

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

January 26, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

PRESENT: Chairman Mello, Mrs. Brookman, Mr. Bremner, Mr. Glover, Mr. Hickey, Mr. Howard, Mr. Kosinski, Mr. Serpa and Mr. Vergiels.

ALSO PRESENT: Mike Mirabelli, State Treasurer; Nadine Reed, Deputy State Treasurer; Bob Cameron, Secretary of State Board of Finance; Bill Bible, Budget Division; Bill Behrens, Extension Livestock Specialist for the University of Nevada and other members of the Board; Bill Hancock, State Public Works Board and Professor I. J. Sandorf, Vice Chairman for State Public Works Board; John Dolan, Assembly Fiscal Analyst.

State Treasurer's Office. Mike Mirabelli and Nadine Reed presented the budget for the State Treasurer's Office to the Committee.

Mr. Mirabelli discussed five areas of concern regarding the Treasurer's Office.

1. Salaries. In bringing the Secretary of the Board of Finance into the Treasurer's Office as Treasurer Cashier, a situation has been created whereby the Treasurer Cashier will be receiving a salary of \$20,441 but he will be working for the Chief Deputy Treasurer who will be receiving a salary of \$19,691. This will create a serious problem in the office. The Treasurer's Office is requesting that the Chief Deputy Treasurer's salary be raised to at least the same amount as the Cashier if not to the full \$20,941 requested. The Treasurer's Office is saving \$2,000 in salary costs by lowering the Chief Assistant position to an Administrative Secretary.

2. Out of State Travel. The requested amount of \$2,300 is to cover the cost of employee travel for training programs in investments and in the use of new equipment. Additionally, it will provide funds for travel to Municipal Finance Officer Ass'n seminars and their convention. Membership in the MFOA has become almost mandatory for those handling the investment of monies in the public sector.

3. Training Request. A primary objective of the many changes requested in the Treasurer's budget and recommended in the Legislative Audit is to achieve a more professional level of staff and to increase the effectiveness of current staff. The requested \$4,400 to do this becomes minimal when compared to the benefit the state would receive in increased income from

investments and improved handling of many millions of state dollars and securities.

4. Rent Request. The space now allocated to the Treasurer's Office is insufficient for the current level of staff and equipment. The Treasurer's Office requests the full \$16,040 in rent money in order to procure necessary additional floor space for new personnel and equipment.

5. B & G Services Request. The amount of \$1,500 was requested to cover costs of moving the office to a new location. The Treasurer's Office believes that this amount should be included in the budget to be sure of being able to accomplish this activity.

Chairman Mello asked Mrs. Reed to explain the Treasurer's assessment and why the difference between the request and recommendation. Mrs. Reed stated that the State Treasurer's Office is now very much in agreement with the figures that the Governor is recommending for Treasurer. This assessment is computed against the interest earnings and a direct charge to the Employment Security Department.

Mrs. Reed explained the Administrative Services as set forth in the attachment. Mr. Mirabelli explained the Cashiering and Banking services. He explained that Bob Cameron is now the Secretary to the Board of Finance and he is being transferred from the Governor's Budget to the State Treasurer's Budget. He is wanted by the State Treasurer's Office because he has the capability to conduct a cash flow study of the other departments. In the big departments there are monies that come into those departments and go out and the Treasurer's office does not have a handle on the day the monies come in or go out. As a result, this limits the Treasurer's office as far as investments are concerned.

It is Mr. Mirabelli's feeling that when Mr. Cameron is in the Treasurer's Office and when he does a study on all departments that the Treasurer's Office will be able to make at least a half a million dollars and probably close to a million dollars extra in interest to the State of Nevada. The requested position of Investment Officer has not been recommended by the Governor and the Treasurer will not pursue this request.

Mrs. Reed pointed out that the Work Program figure of \$138,890 is the State Treasurer's Work Program and does not include \$25,406 that is for the Work Program for the Board of Finance. This year's Work Program for the two agencies is in the amount of \$164,296.

Chairman Mello asked Mrs. Reed to comment on the Board salaries. She replied that the salary was \$40.00 per meeting. It is projected that there will be 10 meetings in each of the coming fiscal years. There are 5 people on the Board of Finance, plus a secretary.

Chairman Mello asked Mrs. Reed to explain the insurance expenses and other government services. She stated that the insurance

expense is for the Treasurer's bond and the insurance on the vault. Other government services is microfilming of checks. This will replace keeping the checks themselves which by law have to be kept for seven years.

BUDGET DIVISION - Bill Bible. This budget includes the amounts for the Director of Administration and the staff of the Budget Division. There are no new positions requested. In the Operating Category Agency Publications in 1978-79 is the amount necessary to print the Executive Budget. Legal and court expense is Budget's pro-rata share of the Deputy Attorney General (shared with the Department of General Services). A 1/4 time Legal Steno is projected in legal and court expense to provide support for the Deputy Attorney General. The EDP expenses in 1978-79 are for the production of the Executive Budget. Dues and registrations are increased to provide the dues for the National Association of State Budget Officers. This was formerly paid for by the Legislative Council Bureau as part of the dues for the Council of State Governments. In 1978-79 an amount of \$5,000 is recommended to provide for the Governor elect expenses. This is required by the NRS.

Mr. Bible presented the following budgets: Merit Award Board, Insurance Premium Revolving Fund and High School Rodeo Association.

MERIT AWARD BOARD. The Merit Award Board was created by the Legislature in 1967 to provide a means for State employees to submit suggestions on improving the operations of State Government. Suggestions are reviewed by the affected State agency and by the five-member Merit Award Board. If the suggestion is implemented, the employee becomes eligible for the Governor's Meritorious Citation and a cash award of up to \$500.

1977  
26 This budget recommends the existing level of \$51,000 annually for awards and \$500 for operating expenses to cover the printing and distribution costs of brochures and forms.

January  
26 INSURANCE PREMIUM REVOLVING FUND. The State Board of Finance is responsible, by Statute, for placing all insurance required by the State on its property. The Board of Finance is restricted to dealing with insurance firms authorized to do business in Nevada. The Board has delegated the placing of State insurance to the Insurance Placement Committee, chaired by the Insurance Commissioner. The Board has designated the Nevada Independent Insurance Agents as the State's insurance representative.

The following was discussed: Boiler Insurance, Vehicle Insurance, Liability and Fidelity Insurance, Property Insurance. This budget recommends continuation of the types of policies currently in effect. The increases in the budget reflect anticipated increases in valuations of new equipment and structures.

HIGH SCHOOL RODEO ASSOCIATION- \$2,500. The Nevada High School Rodeo Association is a corporation created by, and existing under, the laws of the State of Nevada. The purpose of the Association is to promote the interests of the young people of this State. This appropriation is recommended to provide financial assistance

to the association to sponsor the attendance of high school students as Nevada representatives to the annual finals of the National High School Rodeo Association. Mr. Bible said that the Governor is now supporting the agency request rather than the printed Governor's recommendation.

Mr. Behrens then gave a brief talk on the Nevada Jr. Livestock Show Board. Mr. Behrens requested restoration of their original asking budget through the Governor's Office for \$10,000 for the first year of the biennium and \$11,000 for the second year. This is to take care of the expanded role of education in the Board and the University. (Please see attachment.)

CLEAR CREEK YOUTH CENTER. The Clear Creek Youth Center, near Carson City, was built by the federal government as a Job Corps Center. In 1969, the federal government announced the closing of the Center in 1970. The State of Nevada obtained a five year special use permit to operate the Center as a State facility. The State has been assured of the extension of the use permit to 1980. The Youth Center is being used for youth oriented programs in the areas of education, recreation and organized sports. It is recommended that the Clear Creek Youth Center continue to be used for the same purposes in the 1977-79 biennium. In 1976 the gymnasium was destroyed by fire, but will be rebuilt with insurance recovery moneys. This budget recommends the funds necessary to maintain the facilities during the coming biennium. The request for utilities reflects increases to electricity and fuel oil. Additional funds requested for requipment repair are to overhaul one truck and one bus and to replace tires on two buses. Improvements to structures and fixtures are recommended to replace tile floors in the education building, drapes in the mess hall, shades in the dormitories, fire hoses and materials to fire proof the building roofs.

BUDGET REQUESTS NOT RECOMMENDED. The following agencies and/or accounts have submitted budget requests or have current programs. Continued funding is not being recommended:

- Education Communications Commission
- T.V. Satellite
- Youth Services Agency
- Governor's Council on Children and Youth
- Advisory Mining Board
- Renal Disease Advisory Committee
- Governor's Commission on Status of People
- Highway Department County Cooperation Program

Professor Sandorf, Vice-Chairman, State Public Works Board appeared to explain the functions of the State Public Works Board and to request that special consideration be given to increasing the recommended salaries for the Manager and Deputy Manager. These positions are filled by experienced architects and have performed very well over the years.

Mr. Hancock presented the budget the the State Public Works Board. His prepared statement is attached. Mr. Hancock requested that the Committee consider the addition of a Senior Clerk Steno to the budget. This was not requested before, but is now needed in light of the large capital improvement program recommended by the Governor. This large program will involve a great deal of clerical support for such items as the preparation of bid documents and contracts.

The meeting adjourned at 10:35.

STATE OF NEVADA  
STATE TREASURER'S OFFICE  
BUDGET NARRATIVE  
FY'S 77-78 & 78-79

The budget request included herewith is a consolidation and general reorganization of the State Treasurer's Office and The State Board of Finance. The direction taken in the request is in great part the result of the recommendations contained in the operational audit report of the Treasurer's Office as authorized by Assembly Concurrent Resolution No. 39 of the 58th session of the Nevada Legislature.

Historically, the entire cost of operation of both the State Treasurer's Office and the State Board of Finance has been placed upon the State's General Fund regardless of the fact that the same duties and services which are provided for the General Fund are also provided for nearly all other funds in State Government.

In-as-much as the State Treasurer is a constitutional officer and the appointed members of the State Board of Finance act as state officers under the Statutes of Nevada, this portion of the expense of operation would continue to remain a General Fund obligation.

Other sections of the Nevada Revised Statutes (such as NRS 226.180 which specifically designates the State Treasurer as state disbursing officer for the Federal Government to act for them with respect to all financial matters required by them) would make it appear to be a more equitable distribution of expense to place a general assessment against the State's entire work program to defray the cost of the regular cashing and banking functions which are provided for all funds. An assessment of 5/100 of 1% of the current years work program would have produced income for operations in the amount of \$195,260. This is an amount in excess of the current year's combined work programs of both the Treasurer and the Board of Finance. Legislation would be required to implement this funding.

Structure of Board of Finance

It is recommended that in addition to the three elected officials who serve on the Board of Finance representation should be broadened by at least two additional appointed members in order to provide a voice for the following interest groups:

1. One member, Nevada Bankers Association.
2. One member, Nevada insurance industry
3. One member, education through the Board of Regents
4. One member, the business community at large.

In concurrence with this recommendation, the budget request includes financial support for meetings based on this membership.

Staffing Requests

The work load in the Treasurer's Office falls into four distinct areas. They are: (1) Cashiering and Banking Services, (2) Investment Services, (3) Trust Services, and (4) Administrative Services. The entire clerical staffing at the current level is directed to the Cashiering and Banking Services area under the supervision of the deputy treasurer. This leaves 3/4 of the required office work load with no staff directly assigned to assist the deputy in carrying out these duties. Consequently, these services are maintained at a very low level of production. This budget request includes the present level of staff plus an additional 2-1/2 positions

in order to produce the following coverage:

1. Cashiering & Banking Services - To be placed under a Deputy Treasurer Cashier in the unclassified service. Position to be funded by the consolidation with the Board of Finance and absorbs the salary allocation for the Secretary of the Board of Finance.
  2. Investment Services - To be placed under an Investment Officer in the classified service at approximately a grade 40; new position.
  3. Trust Services - To be placed under a Trust Officer in the classified service at approximately a grade 38; new position.
  4. Administrative Services - To be placed under the Chief Deputy Treasurer (designation change from Deputy Treasurer); assistance to be provided by a classified Administrative Secretary I; funding to be provided by deleting the current unclassified position of Chief Clerk.
  5. Additional staff change - 1/2 position Senior Clerk be authorized to full position to absorb balance of work load from deleted Chief Clerk position.
- In addition to the responsibilities of the administrative division, the Chief Deputy would serve as Secretary to the Board of Finance and act as liason between the State Treasurer and the various service divisions.

#### Operating Expense Request

The operating expense section has been adjusted to include support for the additional requested staff in such line items as supplies, communications, floor space, etc.

Specific requests are included to provide the office with funds to begin automation of operational procedures and record keeping. Because the figures and records dealt with by the Treasurer's Office are in most cases unique to the office and because they are small in mass (as compared with the mass of records maintained by Highway or FMIRS) the proposal here is for terminal equipment with self-storage on cassettes. It also provides for EDP & computer facility charges to allow for periodic reports and hard copy of agency data.

The request for funds for intergovernmental services is to provide for annual filming of treasurer's receipts and paid warrants. It both allows for compliance with records retention requirements and alleviates a severe storage problem but will also facilitate information retrieval.

#### Furniture and Equipment Request

The funds requested here are for furniture for new personnel and proper calculating equipment for those persons working with the evaluation of securities.

#### Goals of Budget Request

The State Treasurer's Office has become the source of the General Fund's 3rd largest single revenue item (over \$23 million dollars in interest income in the past three fiscal years). It is a situation which the office hopes to not only maintain but to improve upon. Therefore, in essence this budget request is directed at providing the State with the ability to realize maximum revenue from investments and to have maximum security for its cash and securities through professional level money management.

STATE OF NEVADA  
STATE TREASURER'S OFFICE  
SCHEDULE OF INTEREST INCOME  
FROM INVESTMENTS

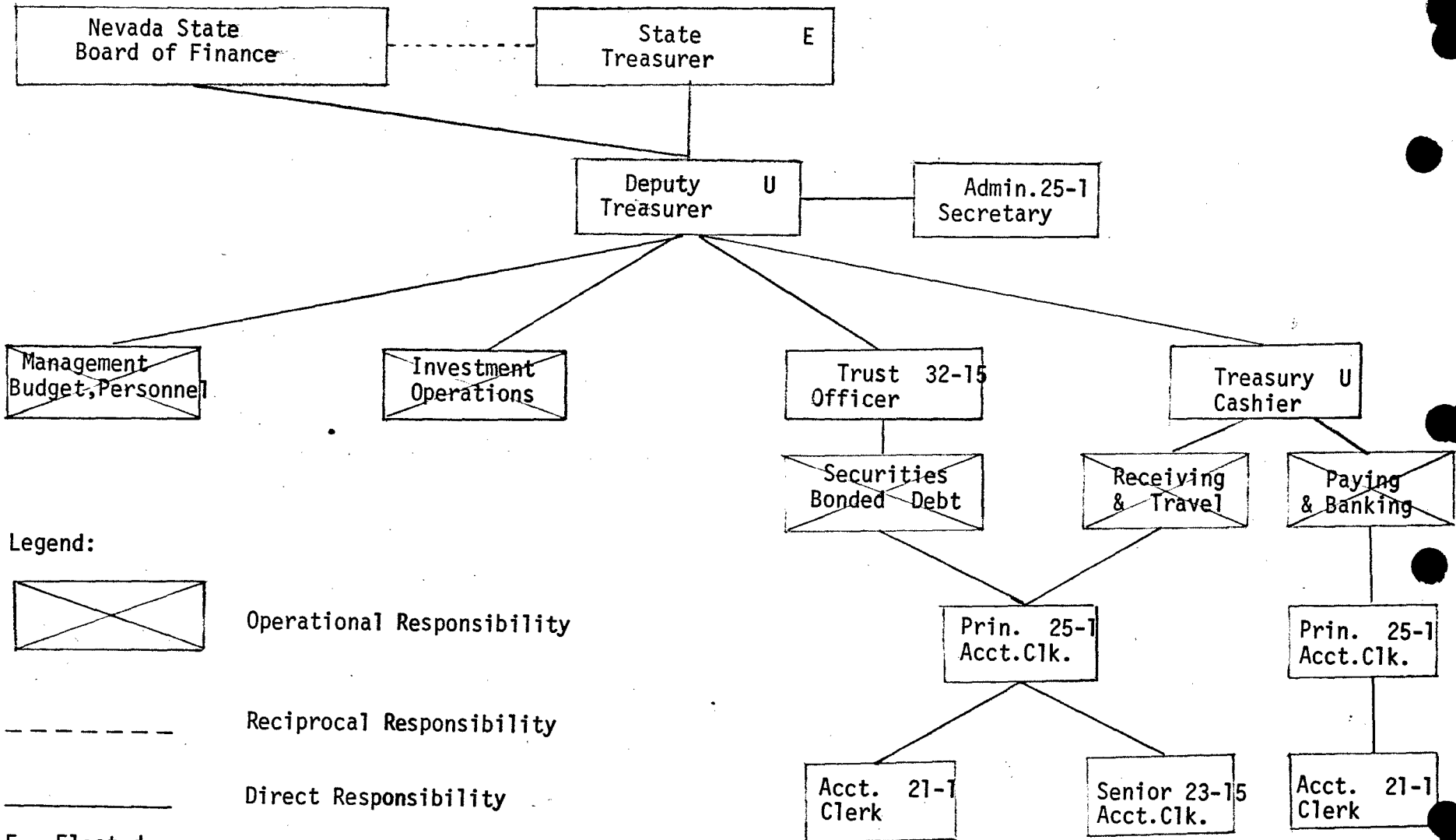
<u>Fiscal Year</u>	<u>Interest Received</u>	<u>Investment Efficiency</u>
60-61	\$ 278,175	N/A
61-62	270,750	N/A
62-63	270,800	N/A
63-64	242,721	N/A
64-65	346,288	64.27%
65-66	618,240	59.91
66-67	893,630	64.49
67-68	909,162	64.64
68-69	1,178,324	66.68
69-70	1,766,285	79.67
70-71	3,109,030	84.80
71-72	2,627,664	83.45
72-73	2,625,280	86.57
73-74	7,109,321	89.01
74-75	9,161,567	89.75
75-76	6,956,141	93.75
76-77 (thru 12-31-76) (6 months)	3,690,740	95.35

Note:

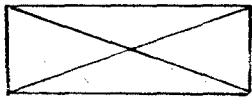
Interest does not include some special funds.

Interest shown here is before allocation to other funds.

STATE OF NEVADA  
STATE TREASURER'S OFFICE  
ORGANIZATIONAL CHART



Legend:



Operational Responsibility



Reciprocal Responsibility



Direct Responsibility

E - Elected

U - Unclassified

Numbered - Classified Grade & Step



NEVADA STATE TREASURER  
PROPOSED RECOVERY OF  
GENERAL FUND EXPENDITURE  
BUDGET REQUEST FY'S 1977-78 & 1978-79

The State Treasurer's budget request for fiscal years 1977-78 and 1978-79 proposes a partial recovery of expenses by billing the Employment Security Department directly for the following services.

Senior Acct. Clk.	Deposits, record keeping, cancelled Checks and bank statements - 90% of \$9,697.	\$ 8,727.
Senior Acct. Clk.	Daily check signing - 15% of \$9,697.	1,455.
Senior Acct. Clk.	Travel Advance Fund - 5% of \$9,697.	485.
Deputy Treasurer	Daily/monthly records, TCD handling - 5% of \$20,940.	<u>1,047.</u>
Total Salary Expense		\$ 11,714.
Related Salary Maint.	- 14%	<u>1,640.</u>
Total Salary and related		\$ 13,354.
Operating Overhead	- 44%	<u>5,876.</u>
Recovery of expense from ESD		<u>\$ 19,230.</u>

In addition to the above, a further recovery of expense is proposed by charging a portion of the treasurer's operating budget against the interest income earnings BEFORE distribution is made to the various funds as required by NRS.

	<u>FY 77-78</u>	<u>FY 78-79</u>
Total Budget Request	\$234,869.	\$245,150.
Less Recovery from ESD	( 19,230.)	( 19,230.)
Less Treasurer's Salary	( 22,500.)	( 28,000.)
Less Travel Expense	( 3,775.)	( 4,025.)
Less Board of Finance Salaries	<u>( 1,920.)</u>	<u>( 1,920.)</u>
Balance used as base from recovery	\$187,444.	\$191,975.
Average distribution to other funds 22%	x <u>.22</u>	x <u>.22</u>
Recovery from interest income	\$ 41,238.	\$ 42,235.
Recovery from ESD	<u>19,230.</u>	<u>19,230.</u>
Total Proposed Recovery of Expense	<u>\$ 60,468.</u>	<u>\$ 61,465.</u>

4-H LIVESTOCK PROJECT ENROLLMENT FIGURES

	<u>1974-75</u>	<u>1975-76</u>
General Animal Science	27	236
Veterinary Science	342	575
Beef	246	249
Dairy Cattle & Dairy Goats	105	129
Horses & Ponies	1205	1260
Sheep	603	560
Swine	148	198
Poultry	126	141
Dogs	430	447
Rabbits and Small Animals	<u>290</u>	<u>457</u>
Total Enrollment in Livestock Projects -	3522	4252

Increase in Enrollment by 730 Projects

1976 Nevada Junior Livestock Show - 410 Exhibitors (10 Counties represented)

1976 Nevada State Fair Livestock Division - 52 Exhibitors, 152 Exhibits

1976 Nevada State 4-H Horse Show - 132 Exhibitors  
(Must qualify at County Shows)

1976 Nevada State 4-H Horse Judging Contest - 56 (4/team per county)

1976 Nevada State 4-H Livestock, Meats and Dairy Judging Contests - 116  
 State F. F. A. " " " " " " - 222  
 (Held Jointly)

Proceeds from Livestock Sales

1967 - \$ 58, 130

1972 - \$105, 900

1973 - \$103, 355

1974 - \$124, 995

1975 - \$123, 346

1976 - \$131, 205

Expenses Paid By State Appropriation

Fiscal Year 1976

Supplies		
Ribbons	\$ 414.01	
Panels for Hog Pens	105.00	
Exhibitor Cards, Numbers, etc.	433.40	
Ear Tags	79.84	
Misc. Supplies	45.56	
	<u>\$1077.81</u>	\$1077.81
Judging Fees		\$2578.70
Other Labor		\$ 753.00
Insurance		\$ 256.00
Printing		\$ 200.50
Advertising		<u>\$ 111.00</u>
		\$4977.01

1977 STATE PUBLIC WORKS BOARD MEMBERSHIP

1. William G. Flangas, Chairman, Las Vegas
2. I. J. Sandorf, Vice Chairman, Reno
3. Bruce D. Arkell, State Planning Coordinator
4. E. H. Fitz, Reno
5. James Cashman, Jr., Las Vegas
6. Hazel J. Gay, Las Vegas
7. Sam (Glenn B.) Krug, Las Vegas
8. Joseph Sheehy, Yerington
9. Larry D. Struve, Reno
10. Wesley W. Wiechmann, Reno

Howard E. Barrett, Budget Director, Ex officio Member

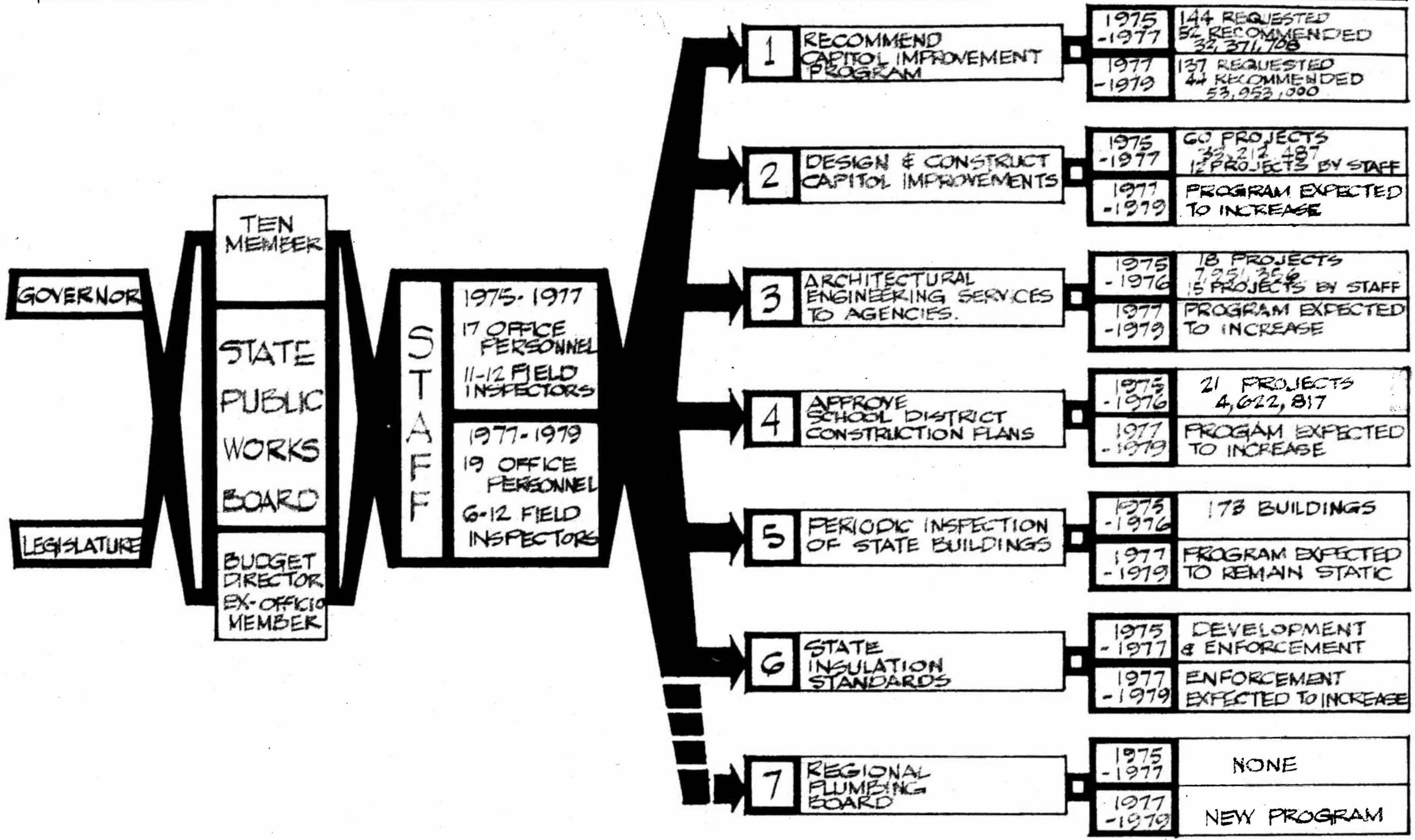
1977 STATE PUBLIC WORKS BOARD STAFF

1. William E. Hancock, AIA, Secretary-Manager
2. Richard E. Baker, Architect, Deputy
3. Ralph Eissmann, Architect
4. Thomas Wall, Architect
5. James D. Long, Architect
6. Edward Adams, Architect
7. Stanley Szymanski, P.E.
8. Elliott Gritton, P.E.
9. Frank Taylor, P.E.
10. John Pollastro, P.E.
11. John Booth, Chief Inspector
12. Wynn Walker, Accountant
13. Marian Shipler, Chief Assistant
14. Claire DuFresne, Principal Clerk Typist
15. Kathryn Malone, Senior Clerk Stenographer
16. Sharon Lane, Senior Clerk Typist
17. Kaye Lee, Senior Clerk Typist

12 Field Construction Inspectors

Las Vegas Area: 5 Inspectors   Reno Area: 4 Inspectors   Carson Area: 1 Inspector   Elko Area: 1 Inspector   Statewide: 1 Mechanical Inspector

# STATE PUBLIC WORKS BOARD



# 1967-1977

67-69

69-71

71-73

73-75

75-77

77-79

BLDG. PRGM

GOVERNOR'S

G.I.P. RECOMMENDATION

\$ 71,516,000

C.I.R.

STATE PUBLIC WORKS BOARD

RECOMMENDATION

\$ 53,953,000

MILLIONS OF DOLLARS

\$ 19,092,358

\$ 20,182,987

\$ 28,734,939

\$ 48,769,050

\$ 41,163,843

BUILDING PROGRAM/STAFF/OPERATING RATIO

STATE PUBLIC WORKS BOARD

STAFF

13

15

14

14

16

17

19

OPERATING BUDGET

\$ 352,077

\$ 450,818

\$ 510,986

\$ 651,395

\$ 819,963

\$ 1,021,860 S.P.W.B.

\$ 985,036 GOV.

1,000,000

800,000

600,000

400,000

200,000



State Public Works Board  
Balance Sheet  
June 30, 1976

ASSETS:

Cash with Treasurer:			
Construction Projects	\$23,117,277.75		
Inspection Section	13,815.47		
Administration Account	40,560.76		\$23,171,653.98
Accounts Receivable:			
Construction Projects	11,831,785.07		
Inspection Section	1,860.00		<u>11,833,645.07</u>
			<u>\$35,005,299.05</u>

LIABILITIES:

Unpaid Operating Expenses:			
Inspection Section	\$ 15,037.27		
Administration Account	26,906.19		\$ 41,943.46
Encumbrances:			
Construction Projects			11,475,650.56
Reversions:			
Construction Projects; pending	126,349.14		
Administration Account; pending	13,654.57		<u>140,003.71</u>
			<u>\$11,657,597.73</u>

REMAINING AUTHORITY:

Construction Projects	\$23,347,063.12		
Inspection Section	638.20		<u>\$23,347,701.32</u>
			<u>\$35,005,299.05</u>