

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
MARCH 31, 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: Ronald W. Sparks, Chief Deputy, Fiscal Analysis
Howard Barrett, Budget Director
Cy Ryan, UPI
Dr. Gwen O'Bryan, Mental Hygiene
Bill Hancock, Secretary-Manager Public Works Board
Senator Carl Dodge

Senator Lamb asked Dr. O'Bryan to speak.

Dr. O'Bryan said the division had been working with the Highway Department for some period of time; aware that they are widening Glendale Road and would be taking about 60 feet back on the Institute property. Recently they received a private appraisal of the value of that land and learned that it would be worth approximately \$281,000. This would have to be confirmed by the Highway Department's estimate but it would be somewhere within that range of figures.

She had discussed with Mr. Bastian as to how long it would be before they were able to obtain these monies and his estimate was that the highway department will be doing their appraisal of the land somewhere between September and November of 1977 and that the state would receive reimbursement for the land somewhere around Christmas of this year. The monies had not been anticipated and they have just recently become aware of it. They are now requesting that they be given legislative approval to use these amounts of money approximately in the range of \$280,000 to complete the recreational complex at the Institute. The estimates from the Public Works Board as to what the total design would cost are \$341,000.

At the present time at the Institute, because of buildings under construction, they do not have any outdoor recreational activity areas at present. The ones they were using are now the sites of the new building construction. With the appropriation approval from the land exchange and then the additional monies coming from the Highway Department, the area under discussion could be completed within approximately one year's time. She said she understood from Mr. Bastian that the monies that will be coming to the state from the highway; in large proportion, will be other than state funds, e.g. gasoline tax money and federal funds. Mr. Hancock said if all the money that was indicated were collected, it would be adequate for that development. He said they would save a few dollars by doing it all at one time. It would also disrupt the Institute far less.

There were no questions and Senator Lamb thanked Dr. O'Bryan.

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Senator Lamb told Mr. Hancock that the Committee was having second thoughts of S. B. 298. They had pulled the bill back into Committee and they were thinking about not going for the whole \$6. million. Senator Hilbrecht said they were considering a more moderate approach. He described some of the recommendations which his father had made to the Committee earlier. These suggestions were discussed. Mr. Hancock voiced some concern about some of the proposals. The Committee indicated that they had difficulty in visualizing the suggested changes. It was agreed that they personally inspect the Capitol Building before a final decision was reached. Senator Hilbrecht said there appeared to be a wide spread feeling in the Senate that it may be wiser to simply maintain the structural integrity of the building and its historic value inside as well as out and perhaps save whatever possible, in reserve, for building more efficient office space at a later time when it is really needed. Senator Hilbrecht said he was going to Las Vegas this weekend and would bring more specific comments on the plans back for Mr. Hancock to review.

Mr. Hancock reported on the meeting held the previous day with Peter Simon and a majority of the State Public Works Board on the problems at the site of the prison facility in Jean.

In summary, the State Public Works Board recommends that \$216,000 be made available for the state to pay for the installation of power to the Jean facility and this money is reimbursable from the power company, back to the state, over a period of ten years through reduced rates. The power company is asking, as of the present date, for \$254,000 but it was \$216,000 as of yesterday. This is for the installation of the power lines. The increase over their original request was as the result of reanalyzing their estimates. The Board feels there is a lot of room to negotiate. The board is recommending the \$216,000. There will be a 25% reduction in the power bill every month for ten years, it could be paid out at an earlier date. In exchange for that Mr. Simon will extend his letter of credit of \$500,000 for a period of one year or until such time as all utilities are complete and in operation. He will also provide a bonded construction contract for the sewer on or before June 15th, 1977 and guarantee to complete that installation by December 31, 1977. The Board does not recommend modifying the existing agreement in regard to the sewer plant capacity. They believed that the 62,500 gallons is adequate and see no reason to build anything bigger and pay any more operating costs for it. The State Public Works Board does not recommend any alterations be made to the provisions of the rates that are to be paid to the State of Nevada for utilities. They do not recommend lighting the road as requested. Mr. Simon agreed that any violation of these terms would in fact result in a breach of contract, therefore they could proceed immediately on the recovery of the \$500,000 Letter of Credit. Mr. Simon has said that he will comply upon approval of this proposal. The Committee questioned putting up the \$216,000 for ten years and losing the interest that the state would normally receive for that money; this was estimated to be in the vicinity of \$80,000.

The Deputy Attorney General was present at the meeting on the previous day and agreed that there was a problem with the wording in the original contract and while it might be argued in court, the state was in a rather weak position. The Committee discussed the report generally and the possibility of winning a court case based on the original contract agreement.

Senator Lamb asked the Committee how they felt about granting Dr. O' Bryan's request to go ahead and complete the recreational complex at the Institute. Senator Young moved that the Committee approve,

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subject to the conditions of the money from the highway coming into the fund before there is an authorization for expenditure. Senator Glaser seconded and the motion carried.

CHILDREN'S BEHAVIORAL SERVICES, LAS VEGAS BUDGET: Senator Young moved that the budget be approved; Senator Glaser seconded and the motion carried.

CBS EDUCATIONAL PROGRAM BUDGET: Senator Echols moved the Committee approve; Senator Young seconded and the motion carried.

HENDERSON MENTAL HEALTH CENTER BUDGET: Senator Glaser moved the Committee approve; Senator Echols seconded and the motion carried.

CLARK COUNTY COMMUNITY GROUP HOMES BUDGET: Senator Echols moved the Committee approve; Senator Glaser seconded and the motion carried.

SOUTHERN NEVADA MENTAL HEALTH SERVICES BUDGET: Senator Glaser moved the Committee go with the Governor; Senator Wilson seconded and the motion carried.

RURAL CLINICS BUDGET: Senator Glaser moved the Committee go with the Governor; Senator Echols seconded and the motion carried.

MENTAL RETARDATION BUDGET: Senator Echols moved the Committee go with the Governor; Senator Glaser seconded and the motion carried.

DESERT DEVELOPMENTAL CENTER BUDGET: Senator Glaser moved the budget be approved; Senator Echols seconded and the motion carried.

SIERRA DEVELOPMENTAL CENTER BUDGET: Senator Glaser moved the Committee go with the Governor with the salary savings and the reduction of one new position. Senator Wilson seconded and the motion carried.

COMMUNITY TRAINING CENTER FUND BUDGET: Senator Young moved the Committee go with the Governor; Senator Echols seconded and the motion carried.


The meeting adjourned at 5:30 P. M.

RESPECTFULLY SUBMITTER:



MURIEL P. MOONEY, SECRETARY

APPROVED:



FLOYD R. LAMB, CHAIRMAN