg., Fish and Game, Elko	\$ 57,000
15. Five cottages, Children's Home, Boulder	\$ 714,700
16. Land acquisition, U. of N., Las Vegas	\$ 150,000
17. Flood Protection, U. of N. Reno	\$ 116,000
18. Supply bldg., medium security prison	\$ 240,200
19. Supply bldg., State Hospital, Sparks	\$ 159,300
20. Custodial residencies, State Parks (for protection from vandalism)	\$ 120,000
21. Site Development, U. of N., Reno and Las Vegas (parking, lighting, landscaping; etc.)	\$2,150,000
22. Fish and Game facilities, Clark County (shop and office)	\$ 35,200
23. Improvements, medium security prison, Bakery addition	\$ 95,300
24. Fish Hatchery, Lake Mead	\$1,080,000
25. Athletic facilities, U. of N. Las Vegas	\$ 826,600

In addition to the above priorities, the State Planning Board also considers the following Priority I projects as being important:

26.	Office building for Las Vegas	\$4,631,200
27.	Office building, Carson City (Health, Welfare & Rehab, & Dept. of Education)	\$5,123,200
28.	Remodel Supreme Court bldg, Carson City	\$ 257,600
29.	Advance planning (i.e. complete study of state capitol building)	\$ 102,500
30.	Remodel State buildings, Carson City, Federal Building	\$ 521,800
31.	Water Development at Nev. Youth Training Center (need an additional well - problem with irrigating)	\$ 130,200

Mr. Swackhamer asked the Chairman if he would appoint a Subcommittee to go into more detail with the State Planning Board's recommendations. Chairman Young felt that this would be a good idea.

Mr. Hancock said that there has been a 12.7% increase in construction costs over the past two years. Construction costs are going up every year.

The meeting was adjourned at 9:00 A.M.

Vice Chairman Howard called the meeting to order at 2:00 P.M.

Present: Howard, Hafen, F. Young, Brookman, Mello, Swackhamer, Hilbrecht, Lingenfelter

Absent: R Young (Excused); Schofield (Excused), Capurro

Guests: Earl Oliver, Fiscal Analyst; John Dolan, Dept. Admin.; George Frank, UPI; Roy Vanett, Review Journal; Ron Sparks, Budget Div.; Phil Hannifan, Gaming Control Board; Jack Stratton, Gaming Control Board; Jerry Furr, Equal Rights Comm.

PAGE 334 - GAMING CONTROL BOARD

Mr. Hannifan presented to each committee member a composite of the Gaming Commission's budget and noted that SB-144, now pending, may have a bearing on the budget at some time in the near future since the commission has in the past consisted of unclassified employees.

Investigators - Requested that the Chief Investigators have a minimum beginning salary of \$17,800 with a maximum of \$18,850. The two positions of Sr. Investigators, which had been approved but never filled in the past two years, were to be established. The one would take care of the gambling element found mainly in grocery stores, drug stores, etc., and the other would be involved with activities involved with entry into the public trade stock area for compliance with SEC regulations.

Auditors - Mr. Hannifan felt a top notch audit program necessary. He felt that the department should have the positions currently authorized and, in addition, seven new auditors. This was in excess of the Governor's recommendation, but, as of now, the Governor is not in opposition to this new request. He gave comparison figures between the Government scale paid to auditors on Casinos in Nevada where most start at a grade GS-12 or \$15,040 per annum. Where our State auditors start at \$12,000 they are definitely underpaid.

Enforcement Division - Mr. Hannifan said that in looking for cheating from the outside and inside, they had not been hiring people who really knew the business. This field of enforcement should be upgraded so they could obtain personnel with law enforcement background who were aware of laws. He was not asking for additional staffing but an upgrading of these positions.

Clerical - Will be placed in the State Classified service beginning in July and met with the department's approval.

Out-of State- Travel - The Gaming Commission definitely found that this item could not be controlled since they never knew how many out-of-state applicants they would have for investigation. Applicants are charged for the expenses of the investigation and these sums go into the General Fund. A Senate Bill is being drafted which would create a Trust Fund for these monies from investigations and the expense money would then come out of this fund. Upon questioning from the committee members, Mr. Hannifan believed that this amount of money could be altered in the future to show only \$6,000.00.

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In-State-Travel - The total of \$54,849.00 allowed for this was questioned and referred back to the sum of only \$48,748 spent in 1969-70.

Mr. Hannifan was very much in favor of the State Motor Pool taking care of all cars furnished and maintained. Several questions were asked by the committee members regarding charges to the Gaming Commission such as mileage, amortization of new cars, and availability of unmarked cars. All of these problems had been considered and this motor pool arrangement seemed to answer all the problems that would arise.

Data Processing - Mr. Lingenfelter, Mr. Hilbrecht and Mr. Swackhamer questioned Mr. Hannifan on his proposed use of data processing. Mr. Hannifan felt that they could, in time, be an invaluable aid to his commission, but at the present the machine time in the State's facility is overloaded. The so called "Drop and Win" statistics used by the casinos at present, could be a tremendous help to this department, when and if this type of data can be made available.

Further questions were directed to Mr. Hanifan regarding the auditing system and the use that their department made of outside auditing of firms and corporations. Mr. Hannifan responded that, beginning in March, they were going to obtain more than a work sheet from CPA's - information that was available but not requested in the past would now be coming to his office and audited.

PAGE 93- EQUAL RIGHTS COMMISSION

In-State-Travel - Mr. Jerry Furr presented to the committee a breakdown of in-state-travel justification. Other than this, he stated he had very few things to call to the committee's attention. He felt that it was almost essential that they attend the commission meetings in Las Vegas and also the public hearings. He felt the reduction of this item would severely impair the productivity and requested that this relatively small amount be kept there.

Out-of-State Travel - He also felt that their request for out-of-state travel was not out of line since their agency has the responsibility of keeping up with changes in Federal regulations, which required attendance at meetings in San Francisco.

Existing Positions - The Assistant Secretary has been classified as Field Representative and this unclassified position will be removed from the budget (see page 467). Mr. Furr felt a qualified person would stay in this position if it was a classified position.

Mr. Swackhamer questioned Mr. Furr regarding the availability of Federal Funds for his office. He replied that a small grant of approximately \$12,000 might be secured but because of conflict with Equal Rights Agency, did not believe it would be advantageous.

Questioning from the committee members began regarding the handling of Open Housing complaints but Mr. Furr said that his agency did not have any authority to handle these questions and complaints. They are referred to the office in San Francisco. Most of the complaints are received in the Las Vegas office. Mr. Hilbrecht asked if Mr. Furr was familiar with the Fair Housing law introduced in the Assembly and what did he believe the cost of administering this bill would be to his agency. Mr. Furr replied \$92,000 for the biennium. Mr. Furr then introduced a supplemental budget showing the costs of establishing a Housing Agency to handle this Open Housing Legislation. He was notified that he would be called back to offer further testimony on this budget, if it would be needed.

Vice Chairman asked for corrections of the minutes of the meeting of Feb. 9, 1971.

Mr. Mello moved that the minutes be approved.

Mr. Lingenfelter Seconded the motion.

Motion carried.

BDR 18-1358* - Mr. Hilbrecht presented for committee introduction BDR 18-1358, an act relating to comprehensive state planning.

Mr. Lingenfelter moved that the committee introduce BDR 18-1358.

Mrs. Brookman Seconded the motion.

Motion PASSED.

Being no further business, the meeting adjourned at 2:55 P.M.

*A.B. 286

WAYS AND MEANS COMMITTEE-NEVADA STATE LEGISLATURE-56th SESSION

AGENDA - FEBRUARY 12, 1971 - FRIDAYMORNING

8:00 A.M. Joint Meeting with Senate Finance and
State Planning Board.

AFTERNOON - BUDGET HEARINGS

<u>TIME</u>	<u>AGENCY</u>	<u>PAGE</u>	<u>REPRESENTATIVE</u>
2:00	Gaming Control Bd.	334	Phil Hannifan
2:30	Equal Rights	93	Jerry Furr
3:00	Tahoe Regional Planning	371	J. K. Smith

ART RADER • FREELANCING AT LARGE

158 IDA, No. 11

LAS VEGAS, NEVADA 89109

(702) 734-6475

February 13, 1971

Roy Young
 Chairman
 Assembly Ways and Means
 Carson City, Nevada

Dear Roy:

When I talked with you on long distance Friday morning, you asked me to dash off a letter with price estimates for the various V&T locomotives and rolling stock now for sale.

First, a roster of the V&T gear still available and currently for sale:

V&T STEAM LOCOMOTIVES

Number	Type	Fuel	Builder-Date	Owner
18	"Dayton"	4-4-0	oil Cen. Pac. R.R., 1873	Paramount
22	"Inyo"	4-4-0	oil Baldwin Works, 1875	Paramount
25	-----	4-6-0	oil Baldwin Works, 1905	Hurlbut

V&T ROLLING STOCK

Number	Type	Builder	Date	Owner
1	Passenger car	Kimball Company	1869	Paramount
3	Passenger car	Kimball Company	1869	Paramount
4	Passenger car	Kimball Company	1869	Paramount
9	Passenger caboose	Kimball Company	1872	Paramount
10	Passenger caboose	Kimball Company	1872	Paramount
11	Passenger car	J.G. Brill & Co.	1874	Paramount
12	Passenger car	J.B. Brill & Co.	1874	Paramount
14	Express car	Oxford Car Company	1874	Paramount
15	Passenger combine	Detroit Car Company	1874	Paramount
16	Passenger combine	Detroit Car Company	1874	Paramount
17	Passenger coach	V&T RR	1876	Paramount
21	Express & mail	Unknown	1880	Paramount
8	Club car	V&T RR	1869	Steiner
20	Passenger combine	V&T RR	1907	Bentley
--	crane wrecker	V&T RR	1869	Paramount
--	blacksmith shop car	V&T RR	1869	Paramount
--	water car	V&T RR	1874	Paramount
--	water car	V&T RR	1874	Paramount
--	studded box car	Unknown	1880	Paramount
--	studded box car	Unknown	1880	Paramount
--	flat car	Unknown	1880	Paramount
--	flat car	Unknown	1880	Paramount
--	flat car	Unknown	1880	Paramount
--	flat car	Unknown	1880	Paramount
--	smooth box car	Unknown	1880	Paramount
--	smooth box car	Unknown	1880	Paramount

Paramount's entire V&T collection is not in good shape. The studio has done no maintenance whatever on the equipment for the past several years. The locomotives are in the best condition since they were conditioned on the exteriors by the Union Pacific Railroad for the Golden Spike Centennial in 1969.

The two engines are not worth more than \$35,000, and should be available for as little as \$25,000 each. The boilers are crystalized in both engines, and require replacement at a minimum \$15,000 each. New steel tires need to be placed on the driving wheels and will have to be custom built. Boiler jackets and tubing need major overhauling. Running gear needs overhauling.

Paramount is doubtlessly looking at the \$35,000 V&T Number 11, the famous "Reno," commanded at the MGM auction last May. The "Reno" had good tubing, tires, and boiler, and was in running condition. That is why she commanded such good price. Paramount certainly cannot expect to get more for V&T Numbers 18 and 22 than was paid for the "Reno," since both Paramount engines are not in the good condition as was the "Reno."

The Paramount-owned V&T cars are a sad sight. Five or six of the passenger cars can be salvaged at moderate cost, especially if the more derelict cars are cannibalized for spare parts. There is not a car in the collection that is worth more than \$2,000. Most are worth under \$1,000. Some have deteriorated so badly they are worth only scrap prices at around \$400 each.

Doubtlessly, Paramount is looking at the good prices paid for three V&T cars sold by MGM at the auction last year. But the cars sold by MGM were well maintained and in near top running condition. The cars went from \$3,100 to \$3,300 in price range at the auction. Paramount cannot expect to sell its cars for anywhere near what the V&T cars bought at auction at MGM.

Keep in mind that Paramount only paid \$5,000 each for its two locomotives in 1938, when the V&T sold the engines to the studio. All of the passenger cars were sold for \$300 each by the V&T. The freight cars were sold for around \$150 each.

Four of the V&T cars were reconditioned by Union Pacific for the Golden Spike Centennial, and these are worth the most of the whole lot. These cars are Passenger Car Number 4, the crane wrecker car, the blacksmith shop car, and one studded box car.

Figuring a maximum of \$35,000 each for the Paramount locomotives and a maximum \$1,000 for each car, Paramount's V&T collection is worth at most \$95,000. This is a high price, considering the deteriorated state of many of the cars and the high cost of restoring some of the cars to operating condition. The whole collection is worth perhaps \$70,000 to \$75,000 on the low and realistic side.

I do not have any way of knowing how much more Paramount expects to get for the collection now that interests in Arizona, Utah, and California, are also trying to deal for the V&T gear.

If the object of buying the V&T is simply to restore it as museum equipment, we need not worry about the larger costs of bringing the cars and engines up to running shape.

The Hurlbut Amusement Company in Buena Park owns V&T steam locomotive number 25. It is in better condition than Paramount's engines since only its boiler and tires need retooling. But Bud Hurlbut, owner of Number 25, says he wants \$25,000 for the engine and includes in that price three passenger cars of vintage design he also owns. The cars are not of V&T origin, but are in fair shape and could be used as spare parts or rebuilt for operation of museum display.

John Bentley of the Orange Trolley Museum in Parris, California, owns V&T passenger combine Number 20, a car that is in very good shape and could run tomorrow on a restored V&T. He tells me he wants \$8,000 for the car. I think the price is high and a lower one can be negotiated.

Ron Steiner of Baldwin Park, California, owns V&T club car Number 8, the famous "Julia Bulette," also in very good condition. He will not sell the car, but will place it on permanent loan should the V&T be rebuilt or a fitting V&T museum be constructed.

I am sure you know of the very keen interest Utah Governor Calvin Rampton has in the V&T. He wants to keep Paramount's engines at Promontory, and the National Park Service has even reneged on agreements with Paramount to return the locomotives to Hollywood. California Governor Reagan is actively trying to get the engines and cars for the Old Sacramento State Park. Bob Shelton of the Old Tucson, Arizona, tourist western town is trying to deal with Paramount for the V&T, and with Hurlbut for V&T Number 25. He wants the gear for a tourist excursion railroad.

I encourage you and the financial organizations with whom you are dealing to find a legitimate steam engine expert, and a legitimate rolling stock expert, and have them appraise all the V&T gear now for sale.

By my own estimates, all Paramount's V&T gear, plus V&T engine Number 25, plus V&T passenger combine Number 20, can all be purchased for a grand total of perhaps \$130,000 on the high side and around \$100,000 on the low side.

You also asked for the names, addresses, and telephone numbers of the organizations selling the V&T railroadians:

Irving Horowitz
President
Paramount Properties
5451 Marathon Street
Hollywood, California 90038
(213) 469-2411 or (213) 463-0100


John Bentley
55 North Meredith
Pasadena, California 91106
(213) 793-0161

Ron Steiner
336 Paddi Lane
Baldwin Park, California 91706
(213) 755-2192

Wendell (Bud) Hurlbut
President
Hurlbut Amusement Company
2860 Western Avenue
Buena Park, California 90620
(714) 523-1060

I hope this information is what you wanted. Glad to have been of some help. Please feel free to call upon me for help in the future.

Sincerely,


Art Rader