

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
JANUARY 26, 1977

The meeting was called to order at 8:00 A.M.

Senator Floyd R. Lamb was in the chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice-Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Norman Ty Hilbrecht
Senator Thomas R. C. Wilson
Senator C. Clifton Young

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analysis
Howard Barrett, Budget Director
Cy Ryan, UPI
William Hancock, Sec'y-Mgr. Public Works Board
Richard E. Baker, Deputy Public Works Board
I. J. Sandorf, Vice Chairman Public Works Board
Mike Melner, Director, Dept. of Commerce
Pam Wilmore, Deputy Director, Dept. of Commerce
Dan Quinan, State Fire Marshall
Bill Barons, Jr. Livestock Industry Show Board
Fred Dressler, Member
Louis Izola, Member
Bob Guernsey, Budget
Rex Lundberg, Commissioner, Consumer Affairs
Mary Van Kirk, Deputy Comm. Consumer Affairs

Senator Lamb asked Mr. Hancock to speak on their budget. Mr. Hancock introduced Mr. Sandorf who spoke of the value of Mr. Hancock to the Board, of his capabilities, integrity, effectiveness and efficiency. He said there should be a bigger salary spread between the Secretary Manager and the Deputy and those who work under them. Presently there is very little difference between classified employees and the unclassified employees. He asked that the Committee consider an increase in their salaries over that which was recommended by the Governor. He cited specifics in the workload and the increasing responsibilities as justification.

Mr. Hancock spoke to the general budget, listing the general responsibilities of the Board, giving details on the number of projects which they handled. He answered questions relative to the new requested positions and their functions. In answer to Senator Wilson's query as to the function of an architect on a private project compared to a State project he explained that in private enterprise they are more restrictive while the State requires daily inspections, they must approve the cash flow, and insure the quality of construction. He stated that on a State job there is more supervision and inspection than on a private job, and this becomes a responsibility of the Public Works Board. He gave a chart, showing the organization, functions and programs of the State Public Works Board, to each of the Senators, also a chart showing the Building Program, the Staff and the Operating Ratio. (Copies Attached.)

Senator Lamb thanked them for appearing before the Board.

NEVADA JR. LIVESTOCK SHOW BOARD: This Board conducts, each year, the Junior Livestock Show, the Nevada Youth Livestock and Dairy Show and the Nevada State Horse Program. Funds are required for the above programs to employ judges, purchase materials, hire labor for setups etc., and provide for a good educational program. Mr. Barons stated that the increase in the budget being requested was to help with the expansion programs. They have some money coming in from fees. In the past they have had considerable help from the College of Agriculture. Senator Lamb stated that he felt it was a worthwhile program and if just one kid was helped as a result of this, it was worth the small additional funds being requested. Mr. Dressler stated that there were many urban areas that needed help. Senator Lamb thanked them for appearing.

COMMERCE DEPARTMENT: Mike Melner, Director, Commerce Department, introduced his Deputy Pam Wilmore. He listed the functions of his office, which are to supervise the divisions of the Department, Banking, Consumer Affairs, Credit Union, Fire Marshall, Housing, Insurance, Real Estate and Savings & Loan. These are generally regulatory functions. He explained the changes requested in the budget and explained his request for out-of-state travel money as needed to attend and participate in programs which were of value to the Department.

Most of the Divisions under regulation will appear before the Committee to justify their own budgets, so Senator Lamb directed that they refer to the next budget.

MOBILE HOME & TRAVEL TRAILER FUND: In 1973 the Department of Commerce was charged with the enforcement of mobile home standards in Nevada. Direct supervision of the staff was recently moved from the Office of the State Fire Marshall to the Director's Office. The Federal Department of Housing and Urban Development now regulates standards for mobile home construction. Through a contract arrangement, the State assists in enforcing these regulations.

The State has responsibility for licensing units, conducting safety inspections. Licensing and Investigating mobile home dealers and salesmen, and examining and approving construction plans for all travel trailers that are shipped.

Senator Gibson asked for the authority they used in transferring the division. Mr. Melner said he used NRS 232,005 and he was introducing legislation to accomplish this during this session. Senator Gibson said that he had no quarrel with more efficiency but the thing that bothered him was that this was not the way the department was set up.

Discussion followed on the problems encountered in establishing standards and working with the HUD agency in complying with their requirements. Mrs. Wilmore explained that the State is essentially doing what it was doing before HUD took over, but now they are enforcing HUD standards. Because there are no manufacturing plants in Nevada, they are processing consumer complaints. If something comes into the State that is not up to HUD standards, the owner calls the Commerce Department and their personnel does what it can to rectify the situation within the HUD machinery. In answer to a question about another government entity working with HUD, Mrs. Wilmore explained that the HUD specifications definitely cite the State agencies as the ones to become involved.

Senator Lamb stated that he felt there was some overlap in their activities but as this did not directly concern the budget he would not pursue it at this time. He asked that they present the next budget.

STATE FIRE MARSHALL: Mr. Dan Quinan, State Fire Marshall was asked to outline his duties. In compliance with NRS 477, the State Fire Marshall is responsible for enforcing all laws and ordinances and making rules and regulations relating to:

1. Checking and approving State-owned buildings and Capital Improvement projects.
2. Surveys and inspections of all State licensed health care facilities and approvals for licensing.
3. Inspecting, examining and licensing fire extinguisher service agencies and employees, and regulating the extinguishers.
4. Investigating all reports of suspected arson or fraud fires.
5. Investigating and giving new product approvals for fire alarm equipment, fire extinguishers, building construction materials and equipment.
6. Assisting local fire departments in the enforcement of adopted ordinances, rules and regulations.

In answer to questions relative to the involvement in counties, Mr. Melner explained that they only became involved in Clark, Washoe and Carson City Counties in response to a written request.

But he stated that throughout the rest of the state there are many small communities with small fire stations or volunteer fire departments and these people need help and training. Mr. Quinan said that arson cases had gone up 60% over last year. He stated that he could not get a District Attorney to take a case of arson. He felt that only the large communities had the facilities that made them capable of conducting an arson investigation.

The Committee asked Mr. Quinan questions relative to his duties and responsibilities. They discussed the problems of dealing with arson and gathering evidence to present to the District Attorney in order to get a conviction. The possibilities of duplicating services in the smaller counties were explored. Senator Lamb asked Mr. Melner for his opinions on the problems that existed in the office. Mr. Melner stated the Fire Marshall is different from other Division Chiefs. The Fire Marshall enforces codes and an unclassified fire marshall is under much more pressure in the enforcement of life safety codes. Senator Lamb asked Mr. Melner if he didn't believe that anyone should be terminated for cause and Mr. Melner stated that he had terminated people for cause and he believed the Committee was aware of the cases.

Senator Lamb thanked them for appearing and directed the Committee's attention to the Consumer Affairs Budget.

CONSUMER AFFAIRS DIVISION: Mr. Rex Lundberg, Commissioner of Consumer Affairs, introduced his deputy, Mrs. Mary Van Kirk.

The Consumer Affairs Division is charged with representing the interests of Nevada consumers through:

1. Educating and informing the consumer to insure rational consumer choice in the marketplace;
2. Protecting the consumer from the sale of goods and services through the use of deceptive methods, acts or practices which are adverse to the general welfare of consumers;
3. Fostering competition; and
4. Promoting effective representation of consumers' interests in all branches and levels of government.

Senator Lamb asked Mr. Lundberg if he could help him with a problem that he was receiving many complaints about in Las Vegas. The problem dealt with trailer parks, where people went in and set up their trailer and after they had been there a few months the rent was raised for no appreciable reason. And this continued to happen. He asked if this problem fell under the jurisdiction of the Consumer Affairs Division.

Mr. Lundberg said that he was aware of the problem but beyond giving advice to the complaintant on the action they could take, the division was helpless to take any action on their behalf.

The Division's authority was to enforce the Deceptive Trade Practices Act which has to do with representations and inducements to sell, not with actual practice.

Mr. Melner confirmed that these kinds of trailer park rental problems do not fall within the Act under which they operate, and he did not know under what division the responsibility of these problems would fall. A general discussion followed on what state agency could help these people. Senator Wilson suggested that a lease agreement might be a cleaner more direct way to solve the problem than other approaches that might be considered.

Mr. Melner said it might require specific legislation to give an agency the authority to act.

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Senator Lamb asked them if they could come back to the Committee with some suggestions so they could put something together to correct these problems.

Mr. Melner said this was a greater problem in Clark County than anywhere else. Senator Hilbrecht stated the lease agreement might be the best solution, but he said that the trailer owners also had problems in this area because there was really no way they could get rid of undesirable tenants.

Mr. Lundgren spoke of his budget request and gave justification for the new positions and the increases in his budget.

Senator Gibson asked for details on how they resolved a case problem, what kind of action they took.

Mr. Lundgren explained that when a case was brought to them they assigned it to an investigator. The three investigators were specialists in certain areas they are familiar with. The investigator examined the case and sent a copy of the complaint to the respondent to ask for his version, because many times it was a clerical error, personality difference, misjudgment, or some other thing that was not illegal.

If they were dissatisfied with the information obtained from both parties involved in the dispute, then a hearing was held using the authority of the subpoena they have, to have the two parties confronted. This is a fact finding, informal hearing. Then if it is a matter of restitution and both sides indicate their willingness to mediate, negotiate and compromise, and if there is no violation of the law, this is the settlement. If it appears that there is going to be something that will occur in the future but is not a real problem at the particular time, then they go for an assurance of discontinuance from the business man which is confidential and a promise not to do certain things in the future but does not admit guilt for the past. If this assurance is violated then they are subject to any court actions that can be taken.

If it is a serious case, where an assurance will not bring about the desired results, or if it's a repeated offender, then they would turn it over to their Deputy Attorney General and ask him to consider it for prosecution. Senator Gibson asked for figures on the disposition of cases they had had. Mr. Lundberg provided this information. The dollar amount they expected to recover to the state in the way of fines would be approximately \$160,000. A rough figure for recovery to the individual would be approximately \$.5 million.

Further discussion followed on procedures and examples of the types of cases which were referred to the division. He stated that the Deputy Attorney General handled civil cases; if it was criminal, it was referred to the District Attorney and they worked with him. He said they did not press for criminal cases. Senator Young said it appeared the work load of the office was increasing 20 to 25% per year and, unless they had been overstaffed originally, it would appear that they needed more staff. Mr. Lundgren said they did need more staff. They had been involved in the hearings with the Public Service Commission and the Dairy Hearings on behalf of the consumer. Mr. Melner said they were going to have to make some changes in priorities in order to get the job done.

The rest of the budget was reviewed and Senator Gibson thanked them for appearing.

He asked the Committee for action for the first appropriation for the Legislative Fund for \$500,000. Senator Hilbrecht moved it be submitted; Senator Wilson seconded and the motion passed.

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The meeting adjourned at 10:10 A. M.

RESPECTFULLY SUBMITTED:


MURIEL P. MOONEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

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

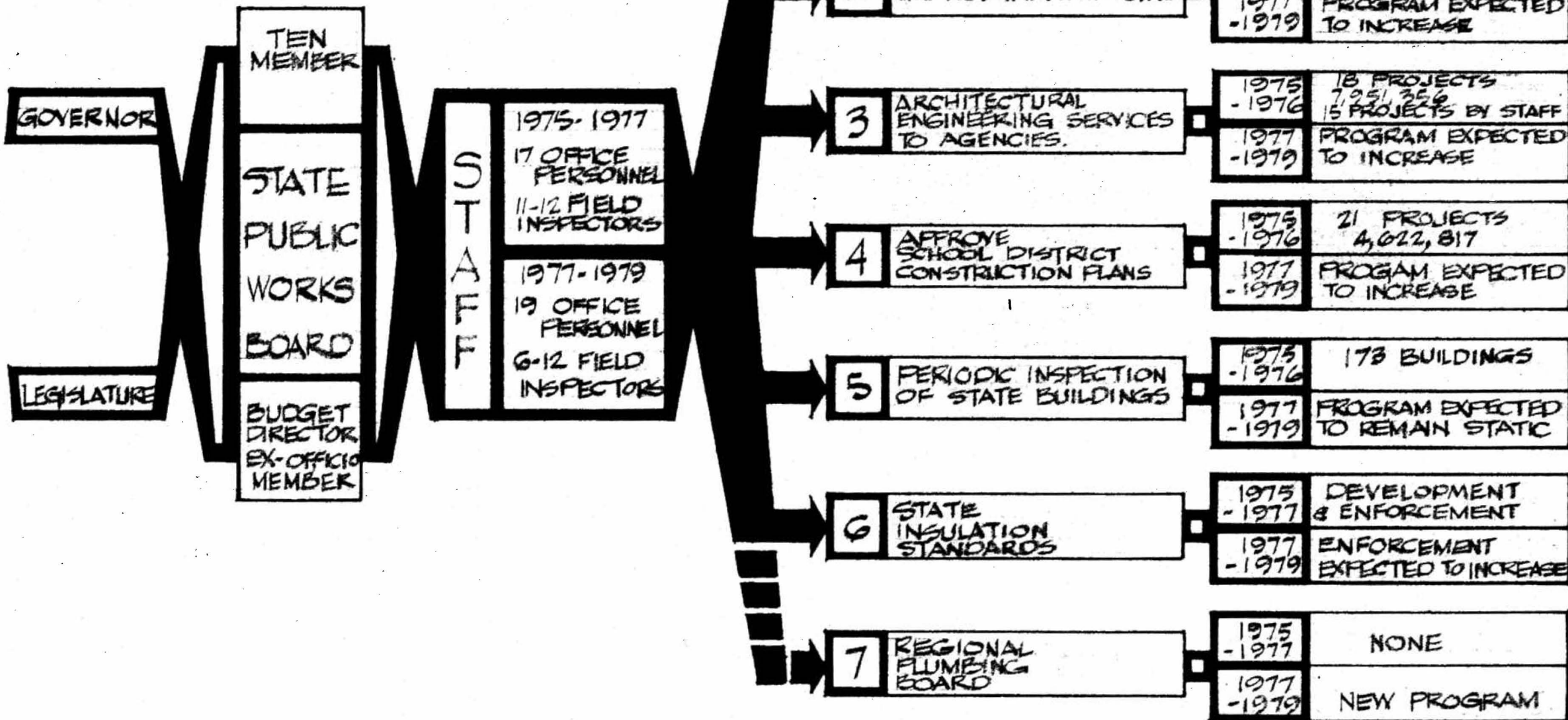
1977 STATE PUBLIC WORKS BOARD STAFF

- 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

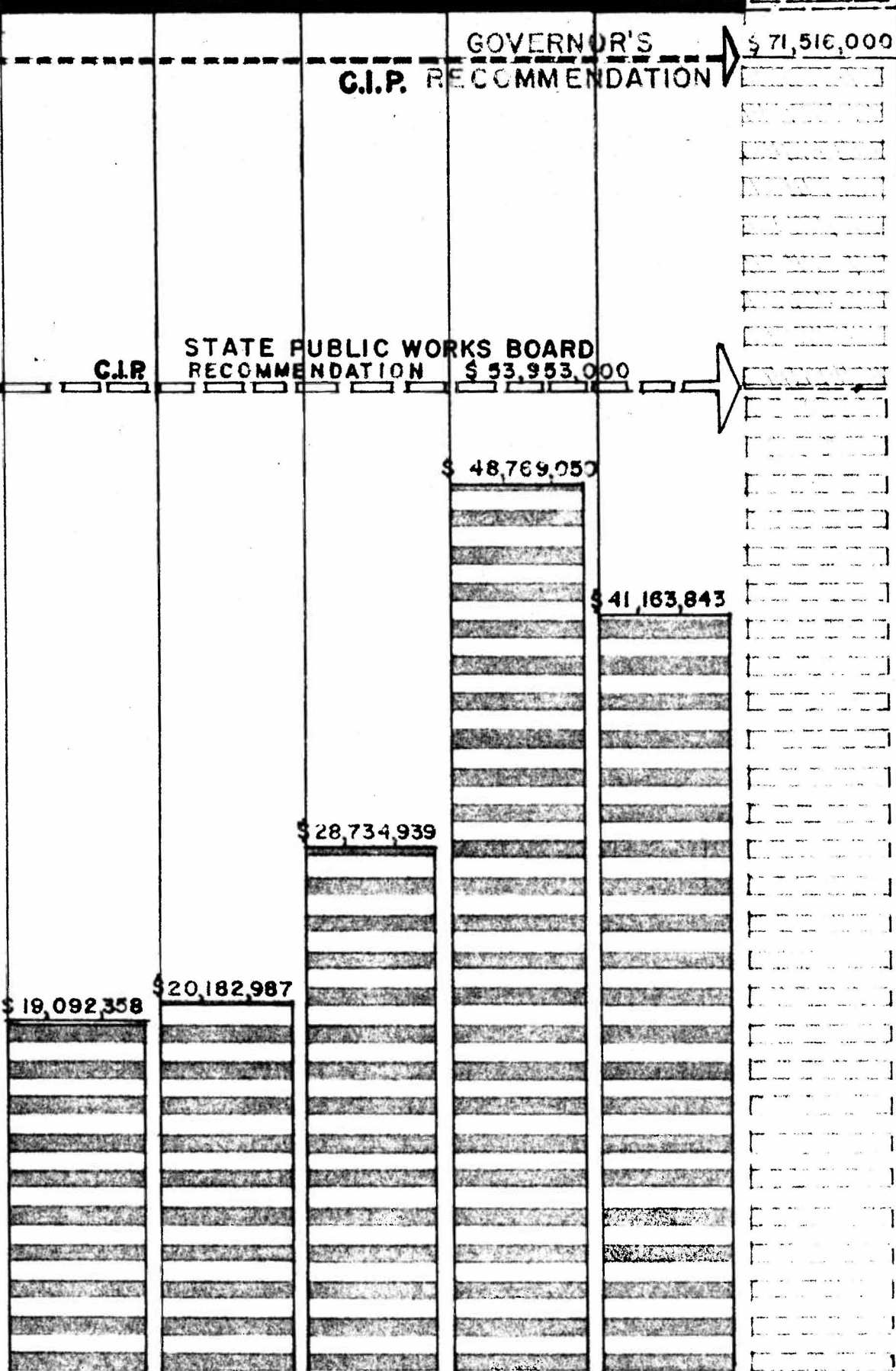
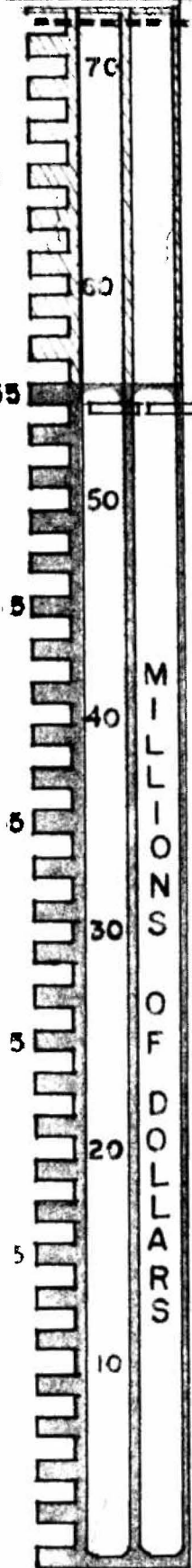
STATE PUBLIC WORKS BOARD



1967-1977

67-69 69-71 71-73 73-75 75-77 77-79

BLDG. PRGM.



GOVERNOR'S RECOMMENDATION → \$71,516,000

G.I.P. RECOMMENDATION

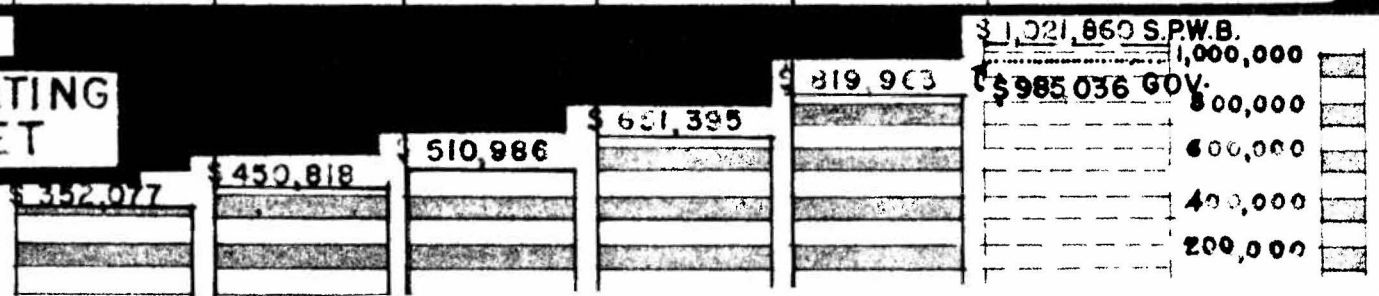
C.I.R. STATE PUBLIC WORKS BOARD RECOMMENDATION → \$53,953,000

STATE PUBLIC WORKS BOARD
BUILDING PROGRAM/STAFF/OPERATING RATIO

STAFF

13 15 14 14 16 17 19

OPERATING BUDGET



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

\$985,036 GOV.

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>
		\$11,657,597.73

REMAINING AUTHORITY:

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