

MINUTES
WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE - 60th SESSION

March 24, 1979

Chairman Mello called the meeting to order at 3:00 p.m.

MEMBERS PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mr. Rhoads, Mr. Glover

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst

PUBLIC HEARING ON PRISON SITE IN ELY, NEVADA

Chairman Mello opened the meeting by introducing the Committee members present and said that on behalf of the Committee he was glad to be in Ely to hear the testimony of the residents.

Assemblyman John Polish welcomed the members of the Committee to Ely.

Mr. Bill Flangas, Public Works Board and former resident of White Pine County, pointed out that the proposed prison, at a cost of approximately \$25,000,000, is one of the largest capital expenditures in the history of the State of Nevada. He said that over a year ago alternate sites for the prison were being considered, including such priorities as land, water, construction and cost of operation. Mr. Flangas said after looking at several different sites it became a situation of trade-offs. He further pointed out that White Pine County has voiced their public acceptance of the prison being built there.

Mr. Flangas noted that in order for the prison to be completed by 1982, time is very important. He said the earliest date that construction could begin is October 1980, and even on an accelerated program, the facility could not be built in less than 15 months.

Mr. Flangas concluded that after considering all the alternatives the Public Works Board concurred that the prison should be built in Ely, Nevada.

Dr. Kendall Jones, White Pine County Commissioner, noted a public hearing held in August 1978 which resulted in complete approval by the population and a resolution by the County Commissioners endorsing the construction of the prison in White Pine County.

Dr. Jones remarked that at the present time the population is down 11% and there is an unemployment rate of 28%. Dr. Jones noted that the William B. Ririe Hospital has a projected operating loss of \$75,515 for 1979, and that it has facilities capable of handling any influx created by the establishment of a prison, including both prisoners and prison employees.

Mr. Barlow White, Mayor of Ely, stated to the Committee that 3 years ago State officials said they would do everything they could do to prevent White Pine County from dying. He further commented that the prison could mean so much to them and would probably be a nuisance to other areas.

Mr. Harvey W. Young, Chairman, White Pine County Prison Committee, referred the Committee to his written testimony which includes data relative to locating the prison in White Pine County. The data includes a cost analysis for building, food, personnel data, travel and all other general operational costs. Mr. Young concluded by pointing out that

resolutions have been adopted by the White Pine County Commission, the City of Ely, the White Pine Soil Conservation District, the Nevada League of Cities, the Nevada Association of County Commissioners, the White Pine County Republican Central Committee, the White Pine County Democratic Central Committee and the White Pine Chamber of Commerce all endorsing the prison being located in White Pine County. (EXHIBIT A) (The data contained in Mr. Young's testimony is on permanent file in the Fiscal Analysis Division).

Mr. Tom Bath, White Pine County Prison Committee, stated that his family came to Ely in 1906 and he is now in the building materials and construction business. Mr. Bath said when he first heard comments that it would cost 20% more to build the prison in Ely, he contacted the Public Works Board in Carson City for a set of plans to do a cost analysis. He said that after many attempts, Assemblyman Polish was given a set of drawings that were an addition to the facility in Carson City which weren't really adequate but from those drawings he chose 19 different items that would be included in a prison.

Mr. Bath said for his analysis he chose 3 sites; Carson City, Las Vegas, and Ely. He said the figures were effective January 12, 1979. Mr. Bath concluded that building materials were very competitive in Ely because materials are bought from the Utah area and in comparison costs in Reno are 10 to 20% higher. He continued that the costs for the Las Vegas area are cheaper than Reno because it is close to Los Angeles.

Mr. Bath continued that after construction, operating costs have to be considered. He then compared the price of 22 different food items and found that the cost in Reno was \$361.70 and the cost in Ely was \$341.77.

Mr. Bath concluded that the cost considerations for Ely on construction and food items are as cheap or cheaper than any place in the State. He pointed out that an effort is being made to develop a power plant in the area but would be 4 years away and the prison is needed now. (EXHIBIT B)

Mr. Larry Dunton, White Pine County Prison Committee and Business Manager of Eastern Nevada Medical Association, stated his concerns in the area of employment. He pointed out that as administrator for the medical group in Ely for 16 years he has been active in professional recruitment. Mr. Dunton noted an increase in applicants to the State Board of Medical Examiners of people interested in moving to a small town like Ely. He then compared the turn-over rate at the prison in Carson City which is 25% to the turn-over rate of employees reported by Kennecott at 2%. Mr. Dunton said he contacted all the employers in the area who employ more than 5 people and each one indicated a willingness to participate in the prison Work Release Program. (The White Pine County Business and Professional listing is on permanent file in the Fiscal Analysis Division).

Mr. Dunton stated that Warden Wolff indicated to him that 50% of the prison population is from Clark County and Ely is closer to Clark County than Carson City. He further noted that 20% of the prisoners are from out-of-state; and 50% of the prisoners never receive a visitor.

Chairman Mello pointed out that most prison employees are not highly paid and that caused higher turnover.

Mr. Merrill Gould, White Pine County Prison Committee and Manager of Rocky Mountain Produce, pointed out that there are 3 food distributors in the Ely area and they buy from Utah, California and Nevada markets. Mr. Gould remarked that most of the meat comes from the southern Utah area. He reiterated that the marketing ability in the Ely area can save the State money on food costs.

Mr. Garey Harrison, White Pine County Prison Committee and Manager of Standard Market, stated that 2 things are favorable in Ely for the prison site: the central location is advantageous for transportation and the availability of and competitive prices on food products.

Mr. Merlyn Hoyt, District Judge, indicated that Warden Wolff came to visit Ely and said there was a pressing need for the prison to be built. Judge Hoyt noted there is an increase in crime due to the fact that the growth and wealth in Nevada attracts criminals. He commented that how can Nevada be a prosperous State in the urban areas when the rural areas are suffering economic disaster. Judge Hoyt pointed out that a precedent for providing assistance to a rural area is the Boy's School in Elko and the Girl's School in Caliente.

Judge Hoyt stated that at the present time the court schedules in Ely would allow court cases to be heard in from 45 to 60 days as compared to 9 to 10 months in some courts.

Judge Hoyt concluded by emphasizing that the people of White Pine County welcome the prison.

Chairman Mello questioned the success of the Girl's School in Caliente pointing out that it is costing the taxpayers about \$13,000 a year for each girl. Judge Hoyt said that he recently returned from a Juvenile Conference in San Diego and commented that he found the costs for the Girl's School in Caliente are comparable to those in California.

Mr. Robert Johnston, White Pine County District Attorney, stated that the addition of a prison facility is bound to increase the work-load of the local prosecutor, and in anticipation of that an additional position of Deputy District Attorney has been included in the 1979-80 budget.

Mr. Johnston commented that when the private sector started laying off people last year, the State contributed to that problem by withdrawing from the Ely area the State Parole and Probation Office's representative, and said it was time the ties were strengthened between the State of Nevada and White Pine County. He then suggested that by building the prison in White Pine County they would be helping the State of Nevada and the State of Nevada would be helping the people of White Pine County. (EXHIBIT C)

Assemblyman Polish told the Committee that there were 120 people present for the meeting.

Mr. Buddy Sampson, Under-Sheriff of White Pine County, said that the Sheriff's Department is aware that the prison can cause an increased work-load. He pointed out a new facility, the Public Safety Building, has the capacity to hold 20 prisoners.

Chairman Mello asked how many officers there are at the present time. Mr. Sampson responded that the County Sheriff's Office has 1 Sheriff, 1 Under-sheriff and 9 deputies; and indicated that the City Police Department has about the same number of officers.

Father John Coen, Pastor of the Sacred Heart Catholic Church, noted the great difference between his former location in Sparks which was a community growing rapidly compared to Ely which is a community dying. Father Coen remarked that the parochial school built in 1958 may have to be closed due to low enrollment. He then said that if the prison were built in Ely, he would be happy to provide his services to the facility.

Rev. Bill Corlett, Pastor of the Ely United Methodist Church, said that the people of Ely, the churches and local organizations want and need the prison.

Ms. Janice Benninghove, Chairman, White Pine County Democratic Party, said the party unanimously endorses the proposal to locate a medium security prison in White Pine County. She commented that they felt this was one way the State of Nevada could help White Pine County with their economic problems. Ms. Benninghove reiterated that White Pine County has an adequate work force and public facilities such as hospital, mental health center, courts and schools to support the prison, the staff and their families.

Ms. Dee Gipson, Vice Chairman, White Pine County Republican Party, presented to the Committee a resolution which the party adopted on June 20, 1978, in which the Republican party supports the location of the prison in White Pine County.

Mr. Bill Coffman, Vice President White Pine Chamber of Commerce, commented that White Pine County is struggling for economic survival due to the loss of nearly 1,000 jobs. He stated that the Ely area needs an economic base that does not contribute to air pollution, is not influenced by the fluctuations of the minerals market and to develop a product that will always be in demand, and pointed out that the prison would meet all these needs. He concluded that a decision to locate the prison in White Pine County would help White Pine County to help itself.

Mr. Adin Earl, Ely Rotary Club President and manager of the Telephone Company, stated that the Rotary Club supports the prison location proposal. Mr. Earl said he was speaking also for the Jaycees and referred to a program started in the medium security prison in Carson City which has been successful. He said if the facility is built in White Pine County, the local Jaycees would be glad to start such a program there.

Mr. Kent Wick, General Manager of the Mt. Wheeler Power Company, presented the Committee with information regarding utility costs and compared the three locations of Ely, Carson City and Las Vegas for electricity, water and sewer: Ely - \$31.18; Carson City - \$45.29; and Las Vegas - \$32.13. These figures are based on one month service. Mr. Wick then compared the annual cost of electricity to serve a facility like the prison in Jean and presented these figures: Ely - \$159,000; Carson City - \$199,000; and Las Vegas - \$158,000.

Mr. Wick pointed out that he has had no problem in hiring technical and skilled workers. He said that the rates of Mt. Wheeler Power Company are less than Sierra Pacific and comparable with Nevada Power.

Dr. Bruce Wilkin said the William B. Ririe Hospital provides the finest facility available for a community the size of Ely. Dr. Wilkin noted that he was the first physician to graduate from the University of Nevada to return and practice in a rural area of Nevada. He commented that it is a problem to borrow money in a depressed area to build a house. Dr. Wilkin concluded with a request that the Committee give Ely favorable consideration for the prison site.

Mr. Nolan Howes, as a former employee of Kennecott Corporation, stated he has been unemployed since July 1978. He expressed his desire to stay in the Ely area.

Chairman Mello asked Mr. Howes how much longer his TRA benefits would last. Mr. Howes responded that his TRA benefits would last until July 1979.

Assemblyman Polish then asked Mr. Howes if he would take a prison job and Mr. Howes said he would.

Ms. Utahna Gottfredson, President Ely Business and Professional Women, stated her concern for the decline in population in White Pine County and reiterated the need for the prison and the economic boost that it would give the area.

Mrs. Clara Fondi, representing both the White Pine County/Ely Basque Club and the Hi-Newcomers Club, stated she has been a resident of White Pine County for 52 years. She remarked that the White Pine County/Ely Basque Club has been in existence for 20 years and is a family oriented group; and the Hi-Newcomers Club is a welcoming group dedicated to make people who move into the community feel comfortable and welcome.

Mrs. Fondi pointed out that as a member of a minority group she has never felt any discrimination from anyone in White Pine County and was assured that people moving into the area to work at the proposed prison would be welcomed.

Ms. Darlene Cordova addressed the Committee as a resident in the area where the prison will be built and presented the results of a survey she conducted which revealed that after speaking to 80% of the residents, only one expressed concern about having a prison in their "backyard." Ms. Cordova then reiterated her concern for the economic situation in White Pine County by stating that the prison is needed there.

Mr. Russell McOmber, Superintendent of White Pine County Schools, said that in the past week the White Pine County Board of Trustees had to release 17 teachers from employment. He stated that at the present time the school district could absorb another 1,000 students without engaging in a building program and pointed out that this would not be the case in other areas.

Mr. John Polish, Assemblyman, concluded that White Pine County is not looking for a hand-out, but is looking for a helping hand.

Chairman Mello thanked the residents for the invitation and the opportunity to hear their testimony. He said that he realized they were a depressed area and noted that a final determination on the prison location would not be made for another 40 days.

The meeting was adjourned at 5:00 p.m.

WRITTEN TESTIMONY

prepared by H. W. Young, Jr.
for Assembly Ways and Means Committee Hearing

Ely, Nevada
3-24-79

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Assemblyman Lloyd Mann, evaluated that information and in their recommendations to the Legislature proposed that if the Legislature did recommend an additional facility to the State Prison system, that they consider Ely a prime site.

In June of 1978, the Public Works Board, Chairman Bert Fitz, member Fill Flangas, members of the Public Works Board Professional Staff, Mr. Bill Hancock, Mr. Dick Blake, and Warden Chuck Wolf, visited Ely to evaluate the four sites which we had proposed to the Legislative Commission Sub-committee. They were all very enthusiastic about the Smith Valley site, which we visited early today. One reason Warden Wolf particularly liked the site in Smith Valley was because of the possibility of a cattle-feed operation to supply meat for the rest of the prison system. One reason in particular why it appeared as a good potential cattle-feed operation is because the City of Ely owns grazing rights, water rights, as well as the George Town Ranch in that vicinity. I might point out that we have discussed the possibility of the City entering into a Lease Agreement with the State of Nevada for the ranch facilities as a feed-lot operation.

In August of 1978 the White Pine County Commission held a public hearing so the community in general could submit input about their concerns for a prison location in Ely. A copy of those minutes is included in this testimony labeled Exhibit C.

The Public Works Board at their meeting in September of 1978 recommended that if an addition be made to the State Prison system, it be located in Ely.

In November of 1978, the State Prison Board made that same recommendation.

In January of this year, Governor-elect List recommended in a State of the State address that the Legislature consider the siting of the next prison facility in Ely.

Last month we submitted to each individual legislator a Cost Analysis for

a prison facility located in Ely. After reviewing the cost analysis that the Public Works Board had made, we felt that there were many errors which should be corrected. These errors related to building costs, food costs, personnel data, travel costs, and all other general operational costs. I have enclosed a copy of that Cost Analysis in this testimony as Exhibit D. Each person who participated in our cost analysis will submit testimony pointing out the costs which we have determined, and, of course, correlating those costs to the estimates made by the Public Works Board.

There has been a lot of discussion in the State's news media about the location of a facility in remote areas in which they have pointed out that the Federal Bureau of Prisons recommends that Prisons be located near metropolitan areas. I would like to point out that although the Federal Bureau of Prisons has conducted a study regarding location of prisons, they have not issued any guidelines concerning locations, and I would like to point out that presently the Federal Bureau of Prisons is building a facility at Lake Placid, New York, an extremely remote location, and that in California there is a prison facility at Susanville, a location which is remote from the population centers of California.

In concluding my testimony I would like to point out that we have resolutions from the White Pine County Commission, the City of Ely, the White Pine Soil Conservation District, the Nevada League of Cities, the Nevada Association of County Commissioners, the White Pine County Republican Central Committee, the White Pine County Democratic Central Committee, the State Republican Central Committee, the Carson Democratic Central Committee, and the White Pine Chamber of Commerce, a portion of which are copied and enclosed as Exhibit E, all endorsing the location of a prison facility in White Pine County.

It has been very interesting to me to work on this project. We have had response from many former residents all over the country. One in particular

Chairman Mello and members of the Assembly Ways and Means Committee, my name is Harvey W. Young, Jr.

I have served as Chairman of the Prison Location Committee in White Pine County since its inception in June of 1977. Upon appointment as committee chairman, I requested Mr. Art Olson, Miss Adele Rattazzi, Mr. Tom Bath, and Mr. Goerge Swallow to serve on that committee with me. We began our activities by compiling preliminary data to determine, 1) whether we felt a prison facility was desirable to our community, and 2) if we found that indeed it was desirable, what course of action must be taken to secure the location of that facility in this community. Our preliminary fact sheet is shown as Exhibit A at the end of this testimony.

After compilation of the original data sheet, we met with Mr. Jack Fogliani, former Warden of the Nevada State Prison, to hear his discussion and determine what his feeling might be for a facility located in Ely. On considering the facts which we had accumulated, and evaluating our discussion with Mr. Fogliani, we determined that a prison facility would be an asset to our community. At that time (October 1977), I submitted testimony before the Joint Legislative Commission to Study Conditions at State Prisons in Las Vegas, and expressed our community's interest in obtaining the location of that facility.

During the winter of 1977-78, we accumulated additional data and did some preliminary site evaluation, and in March of 1978, we submitted that data to the Legislative Commission for their evaluation and consideration. A cover letter to that data is enclosed in this testimony and is labeled Exhibit B.

The Legislative Commission Sub-committee, which was chaired by

which I would like to point out to you is included as Exhibit F. This is a copy of a letter from Ms. Toby Feld, who is a former White Pine County resident, born and raised in McGill, and is presently working with the Department of Corrections in Minnesota. She has been in their employ for fifteen years as a Public Relations coordinator. Ms. Feld expressed interest and offered any assistance she might provide in the location of this project here. I would particularly like to call your attention to that letter.

Thank you for the opportunity of submitting this testimony.

Truly yours,



Harvey W. Young Co., Inc.
H. W. Young, Jr.

Testimony of Tom Bath

March 24, 1979

Dear Legislator:

My name is Tom Bath and I am a local businessman in the building material and construction business. I would like to make the following remarks concerning construction and operating costs:

1. When I first heard the initial estimates of 20% cost increase to build the prison here verses Carson City or las Vegas I became quite concerned. In my business we purchase building material from Reno Las Vegas, Salt Lake City and all over Oregon, California and many other states. We find that in the Reno area, ^{it is 10 to 20% more} verses those in the Salt Lake City market. This is due to the cheaper standard of living in the area. The Idaho market is as competitive as the Utah market mainly because of lower wages or costs of living. The Las Vegas area is cheaper than the Reno markets due to the closeness of Los Angeles but again higher than Salt Lake City and Idaho markets.

2. About 4 years ago the Federal Government through the local Ely Indian Housing authority put to bid the materials for 17 homes. Bath Lumber of which I am president received the bid on two successive bid openings. It was bid twice because of changes in materials. Other bidders including firms such as Boise Cascade Inc. and others around the state bid on this.

3. Our current hospital and that of Elko's was bid competitively and was built by Salt Lake City firms being more competitive than those in the state.

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As you will note in the submitted testimony I contacted Okland Construction Company in Salt Lake City and talked to Bill Buffington who worked for Del Webb Corporation in the Reno and Las Vegas markets. It was his opinion the the prison could be built here as cheap or maybe cheaper than the other areas mentioned. I also called Mr. J. A. Tiberti President of J.A.Tiberti Construction Co. Las Vegas, Nevada. He said again in the written testimony on cost comparisons that this facility would cost very little if any more in Ely than in any other part of the state.

To further give comparisons on the building material costs I selected 19 items used in building, such as the proposed prison, and phoned companies in the Las Vegas and Carson City area. I told them I was doing a cost comparison on a 25 million prison facility and asked for a quote based on January 12, 1979 prices. In your written testimony you will note the comparison on the Carson City-Las Vegas, and Ely site. I listed the firms and individual's name doing the quoting. You will note we are very favorable on a total job.

It is my personal belief that this proposed prison can be built as cheaply here as any where in the state.

Concerning the operating costs, I coordinated the Comparison of Institutional Food Products between Ely, Nevada and Reno, Nevada. This comparison is in your written testimony. On February 21, 1979, Mr. Burrell Bybee of Evah's House of Steak called Monarch Institutional Foods in Reno and talked to Barbara Franco and asked her over counter prices as of that day on the Selected Foodstuffs F.O.B. Reno. He told them he was considering hauling the goods himself. The rpices quoted are those under FOB Reno. Mr. Burrell Bybee also received quotes from Ponderosa Meats in Reno from Jo West. Mr. Floyd Morley of Standard Market gave us quotes on meats FOB Ely. On the foodstuffs Mr. Merrell Gould quoted us on the same

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items and he will comment on this later.

In the written testimony you will find the selected items on meats and eggs total \$6.00 for Ely and \$6.29 for those in Reno. The 22 items of foodstuffs totaled \$341.77 FOB Ely and \$361.70 FOB Reno. Again on these items, Ely is very competitive on foods with the rest of the state.

In summary I feel the cost considerations will be as cheap or cheaper in Ely than anywhere in the state. Ely needs this State facility at this time for economic reasons. We are also trying to develop a power plant in our area. This power plant, if legislation is passed by the Legislature, would be approximately four years away before construction could begin. The prison construction and operation would help fill in this gap. If this power plant is built, it would pay some 32 million dollars in Sales and Use tax which certainly means this area is contributing to the state's budget.



White Pine County District Attorney

White Pine County Courthouse

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Robert J. Johnston
DISTRICT ATTORNEY

Honorable Chairman and Members of the Assembly Ways and Means Committee. I am Bob Johnston, the District Attorney of White Pine County. It is a pleasure to welcome you to our county today and we are encouraged by your willingness to visit the community and the site that we propose for the location of a much needed prison in the State of Nevada.

I should like to address my remarks today to a couple of areas, of particular interest and familiarity to the Office of the District Attorney of White Pine County, Nevada.

District Attorney's Workload

The addition of a prison facility of any description to a community is bound to increase the work load of the local prosecutor. In White Pine County the District Attorney's Office is presently staffed by one full time attorney and by two secretaries.

The construction phase as well as the operational phase of a prison in White Pine County will doubtless produce additional work for the District Attorney's Office, including civil as well as criminal work. My office is already gearing up for the anticipated work load. In my 1979-1980 fiscal year budget, we have included with the consent of the County Commission of White Pine County an additional position for a Deputy District Attorney as well as expanding the hours of our office from seven to eight hours per day. We are confident that these added resources will be required when the new prison begins construction and operation in White Pine County.

Nevada Prisons

There are many people in the State of Nevada today who state that we don't need any more prisons, that we should stop warehousing prisoners and certainly that no prison should be constructed in White Pine County. As the prosecutor in White Pine County, and as one of seventeen District Attorneys in the State of Nevada, I realize that although this may be an admirable goal it is certainly not practical at this time to attempt to cut back our prison

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population or the number of prisons in this State. As you may have noticed in your recent newspaper accounts, Clark County, Nevada has already had 30 murders as of Thursday, the 22nd of March, 1979. Last year there were 60 murders in Clark County. Needless to say, the perpetrators of these crimes cannot be turned back out on our streets and since the Courts have continually tied up the process of capital punishment, these social undesirables must be kept somewhere away from the general public. The response is more prisons in the State of Nevada and we believe White Pine County is an appropriate location.

County-State Relationship

The District Attorney's Office of White Pine County relies upon many State Agencies and comes into contact with numerous State Agencies. However, increasingly these agencies are all located outside of White Pine County. We receive assistance in the area of welfare child support from an office located in Elko. We receive the services of a State Public Defender from an office located in Elko. A distance which creates numerous delays in the prosecution of criminal matters in White Pine County, Nevada. Recently when private enterprise was reducing the number of people employed in White Pine County, the State contributed to the reduction of our working force by withdrawing our local representative of the Parole and Probation Department. The only State Agency represented in White Pine County which has not been reduced in recent years, is the Highway Patrol, whose presence we in rural Nevada are all aware of.

It would be a dark day if White Pine County was to expect something for nothing from the State of Nevada. But such is not the case. Numerous public projects, prisons, power plants, and public buildings are presently tied up by public opposition. That is not the case in White Pine County. The citizens of White Pine County and the District Attorney's Office of White Pine County heartily encourage the Legislature of the State of Nevada to select White Pine County as the site for the next prison in the State of Nevada. Let White Pine County help the State of Nevada, and in the process the State of Nevada will help White Pine County, and a long standing relationship will be strengthened. Thank you.