SENATE FINANCE COMMITTEE MINUTES OF MEETING FEBRUARY 3, 1977

The meeting was called to order at 4:00 p.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:

Ron Sparks, Chief Deputy Fiscal Analyst

Cy Ryan, UPI

Howard Barrett, Budget Director

John Meder, Park Director John Richardson, Chief Planner

Norman Hall, Director of Conservation and Natural Resources Dorothy Tanner, spoke in support of Homemaker legislation

Mr. Crawford, Representative of the Nevada Open Land Organization

Council

Mr. Bennett, Executive Officer of Public Employees Retirement System

Steve Hamilton, Nevada land owner

Mrs. Dorothy Tanner, a candidate for her Masters degree at the University of Nevada, Las Vegas, in post divorce adjustment, spoke for support of Homemaker legislation. She said this would involve women of ages 35-55 who have been widowed or divorced. She said the purpose of this program is to establish a multi purpose service center to help the readjustment period.

Mrs. Tanner said the contributions of a homemaker are virtually unrecognized. This includes social security and a lack of private insurance benefits.

She said a women of 35-55 has little or no marketable work experience. This group of people have the highest unemployment rate of any sector of the work force. She said statistics show that 47% of divorced mothers are awarded child support. There are four times as many widows as there are widowers.

H.R.28 was introduced in Congress on January 1977. This bill will provide for 50 multi purpose centers in each state. It will provide Federal matching funds. 90% Federal and 10% to a State for a center. The centers will provide job counseling, training or retraining, lessons in finance and an out-reach program. The centers would also provide women of this age group with rehabilitation and improvement efforts for their mental outlook.

Senator Lamb asked about the cost and agency jurisdiction.

Mrs. Tanner said it would be under the jurisdiction of Health and Education and if the bill H.R.28 is passed, these centers would open within two years after the passage of the bill. The Federal Government will provide 90% of funding leaving 10% for the State.

Senator Lamb asked if the centers would be residential facilities for the women.

Mrs. Tanner said no, this would be strickly for vocational rehabilitation and counseling during the day.

Senator Echols indicated that as soon as the law is passed, two pilot programs would be started in the United States.

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Mrs. Tanner said the law would provide for 50 centers, one in each state.
Each state will have two years to comply with the requirements to bring about a center with 90% matching funds.

Senator Hilbrecht asked if it had to be a new center?

Mrs. Tanner said an existing facility could be utilized as more of an our-reach center.

Senator Lamb asked what agency in the state would be draibling this program?

Mrs. Tanner said she wasn't sure.

### LAHONTAN RESERVOIR

The Nevada Park Division's plan to acquire additional land and build more facilities at the LahontanReservoir in Churchill and Lyon counties ran into some opposition.

Mr. Steve Hamilton, owner of the 500 acres proposed to be purchased at Churchill Beach, says he does not want to sell. Mr. Hamilton told the Finance Committee that he owns extensive land around the area which he purchased for \$1,100 an acre.

Mr. Hamilton said the land is now worth about \$1,700 with taxes and inflation. He said the park division wants enough state money to pay him only \$500 an acre. Mr. Hamilton said the park division wants to take only the prime beach frontage and adjacent land.

Mr. Hamilton complained he had never been contacted about the proposed purchase.

The park division is asking the Legislature to appropriate \$507,000 to buy additional land at Lahontan. The division also wants more than \$1 million to make improvements such as additional campsites, upgrading roads, sewage and maintenance facilities.

Mr. Ed Crawford, a representative of the Nevada Open Land Organized Council, told the finance committee his group opposes the changes that are being made. He said the park division was taking one beach which was used as a camping area and turning it into a day-use facility.

Mr. Crawford complained there had not been any public meetings for the public to comment on these plans. He asked the finance committee to withhold any appropriation until the parks division holds hearings to "find out what the Lake Lahontan users want."

Mr. Crawford said he asked the park division in a letter for information about the proposals for Lahontan, but was told that he could come into the office and view the plans. He said the divison refused to send him any answers in the mail.

Mr. John Meder testified on the parks improvement program.

Senator Gibson asked if money was approved for the study, could the committee have the results before approving the rest of the request.

Senator Gibson said that neither department of the resources nor state engineers have certified the damn and will not until a study of this type is made to determine what the problems are.

Senator Gibson said the damn was constructed to handle the 100 year flood. This was strickly in theory. Senator Gibson said he felt a professional exam was needed.

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SENATE FINANCE COMMITTEE MINUTES OF MEETING PAGE 3 Mr. Meder spoke of the water system at Cathedral Gorge. He said with the information developed we consulted some of the costs based on similar work that was done at Lahonton to put a water system in there. It will run approximately \$16,000 more to tie into the present water system in the city. Mr. Meder said the proposal is to have enough water available for an average summer week-end and a flow of water for fire protection at the ranger station. Senator Young asked how many visitors were there last year? Mr. Meder said approximately 67,000 people. Senator Young asked if these visitors were charged? Mr. Richardson said only the night visitors which charge totalled \$3,105. Senator Young asked if night visitors are the ones that chiefly use the water? Mr. Richardson said yes but also irrigation for the trees around the camp ground and the day facility. Mr. Meder said the current problem is that the water system freezes when it gets cold. Mr. Meder said the department proposes to develop a 50 unit day-use facility at Washoe Lake and the 25 unit camp ground and an equestrian unit. An equestrian unit is located in the area that has been used in the past by folks that come in and congregate on Sunday, leave the trailers and take off in the back hills behind Virginia City. Mr. Meder requested a ranger residence in the existing complex area. requires a hook up of utilities, provision for a trailer and all the associated improvements. Senator Young asked Mr. Meder if the trailer was the cheapest way to go for a cost of \$50,000. Mr. Meder said the important factor is the remoteness of the area and the need to bring power, sewer hook-up etc. Senator Gibson asked Mr. Meder how much time it would require to visit Fort Churchill, Washoe Lake and Lake Lahonton? Mr. Meder said the better part of a day. The Finance Committee decided to take a trip to these areas to orientate themselves. Senator Glaser asked if there was boating and fishing. Mr. Meder said yes; that fishing varies from year to year. Senator Wilson asked if there was a ranger facility at Lake Lahonton. Mr. Meder said yes; two on each side. Senator Lamb said the \$175,000 for consulting fees is no wonder the contract is so high. Senator Echols asked if there were consulting fees for each project. Mr. Meder said \$175,000 is the amount calculated to do all the necessary work within the budget. 213

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Mr. Meder said that the proposed handicapped facilities are modifications to existing facilities in all the parks wherever they exist. \$30,000 constitutes the total cost to make the modifications.

On page 794 of the budget, there is \$84,850 requested for a maintance complex at Churchill Beach. The funds requested, out of the Parks Improvements, were for Silver Springs. This request is for Churchill Beach Complex.

Senator Gibson asked about the 50 camp sites. 25 sites at one place and 25 at another. Senator Gibson said the cost equals \$10,000 or more a site.

Mr Medicus and the cost includes all the sanitary systems, main electric systems and water.

Mr. Meder said the primilary engineering plan shows that pumping is necessary. A simple leach system is insufficient.

Senator Gibson asked why less money out of Marina Development Fund was projected.

Mr. Meder said he didn't think the project showed less money.

Senator Gibson said the budget shows \$1,675,000 last biennium for the federal matching and this time, \$903,000.

Mr. Meder said that a balance remained in the fund which was brought forward and added into the proposed budget.

Senator Young questioned if the Marina money was being utilized to extend the camp ground area at a cost of \$570,000 plus part of the \$190,000 for roads to service the camp ground area too.

Mr. Meder said no, the \$190,000 would be used for the main roads not the loop roads.

Senator Young asked how many units would be provided out of the \$570,000 Mr. Meder said 50.

Mr. Meder said the developing cost of the beginning stages of expanded camp grounds becomes rather expensive. The first ones average out to be very expensive due to the initial expense of extending utilities.

Senator Young said there is another \$120,000 being spent that is allocated for about 20 units.

Mr. Meder said 25 units are being constructed now.

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Senator Young said the only thing that is going ahead in the biennium 1977-79, is the Marina money for camp ground units.

Mr. Meder said there is some park improvement money also. He said he would get the bread down.

Senator Lamb asked about the availability of power and water. Mr. Meder said the sources are a developing water system at Churchill Beach which was mentioned on current costs to serve the main development at Churchill Beach. It is presently under construction.

Senator Lamb confirmed that power was available. Mr. Meder said yes. Senator Lamb asked if there was sewage. Mr. Meder said no, that is why the cost is so high.

Mr. Meder said that the State Health Department created some problems over sewage facilities which now necessitates installation and possibly a treatment plant, similar to that at Lake Tahoe.

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SENATE FINANCE COMMITTEE MINUTES OF MEETING PAGE 5 S.B. 173 Mr. Bennett said the amendments are drafted to the BDR because printed copies of S.B. 175 are not available. Mr. Bennett said the first amendment would delete the proposal on Post Retirement increases to be placed on a graduated scale on a permanent basis and provide that post retirement increase would be reviewed every two years by the legislature. Page 3, Section 7, sub-section 2, line 4, after the word"payable" and before the word "July" insert the following: beginning. Page 3, Section 7, sub-section 2, line 5, after the word "and" and before the word "as" delete the words "each year thereafter" and insert July 1, 1978. Mr. Bennett said the benefits provided within a given year will be continued throughout the life of the retired person. This amendment will make sure that additional increases each July 1, will not be allowed unless specifically authorized by the legislatures. Mr. Bennett said page 3, Section 7, add new sub-sections 4 and 5 as follows. Mr. Bennett said there has been a problem where retirees name their as beneficiary. Because a graduated scale post retirement increase is used, if the retired person dies within the calender year, between January 1 and June 31, the spouse who begins receiving benefits would not receive a post retirement increase; this is payable to people who are drawing benefits as of the initial dates benefits are received. Mr. Bennett said we are recommending that beneficiaries of a deceased person receive the post retirement increases provided in this section, based on the effective date of the retired person and the base benefit for that person. Mr. Bennett said options 2 and 4 provide the same monthly benefits and on 50% of the base, under 3 and 5 give half of the benefit to the beneficiary. In effect the same percent of post retirement increase will continue to the beneficiary that we would have been paid to the retired person. Mr. Bennett said the one year gap would be eliminated where the increase is not received. It will take away where an older retiree was getting a 5% increase each year. If he dies the first year, his beneficiary gets nothing the second year only 2%. Mr. Bennett said there are presently about 300 beneficiaries. The total cost to the system will be about \$7,000 the first year. Item #5 deals with the problems with the post retirement increase where this percentage may be greater than the all items consumer price index. The post retirement increases provided in this section shall be payable only if they do not exceed the percentage increase in the all item consumer price index during the previous calender year. The percentage for post retirement increase as provided in this section shall be prorated in direct proportions to the percentage increase in the all items consumer price index for the previous year. Senator Gibson asked what the all items consumer price index was. Mr. Bennett said it is a little more inclusive and it uses more items. It is provided by the Federal government and issued quarterly. It will be available for the December 31, meeting by the middle of February of each year. Senator Hilbrecht asked if it was higher or lower than the CPI monthly consumer price index. Mr. Bennett said he would have to check. 215

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Mr. Bennett said on Amendment IV, Page 4, Section 9, sub-section 2 (b), there is a technical correction in the definition of average compensation. The school districts had requested they be allowed to contribute on such items as "coaching, teaching summer school, and other."

Mr. Bennett said there are problems with agencies and rather then being limited to school districts we would like to eliminate coaching, teaching summer school and provide that retirement contributions may be taken on the extra duty item if it is provided in either an annual and/or academic year contract.

Mr. Bennett recommended deleting contributions on over time terminal leave and secondary employment. Section#V deals with adding new groups to the early retirement provisions for post retirement for police and firemen. The committee recommended deleting the caming control board and a broad definition of the transfer unclassified employees of the caming control board which would include auditors.

Mr. Bennett recommended deleting the entire sub-part "H" and inserting extension of coverage to investigators of the State Gaming COntrol Board only.

Mr. Bennett said the committee also recommended an amendment to repeal other areas which are found in sub-part "J" on line 26 of page 4 which list brand inspectors and live stock theft investigators and "l" which are baliffs of a district or municiple court, and "M" which are juvenile probation officers.

Senator Wilson questioned the inclusion of investigators of the State Gaming Control Board. He recalled testimony indicating that the enforcement agents, not the investigators had the greater risk.

Senator Wilson asked which classification was meant.

Mr. Bennett said he would provide the answer later because when gaming testified before the Police and Firemen Advisory Committee they requested coverage for their entire group who work in the casinos, who make investigations, who do audit with investigators present.

Senator Wilson requested clarification on the distinction between the investigators, auditors and enforcement agents and recommended that only the proper classification be included.

Mr. Bennett said he would talk to Phil Hannifin and get the correct classification.

Mr. Bennett said the law provides two basic divisions which are servailance and one other. Their division is not organized in that manner and therefore problems in drafting the bill were presented.

Mr. Bennett said the heading of this section identifies the people that are covered are persons whose primiary responsibility is enforcement of the law.

# VI, Section 12, Page 4, line 42, this requested amendment deletes section 12 in its entirety. The recommendation was to add the Nevada interscholastic activities association and the Nevada league of cities and the Nevada Classified School Employees Association to the groups covered for membership. This amendment would remove that request in toto.

Amendment VII, Page 14, Section 22, sub-section 5, line 5, the Boards proposal was to extend coverage to Argiculture Extension employees in both the Federal and State system as long as they remained employed and The amendment will limit their continued membership only until June 30, 1977.

Mr. Bennett said each of the fourteen members actively contributing had a least ten years; service so they are vested in the system and will be entitled to retirement benefit at age 60.

SENATE FINANCE COMMITTEE MINUTES OF MEETING PAGE 7 Amendment VIII, section 37, page 18, line 45, the systems recommendation was for those people who earn thirty years service prior to full retirement, eligible at age 55, would be allowed to continue to earn an additional 21/28 over and above the 75% maximum until they reach full retirement eligibility. amendment would delete this provision and would take out of the bill the additional 21/2% that could be earned over and above the 75% maximum.

Mr. Bennett said there is a new section added to Amendment IX. It provides

that any member who has attained 30 years of service shall have the option to cancel further contributions and/or participation in the Retirement System and receive a retirement benefit based upon average compensation and service earned by him prior to the election of the option. The election to cancel contributions and participation in the Retirement System shall be effective on the first day of the month immediately following the date a notarized written designation by the member is officially received in the system office. An election to cancel shall be final, irrevocable and prospective.

Mr. Bennett said the committee's decision was to give the employees the option that when they reach thirty years service if they are not ready to retire they could, by their option, stop contributions and freeze their benefits as of that day.

Senator Gibson said the alternative is that they can pay in and have their benefits advance if their salary advanced, never getting more then 75%.

Mr. Bennett said where an employee is paying 8% and an employer is paying 8%, the salary is increased for average compensation each year and the percentage amount is also increased once an employee earns thirty years service. Even if he stays to increase his salary the contribution is double for the improvement of their retirement benefit.

Amendment X, Page 43, delete Section 52 in its entirety.

Amendment XI, XII, and XIII (see <u>attached</u>)

The meeting adjourned at 6:00 P.M.

RESPECTFULLY SUBMITTED:

VALENTA, SECRETARY

APPROVED:

# SENATE FINANCE COMMITTEE AMENDMENTS to SENATE BILL 173 (BDR 23-165) Amendments are drafted to BDR 23-165 because printed copies NOTF: of SB 173 are not available. Page 3, Section 7, sub-section 2, line 4, after the word "pay-Ι. able" and before the word "July" insert the following: beginning. Page 3, Section 7, sub-section 2, line 5, after the word "and" and before the word "as" delete the words "each year there-II. after" and insert July 1, 1978. III. Page 3, Section 7, add new sub-sections 4 and 5 as follows: 4. A beneficiary of a deceased retired person shall receive post retirement increases provided in this section based on the retirement effective date for the retired person and the base benefit for the retired person under options 2 and 4 and 50% of the base benefit of the retired person under options 3 and 5. 5. The post retirement increases provided in this section shall be payable only if they do not exceed the percentage increase in the All Items Consumer Price Index during the previous calendar year. The percentage for post retirement increases provided in this section shall be prorated in direct proportion to the percentage increase in the All Items Consumer Price Index for the previous calendar year if and when the Index increase is less than the percentage provided in this section. IV. Page 4, Section 9, sub-section 2(b), line 1, after the word "for" delete the following: "coaching, teaching summer school, and other". On line 4 after the word "the" and before the word "academic" insert the following: annual and/or. Page 6, Section 11, sub-section 1, delete sub-part (h) in its entirety and insert the following: Investigators of the State Gaming Control Board; delete sub-parts (j), (1), and (m) in their entirety and add the following: (j) Investigators of the State of Nevada Taxicab Authority. Reletter the sub-parts. VI. Page 6, delete Section 12 in its entirety. Page 14, Section 22, sub-section 5, line 5, after the word "system" and before the word "and" delete the following: VII. "if he remains employed with the division" and insert only until June 30, 1977. VIII. Page 31, Section 37, sub-section 1(b), line 6, after the word "compensation" add a . and delete ", except that a member who is not a police officer or fireman who has completed 30 years of service before he reaches the age of 55 years is entitled



#### STATE OF NEVADA

### OFFICE OF THE ATTORNEY GENERAL

CAPITOL COMPLEX
SUPREME COURT BUILDING
CARSON CITY 89710

ROBERT LIST ATTORNEY GENERAL

January 27, 1977

### MEMORANDUM

TO:

Vernon Bennett, Executive Officer

**PERS** 

FROM:

William E. Isaeff, Deputy Attorney General

RE:

Bill Draft to Prevent Escheat of Contributions

In PERS Account

- 1. Notwithstanding the provisions of NRS 154.010 or 154.140, contributions in a member's, retired person's or beneficiary's individual account shall be transferred to the public employees retirement fund upon the death of said member, retired person or beneficiary when there is no heir, devisee or legatee capable of receiving said funds.
- 2. If, within six years after any transfer under subsection 1 of this Act, any person shall appear and claim any monies that may have been transferred to the public employees retirement fund, such person may file a petition in the district court for Carson City stating the nature of his claim, with an appropriate prayer for the relief demanded.
- 3. A copy of the petition shall be served upon the attorney general before or at the time of filing the same. Within 20 days after service, the attorney general shall appear in the proceeding and plead or answer to the petition. If, after examining all the facts, the attorney general is convinced that the state has no legal defense against the petition, he may, with the consent of the court, confess judgment on behalf of the state.

Amendment XII

January 11, 1977

#### PROPOSED SEPARATE SECTION TO RETIREMENT OMNIBUS BILL

It is the intent of the Legislature that the Police and Firemen's Retirement Fund shall be and remain separate and apart from the fund for regular members of the Public Employees' Retirement System and that the Retirement Board shall consider recommendations from the Police and Firemen's Retirement Fund Advisory Committee based on their merit in relation to the funding, membership and benefit situation of the Police and Firemen's Retirement Fund.

It shall be the duty of the Police and Firemen's Retirement Fund Advisory Committee to provide recommendations with respect to administrative and benefit matters pertaining to the Police and Firemen's Retirement Fund; and the Retirement Board shall consult with the Police and Firemen's Retirement Fund Advisory Committee in all matters concerning the Police and Firemen's Retirement Fund.

#### AMENDMENTS TO NRS 286.520

- (2a) Line 1, after "serve" delete [as legislators in this state or be employed]
- (2b) Line 1, delete [Return to employment for] and insert: accept employment with

  Line 2, after "year" insert: in a position not normally eligible for membership in the system
  - Line 3, delete [\$3,600] and insert: \$4,800
    - Line 4, after "be" delete [suspended] and insert: forfeited
  - Line 5, after "remain" delete [suspended] and insert: forfeited
- (3) Line 1, delete [10] and insert: 30

  Line 1, after "employment" insert: under the provisions of subsection (2)
- (4) Line 1, after "not" delete [considered to have returned to] and insert: eligible to accept
  - Line 3, at the end, delete [l calendar], and at the beginning of line 4, the word [month] and insert: 90 consecutive days
  - Line 4, delete [his return] and insert: employment
- (5) Delete the first sentence in its entirety.
  - Line 6, after "legislator" insert: , county commissioner or city council-

Add a new (6) as follows: The retirement benefit for any retired person will be forfeited for any period that he accepts employment with a public employer in a position which, except for age prohibitions, would normally be eligible for membership in the system. The public employer and the retired person shall provide verbal and written notification to the system within 10 days after accepting employment under this subsection.



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TO Senate Finance Committee

FROM John Meder

SUBJECT PARK IMPROVEMENT PROGRAM 1977-1979

DATE February 2, 1977

NEVADA STATE PARK SYSTEM

We have attached the information you requested on February 1, 1976, relative to:

1. Proposed study of Echo Dam

2. Alternate water system and cost at Cathedral Gorge State Park

JR:kw

Attachment

a division of the Department of Conscrvation and Natural Resources

# ECHO CANYON STATE RECREATION AREA

## Reservoir and Dam Study

Contact was made with an engineering geologist consultant relative to the study of the leaking at Echo Canyon Reservoir.

Maximum cost would be \$30,000 and would include:

- 1. Test boring and installation of instrumentation as requested by the State Engineer.
- 2. Level survey of dam crest, setting bench marks for periodic measurement of dam settlement, if any, as requested by the State Engineer.
- 3. Geological study.
- 4. Complete dam design review.
- 5. Soil studies.

### HISTORY OF DAM

Constructed by Lincoln County in 1969-1970. Conveyed to State Park ACR42-Fifty Fifth Session - 1969. Designer - Rollins, Brown, Gunnell, Inc., Provo, Utah.

Structure was designed to withstand 100-year flood and design was approved by the State Water Resources Division, September 2, 1969.

Contractor was Stratton Brothers of Hurrican, Utah.

### CATHEDRAL GORGE

. Water System

# Governor's Budget Request

Well development within park boundaries.

Estimate	Quantity	Unit	Unit Cost	Total
4" PVC Pipe	5,400	L.F.	\$5	\$27,000
2" PVC Pipe	10,000	L.F.	3	30,000
l" PVC Pipe	1,000	L.F.	2	2,000
Connection		L.S.		1,000
Storage Tank	50,000	Gal.		25,000
Well		L.S.		8,000
Pump and Controls		L.S.		2,500
UG Electrical		L.S.		1,000
		TOTAL		\$96,500

## <u>Alternative</u>

Eliminate well, pipe, controls, underground electricity, and instead initiate water system at Panaca well.

# Additional Pipe Needed to Panaca Well

Estimate	Quantity	<u>Unit</u>	Unit Cost	Total
<b>4"</b> PVC Pipe	2,500'	L.F.	\$5	\$12,500
Railroad Crossing	1	L.S.		8,000
Highway Crossing	1	L.S.		6,000
Ditch Crossing	2	L.S.	500	1,000
		TOTAL		\$27,500

Less

Well .	\$ 8,000
Pump and Controls	2,500
UG Electrical	1,000
TOTAL	\$11,500
DIFFERENCE	\$16,000

Improvement estimates are based on the most current low bid cost for similar type work and materials.

# Alternate Total Cost

Estimate	Quantity	<u>Unit</u>	Unit Cost	Total
4" PVC Pipe	5,400	L.F.	\$5	\$27,000
2" PVC Pipe	10,000	L.F.	3	30,000
1" PVC Pipe	1,000	L.F.	2	2,000
Connection		L.S.		1,000
Storage Tank	50,000	Gal.		25,000
4" PVC Pipe	2,500	L.F.	5	12,500
Railroad Crossing	1	L.S.		8,000
Highway Crossing	ા	L.S.		6,000
Ditch Crossing	2	L.S.	500	1,000
		TOTAL		\$112,500

