

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 60TH SESSION

May 3, 1979

Chairman Mello called the meeting to order at 8 a.m.

MEMBERS PRESENT: Chairman Mello, Vice Chairman Bremner, Mrs. Cavnar, Mr. Glover, Mr. Hickey, Mr. Rhoads, Mr. Vergiels, Mrs. Wagner, Mr. Webb, Mr. Barengo and Mr. Mann.

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci, Deputy Fiscal Analyst; Mike Alastuey, Budget Office; Assemblyman Robert Craddock; Mr. Jerry Wagler, Coach of the World Wrestling Team; Dr. Jack Davis, Athletic Commissioner; Mr. Roy Tennison, Executive Secretary of the Athletic Commission; Mr. George Allan, Retired Metropolitan Police Department; Mr. Warren Fowler, Retired Public Employees Association; Mr. Vern Bennett, Director, Public Employees Retirement System; Mr. Orvis Reil, American Association of Retired Persons; Assemblyman Virgil Getto; Mr. John Meder, Division of State Parks; Mr. Glen Griffith, Department of Fish and Game; Assemblyman John Marvel; Dr. Al Lasky, State Director of 4-H; Mrs. Bridget Carr, Recreation Director, 4-H Camp; Mr. Bob Johnson, 4-H Camp Manager; Senator Norman Glaser; Mr. Randy Capurro, Chairman of the State Park Advisory Board; Mr. Jack Derringer, Department of Fish and Game; Mr. George Holden, District Attorney of Lander County; Mr. Dennis Hue, Civil Engineer with Chilton Engineering of Elko; Mr. Ray Knisley; Mr. Roger Teglia; and Mr. Fred Wright, Department of Fish and Game. See attached Guest.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Motion to adopt the Governor's recommendation made by Mr. Mann; seconded by Mr. Glover. Motion approved. Budget closed.

AB 790 and AB 705

Assemblyman Robert Craddock, District 20, introduced Jerry Wagler, Coach for the World Wrestling Team. Assemblyman Craddock said that his interest in wrestling stems from his own families' involvement in the sport. He said that with the financial assistance made available in AB 790 the athletic endeavors could be expanded which will result in increased dividends to the State of Nevada.

Mr. Wagler said that AB 790 is very similar to legislation that has already passed in several other states. He pointed out that the financial drain on athletes in all Olympic sports is staggering. The coaches, team leaders and officials are often put in job jeopardy when assigned to work during the athletic events for the U.S. team.

Chairman Mello commented that the 90-day period for paid leave of absence was excessive. Mr. Wagler said that the only people that would take advantage of the 90 days paid leave of absence would be the team coach.

Mr. Mann pointed out a conflict that exists when comparing a teacher who has to take a leave of absence from his job to further his education, to an athletic coach who takes a leave of absence and then gets paid for it from public funds. Assemblyman Craddock said that the real benefit from this legislation will be the advertisement that the State of Nevada receives as a result of the involvement in the athletic activities.

Mr. Wagler noted that the funding would come from the excess of the Athletic Commission funds transferred to the General Fund. Mr. Mann said that the bill reads: "The reserve for statutory contingency fund shall be administered by the State Board of Examiners..."

Mr. Mann asked Mr. Wagler if he was a public employee. Mr. Wagler said that he worked for Clark County. Mr. Wagler said that an amendment would be made whereby the Athletic Commission turns over excess dollars to the General Fund.

Mr. Mann said that it was his understanding that the appropriation would be for the Youth Boxing Program. Mr. Wagler said that 15 percent of receipts from the Athletic Commission as indicated in AB 705 would be earmarked for youth boxing.

Assemblyman Craddock said that the funds are derived from the taxes that the Athletic Commission levels against sporting events in Nevada. He added that assistance to amateur athletics is a logical extension of the use of that fund.

AB 705

Mr. Bob Shields, Nevada State Athletic Commission, said that the Athletic Commission is in opposition to the portion of AB 705 that allocates 15 percent of the money received from the license fee for boxing and wrestling programs for amateurs.

Chairman Mello asked Dr. Jack Davis, Athletic Commissioner, if he agreed with the concept in AB 790. Dr. Davis indicated that AB 790 does not pertain to the Athletic Commission in any way at all.

Dr. Davis pointed out that the increase from \$5,000 to \$10,000 in the budget of the Athletic Commission is adequate to take care of the needs of the amateur boxing and wrestling programs.

Dr. Davis said that the increased tax burden imposed in AB 705 will result in fewer championship fights in Nevada. Mr. Hickey asked if the Athletic Commission has taken a formal vote to approve or disapprove the 15 percent tax. Mr. Shields said that there has been no formal vote taken to approve or disapprove the 15 percent tax.

Mr. Mann said that he had been assured by oral agreement that members of the Athletic Commission would support the 15 percent tax to the amateur boxing program. Mr. Shields said that as Chairman of the Athletic Commission he is not aware of any oral agreement.

Mr. Roy Tennison, Executive Secretary of the Athletic Commission, said that it was previously agreed on that in the old bill, AB 439, that 15 percent would be allocated to amateur boxing.

Mr. Hickey said that what is being discussed is 15 percent on what the income will be from the taxes on the boxing and other athletic events. Mr. Hickey asked Mr. Shields if he understood what was being discussed. Mr. Shields said that he did not.

AB 759

Mr. Bremner said that although he introduced and agrees with the bill, he will not speak on it or vote on it because of a conflict of interest.

Mr. George Allan, Retired Metropolitan Police Department, said that AB 759 increases the retirement for 1 1/2 percent to 2 1/2 percent after 20 years of service retroactive for those who retired after

May 1977; however, it does not include a retroactive provision for those people that retired before 1977.

Mr. Warren Fowler, Retired Public Employees Association, said that during the period of time between 1967 to 1977 people who contributed the same amount of money under the same conditions are receiving different benefits. Mr. Fowler said that basically it is a problem of discrimination.

Mr. Vern Bennett, Executive Officer of the Public Employees Retirement System, said that the retirement system is opposed to AB 759. He noted that this bill has a cost factor of \$20,987,500 for the regular retired employees and \$20,412,100 for the police and firemen retired employees. He added that there was not a specific increase in contribution rates since July 1, 1977, that the cost projections included the employee/employer contribution rates fully worked out by the actuary and using available contributions that were in effect at the time.

Mr. Bennett said that in addition to being opposed to the principle of the bill, it would establish a new precedent whereby in the future any improvements to active members would mean a request from the retired employees to retroactively adjust their benefits accordingly. He added that the bill makes no provision as to when the new benefit would be payable. This legislation is not being recommended by any of the employee groups and was not proposed by any of the retired employee groups in their legislative programs.

Mr. Orvis Reil, American Association of Retired Persons, questioned Mr. Bennett's figures on the fiscal note. Mr. Reil noted that if Mr. Bennett's figures were retroactive from May 19, 1977, it would mean that the 776 people who are affected by this bill will average \$25,800 in benefits.

Mr. Bennett commented that the computation prepared by the actuary does include the retroactive application and when you increase the retirement benefit for a retired member who has selected an option to protect a beneficiary, the benefit also continues for the remainder of the life of the beneficiary. The actuary based the figures on the 766 retired employees who are actually involved and their spouses and the options they selected. Mr. Bennett pointed out that there is nothing stated in AB 759 that would indicate that this does not apply retroactively; rather it specifically states that "enlarges the maximum service retirement allowance applies retroactively to any member of the system who retired before May 19, 1977, and who retires on or after that date". If the bill were to be amended to state that the benefits would start July 1, 1979, the figure would be less than \$23 million; however, it would still be close to \$10 to \$15 million. (EXHIBIT A)

AB 701

Assemblyman Virgil Getto, Assembly District 37, stated that AB 701 is a cooperative agreement between the Fish and Game Department and Churchill County to establish a state park at Indian Lakes, Nevada. At the present time the land is in the custody of the Truckee-Carson Irrigation District and is managed by the Department of Fish and Game. Mr. Getto noted that the increased recreation usage of the Indian Lakes area has necessitated more managed supervision which should be under the Division of State Parks.

Mr. John Meder, Division of State Parks, remarked that the Indian Lakes area is 9 miles northeast of Fallon, Nevada, next to the Stillwater Range. It consists of six lakes which offer a number of recreational activities.

Mr. Meder said that of the \$10 million in bonds voted on in 1976 for state parks, \$680,000 will be used for development of the Indian Lakes area. In addition to monies needed for the development of the parks, operational expenses are necessary in the amount of \$62,000 the first year and \$43,000 the second year of the biennium.

Mrs. Wagner asked how much of the \$10 million in bond issues is being made available to local counties for parks. Mr. Meder said that of that \$10 million, \$1.5 million was allocated for state parks.

Mrs. Wagner asked Mr. Meder if he submitted a list of the proposed developments, Indian Lakes and Wildhorse Reservoir to the Capital Improvements Subcommittee. Mr. Meder said that he had.

Mrs. Wagner asked if the monies from the bond issues were to be used for the acquisition of the land only. Mr. Meder said that the bill was amended the last session of the Legislature to use the term "acquisition" as defined in the State Securities Act which would allow for the monies to be used for both the acquisition and development of parks.

Mrs. Wagner asked what other projects have been proposed for the use of the bond money on a statewide basis. Mr. Meder said that the only current request from the southern part of the state is for developing a feasibility study to consider an off-road vehicle park in the Jean area.

Mrs. Wagner asked if there is a time limit on when the bond monies must be expended. Mr. Meder said there is no time limit.

Mr. Mann questioned the use of approximately \$100,000 in General Fund money for the park operation. Mr. Meder said that if the initial investment is made in the development of the park then adequate funds should be available for operational expenses.

Mr. Glen Griffith, Department of Fish and Game, said that they support the development of the park in the Indian Lakes area. He indicated that the rapid increase in the varied recreational activities necessitates adequate management.

Mr. Meder pointed out that Section 4 of AB 701 reverts the operating money and Line 21 should read Section 3 rather than Section 2. Section 2 would revert the bond money to the General Fund.

AB 700

Assemblyman Virgil Getto introduced Dr. Al Lasky, State Director of 4-H. Assemblyman Getto said that his interest in 4-H stems from his personal involvement in the organization. He added that at the present time the 4-H camp at Lake Tahoe is under the jurisdiction of the University of Nevada. Mr. Getto noted that the camp should not be allowed to deteriorate, but rather be maximized to its full potential.

Dr. Lasky said that the State of Nevada owns the 4-H camp at Lake Tahoe and the 4-H organization has custodial care of the facility.

Mrs. Wagner asked how fees for the use of the camp are determined. Dr. Lasky said that each year the financial statement of the camp is considered and then a recommended fee structure is given to the President of the University. The current rates are \$5.00 per camper per night; youth charges are \$3.00 per camper per night. He noted that groups over 100 have reduced rates.

Mrs. Wagner asked if different fees are charged for individual family camp-outs as opposed to the regular 4-H camp session. Dr. Lasky said that there is a special rate for 4-H camp which has priority for the use of the facility.

Ms. Bridget Carr, Recreation Director at the 4-H camp, commented on the importance of camp for the youth of Nevada.

Mr. Bob Johnson, 4-H Camp Manager, said that the camping experience offers the opportunity to youth to learn a hand-on approach to projects and skills that can be used in leisure and recreation time the rest of their lives.

Mrs. Wagner commented that the emphasis of the camp should be directed in the area of youth activities.

Dr. Lasky concurred that youth activities are on a priority basis; however because the camp is self-sustaining it is made available to other groups.

Mr. Bremner suggested that the camp charge a capital improvement fee to groups using the facility. Dr. Lasky said that the camp has deteriorated to a point that a large appropriation is necessary as catch-up funds and from then on a capital improvement fee could be charged.

Mr. Mann pointed out that the camp could be loaned the money from the General Fund and then charge a capital improvement fee to pay back the money. Dr. Lasky said that any way possible should be used to make the improvements to the camp.

AB 809

Assemblyman Dean Rhoads said that at the present time there is no state park in the northeast area of Nevada. It has been the goal of the State Parks Board for 10 years to develop a park in that area. He noted that the Wildhorse Reservoir is the fifth most used water area in the State of Nevada. Mr. Rhoads urged the passage of AB 809 which will allocate monies for the park at the Wildhorse Reservoir. He added that because of the effort of the Bureau of Indian Affairs to turn the entire area into an Indian reservation, action on the bill is imperative.

Senator Norman Glaser said that the people of northeastern Nevada have long wanted a park in that area. Senator Glaser said that the appropriation contained in AB 809 would provide money to make the improvements to the Wildhorse Reservoir for camping and boating activities.

Mr. John Meder, Division of State Parks, said that since the land acquisition at the Wildhorse Reservoir is only 80 acres, a master plan was not necessary to develop the needed improvements to the area. Mr. Meder pointed out to the Committee some changes in the operating expenses listed in the bill. The new reduced figures for operating expenses are: \$48,121 the first year and \$47,816 the second year of the biennium.

Chairman Mello asked what is the annual cost to redeem the bonds. Mr. Meder said that he did not know. Chairman Mello said that the bill cannot be passed until those figures are presented.

Mr. Alastuey said that the annual cost for bond redemption has been based entirely on the schedule adopted. In the past, the idea has been to keep the bond retirement costs fairly stable throughout the years of retirement.

Mrs. Wagner asked Mr. Meder why the improvements to the proposed parks were not included in the list of improvements presented to the Capital Improvements Subcommittee. Mr. Meder said that the requested improvements in AB 701 and AB 809 were not initiated by the Division of State Parks.

Mr. Meder referred to a letter received by the Division of State Parks during the last session of the Legislature which was jointly signed by the Chairman of the Ways and Means and the Senate Finance Committee to confine further development activities to existing parks.

Mrs. Wagner asked Mr. Meder which of the two proposed developments, Wildhorse Reservoir and Indian Lakes, he felt were of the greatest priority. Mr. Meder said that assuming the land acquisition bill is passed, the Wildhorse Reservoir would be the area of greatest need.

Mr. Glover asked how much of a contingency is built into the development of the two state parks. Mr. Meder said that there is none - the figures generated were developed with previous construction costs.

Mr. Randy Capurro, Chairman of the State Park Advisory Board, indicated that he was in support of the Wildhorse Reservoir State Park. He added that the State Park Advisory Board has attempted for many years to establish a park in Elko County. He stated that the reason it has not been on the priority list in the past is because it has been difficult to obtain suitable and available land in the Wildhorse Reservoir region. Mr. Capurro said that the land is owned by the Bureau of Indian Affairs and that they are engaged in on-going litigation with the BLM to determine who actually owns the property. He stated that Elko County can benefit from establishing a park at Wildhorse Reservoir. He continued that the monies for development are essential since adequate facilities, trained personnel and maintenance are critical to the effective utilization of the park. Mr. Capurro stated that the user fee schedule has been increased so that the park users do pay their own way.

Mr. Jack Derringer, Department of Fish and Game, explained that Wildhorse Reservoir is the fifth most heavily utilized fishery in the state and that it is the most heavily fished in northeastern Nevada. He stated that over the last seven year period, the Reservoir has averaged from 64,000 to 117,000 angler days. He explained that the major concern about the Reservoir is the fact that the Bureau of Indian Affairs is attempting to incorporate Wildhorse Reservoir into the reservation system. Mr. Derringer continued that if this is done, it will affect the angler to the extent that he may have to pay exceptionally high fees to use the area. In addition, the action proposed by the BIA will eliminate the Department of Fish and Game from any management responsibility or authority in the region. He stated that the acquisition of the two parcels of private land will assure the Department of Fish and Game control in the area.

Mr. Glen Griffith, Department of Fish and Game, indicated that the Department feels strongly that the Wildhorse Reservoir is one of the best fisheries in the west, and that the development of the area is a top priority. He indicated that the region was nearly closed last summer because of inadequate sanitary facilities available for campers and that the Environmental Protection Agency of the Federal Government has been pressuring the Department of Fish and Game to rectify the condition, but the Department is unable to act because land has not been available for development to accommodate the users. Mr. Griffith added that ethnic differences and distinctions are important, but that they are secondary to the needs of the region. He said that not only is the Wildhorse Reservoir an excellent recreational area but also it stimulates the local economy by approximately \$2 million annually.

AB 452

Senator Norman Glaser explained that the primary thrust of this legislation is to broaden the State's economic base since other states are now entering the gaming industry. To accomplish this purpose, he indicated that it seemed prudent to consider recreational resources other than gambling that are available for development within the state. He said that it is imperative that the state not become economically dependent upon the gaming industry. Senator Glaser stated that the development of water resources around the state is one method for expanding the state's economic base. He said that Rock Creek was selected because in that area they have a consensus of agreement among the water users, the counties and local people as to the management use of the water. He stated that preliminary engineering work has been completed for the project. Senator Glaser said that Rock Creek has a high water level in the spring and that the confluence of Rock Creek and the Humboldt River is located near the town of Dumfey -- situated just north of Battle Mountain. He stated that several good dam sites are located on Rock Creek as the stream flows through a narrow, confined, rocky gorge just before it enters the flat plain area above the T. S. Ranch. He said that the legislation will provide for a continuing study of the water project, and that the appropriation in the amount of \$400,000 will be used for further research into the feasibility of the project. He added that the funds will also be used to verify the work that has been completed on water rights and the recreational benefits that would accrue for the citizens of the state. Senator Glaser continued that some cooperative agreements still need to be worked out among the agricultural users of the water resources since they will be participating financially in completing the project and that they have expressed their willingness to participate.

Assemblyman John Marvel stated that what is unique about AB 452 is the fact that there is a concord and agreement from all users who want the water project. He indicated that Rock Creek is historically proven to be an "early-flash" stream and that a great deal of water is lost through evaporation and flow into Boat Valley. He said that many benefits can be realized by harnessing the water with a dam.

Mr. George Holden, District Attorney of Lander County, explained that he is representing the County Commissioners of Lander County. He stated that construction costs for the dam have continued to increase; the creek waters continue to do damage under flood conditions; and valuable water is still going to waste while the project is being delayed. He said that for Lander, Elko and Eureka Counties the Rock Creek Dam project would represent a valuable income producing asset for the local economies. He stated that the lake created by the dam would be deep, narrow and long with evaporation at minimal levels and flood waters controlled.

Mr. Glen Griffith, Department of Fish and Game, explained that the Department has been interested in developing a recreational reservoir in this area since the late 1950's. He said that in the past differences and conflicts over water rights have hampered the realization of the project. He stated that now there is a consolidation of thought and effort in establishing the recreational area. He explained that the T. S. Ranch was the primary holder of the water rights from Rock Creek and that they have indicated they are in favor of the project. He added that the citizens of Rye Patch and the Lovelock Irrigation District have also agreed to the study. Mr. Griffith proposed that the study be accepted to determine water volume and seasonal water flow rates. He added that the study would also evaluate whether or not a dam could be constructed that would not be in conflict with the established water rights of users in the area.

Mr. Dennis Hue, Civil Engineer with Chilton Engineering of Elko, explained that his company has been involved in the study of Rock Creek since 1974 and that they have concluded that the Rock Creek Dam project is definitely feasible and will be cost-effective. Mr. Hue furnished the Committee with a booklet which is on file in the Fiscal Division. He indicated that the lake size would be about 850 surface acres with a maximum size of about 1,800 surface acres. He stated that if the dam were constructed to a height of approximately 207 feet as proposed, the lake behind the dam would fill in about six years. He said that an evaluation of the last 34 years of records on water flow on the creek show a variation from 2,000 acre feet per year to around 95,000 acre feet per year. Mr. Hue continued that about 15,000 acre feet per year are required to meet the demands of the water right users in the area and that the dam project would open up an additional 5,000 acre feet per year for agricultural purposes. He added that the main benefit would be the creation of approximately 41,000 recreation days from the Rock Creek Reservoir. Along with the hydrological data, he stated that his firm has studied the geological considerations of Rock Creek. He said that the nearest active fault zone is some thirty-five miles distant.

Chairman Mello stated that he would like to request that the Capital Improvements and Parks Subcommittee have an opportunity to study the literature and evaluate the testimony presented.

Mrs. Wagner asked about future financial involvement for the state if the project is completed. Mr. Griffith responded that basically the funding is tied to another proposed bill for statewide dam projects. He indicated that he believed the other bill was SB 195.

SB 333

Mr. Ray Knisley explained that at the last session a massive re-organizational bill was submitted and that some people felt that the Department of Fish and Game should be removed from that reorganization and not be delegated to bureau status. He stated that they have attempted to create a division of wildlife that would cover the entire field of wildlife. He stated that this legislation would reduce the commission from its present nine members to seven. He said that commission members are appointed by the Governor and serve staggered terms and that monies for the wildlife program are deposited with the Treasurer's office and can only be withdrawn by legislative process.

Mr. Roger Taglia commented that he wished to compliment Mr. Knisley for his cooperation and assistance with this legislation.

Mr. Fred Wright, Department of Fish and Game, stated that the intent of the general funding portion of the bill is to create a wildlife account in the State General Fund. Mr. Wright explained that currently the hunting and fishing fees income goes by statute into a bank account for use in the next fiscal year. He said that the interest earned goes into an interest reserve fund and that this account will be repealed by Section 59 and will be phased out by July 30, 1979. He stated that on July 1, 1979 funds will be deposited with the Treasurer to the Wildlife Account. He continued that a General Fund appropriation of \$104,000 in FY 1979-80 and \$147,000 for FY 1980-81 will be requested.

Chairman Mello asked for a clarification on the division of funds from the motor boat fuel tax. Mr. Wright answered that the transfer was necessitated by a need to improve and increase the boating safety program in the state.

Chairman Mello asked how this transfer would affect the parks funding structure. Mr. Wright responded that through the current biennium they have assured parks that any monies declared by the Department of Wildlife to be in excess of its immediate requirements for these purposes may be transferred to the credit of the parks marina development account. Mr. Wright continued that under this legislation the Parks Department would receive 30 percent of the motor boat fuel tax. Mr. Bible pointed out that the funds are currently used for capital improvements. Mr. Wright said that the monies under the 70 percent portion have not been programmed this year.

Mr. Bible asked if the intent in the biennium after this next one was to use these funds for on-going operations rather than developing new capital improvement programs. Mr. Wright answered that during this biennium the intent is to coordinate with the Parks Department for any increased motor boat safety patrols in park areas.

Mr. Rhoads asked if the department has a program for counting eagles' nests by use of helicopter. Mr. Wright answered that the department does operate such a program.

Mr. Rhoads asked if it required four people to count eagles' nests. Mr. Wright responded that there is a pilot, two observers and the operator of a support vehicle that is used to service the helicopter. He added that the personnel are also involved in other surveys at the same time.

Mr. Rhoads asked if there is a federal program that mandates the department to count eagles' nests. Mr. Wright said that there is no federal program that requires the count but that the maintenance of the state's wildlife population is part of the department's responsibility. Mr. Rhoads commented that it seemed to be a very expensive way to count eagles' nests if a helicopter costs \$225 to \$230 an hour. Mr. Wright answered that the helicopter is owned by the Department of Fish and Game and operational costs for it average \$80 an hour.

Mr. Webb asked how much it cost per nest. Mr. Wright said he did not have that figure.

Mr. Barengo asked if the section in the bill that grants to the Department of Wildlife the prerogative to sell timber on any land owned by the state but assigned to the department is a new authority. Mr. Knisley answered that the reorganization of the department undertaken 2 years ago created the Division of State Lands, and that this authority was given to the Division of State Lands, but that it was not removed from the Department of Fish and Game code due to an oversight. He added that this language in the bill clearly transfers the authority to the Division of State Lands. However, he continued that no sales can be made that would affect the wildlife population on these lands without the approval of the department. Mr. Wright commented that the restructuring of the land statutes was not changed during the last session and that the language of this bill clarifies that the Division of State Lands has that authority.

Chairman Mello indicated that it is impossible for the Committee to thoroughly evaluate the impact of legislation as complicated as this bill in one hearing, and that part of the problem is the fact that the Senate holds the bills until the last few days of the session and expects the Committee to pass them without a proper hearing.

Mr. Knisley stated that in a joint hearing this bill received tremendous public support from sportsmen clubs and the wildlife conservationists. Chairman Mello indicated that he was not referring to the public support for the legislation, but to the fact that the Committee cannot be expected to make an intelligent and rational decision about the legislation with so little time for review.

Mr. Barengo asked what gives the department the right to sell timber on those lands. Mr. Knisley answered that formerly the department not only had the right to sell timber and products from the land under their jurisdiction, but also title to the lands was vested in the department which gave them the right to drill oil wells if they so chose. He added that all those provisions have been removed from the department's jurisdiction and that the title to all the lands has been vested in the State of Nevada under the control and authority of the Division of State Lands except the custodial authority of the different departments operating on those lands. Mr. Knisley continued that it was fortunate that title and control was turned over to the Division of State Lands because it was discovered that the state was building structures on land it did not own.

Mr. Barengo stated that that was his reason for requesting clarification. He asked if this section had formerly given authority to the Department of Fish and Game to maintain such operations and now that authority was being transferred to the Division of State Lands. Mr. Knisley answered that it was transferred previously but this specific language clearly removes the Department of Fish and Game from the code.

Mr. Barengo asked where does the deletion come in the code since Section 42 is a new section added to Chapter 321 which is for the Division of State Lands, not the Department of Fish and Game. Chairman Mello stated that the deletion is covered in Section 34.

Mr. Barengo commented that he thoroughly agrees with the bill, but he pointed out that the language of NRS 504.147 places certain restraints on the Department of Fish and Game as long as their use of the land does not interfere with the utilization of the real property for wildlife management. However, he added that this new section to be added to the Division of State Lands does not place those same restraints upon the sale of timber.

Chairman Mello appointed a subcommittee with the following members: Mr. Glover, Mr. Bremner, Mr. Rhoads, Mr. Barengo and Mrs. Wagner to study the implications of SB 333. Chairman Mello appointed Mr. Bremner to chair the subcommittee.

The meeting was adjourned at 11 a.m.

DATE: May 3, 1979

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Barbara Bingham	4-H Youth
Jean Little	4-H Leader
Les. Porter	4-H Youth
Dudick L. Poché	4-H Leader
Kyle Poché	4-H Youth
Orvis E. Bell	NATA/AAFP - Nevada Joint State Legislative Committee
DR. AL LASKY	STATE 4-H OFFICE
Chuck White	NEV. FARM BUREAU - 4H COUNCIL BOARD Chair
North Hammond	4-H Humboldt County - H.C. Farm Bureau
Marilyn Good	4-H Lassen Co. - Washoe Co.
Alvin Miller	4-H
Shari Brantingham	4-H
Rete West	4-11
Kolman Hill	4-H
Indell	4-H
George Warren	PERM - 504
Nennen Bennett	PERS
Walt Keating	PERS
Alan K. Knovich	dept. of fish & game
Tom Lemmon	Athletic Commission
Robert Shields	athletic Commission
JACK DAVIS	ATHLETIC Commission
Mary Lee Smith	4-H Douglas Co.
WALLACE PETERSON	4-H " "
Robert Long	4-H Clark Co.
Sharon Audin	4-H Lyon Co.
Katy Sturtevant	4-H Lyon Co.
Richard (Buttman)	4-H Clark Co.
Roger Teglia	ex upland game com & wildlife Fed
Bonnie Lee	UNIC College 4-H Club
Paradise Potter	4-H Carson City

DATE: _____

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Mrs. Ann Christensen
Stephen C. Larson
Robert B. Johnson
Dave Lauba
Marvin Marshall
Janette Larch

4H Leader, Virginia City
4H Leader, Sparks, N.
State 4-H Camps Manager
4H Youth Agent - Wells Co
4-H Leader, Tula Co.
4-H Leader, Leadville

ELBERT B. [REDACTED]
CHAIRMAN

VERNON BENNETT
EXECUTIVE OFFICER

WILL KEATING
ASSISTANT EXECUTIVE OFFICER

STATE NEVADA



RETIREMENT BOARD
[REDACTED] CULBERTSON
CHAIRMAN
SAM A. PALAZZOLO
VICE CHAIRMAN
MEMBERS
DARREL R. DAINES
WILLIS A. DEISS
ELBERT B. EDWARDS
BOYD D. MANNING
DONALD L. REAM

PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569

CARSON CITY, NEVADA 89701

TELEPHONE (702) 888-4200

May 1, 1979

The Honorable Donald R. Mello
Chairman, Ways and Means Committee
Legislative Building
Carson City, Nevada 89701

Ref: AB 759

Dear Chairman Mello:

The Retirement System is very strongly opposed to AB 759. This would establish retirement increases for 776 retired employees by increasing the percentage contribution from 1.50% of average compensation per year of service over 20 years to 2.50% per year. This increase would be paid for the remainder of those retired employees natural lives and the lives of their named beneficiaries. I am enclosing a letter dated October 18, 1978 from our Actuary which projects the cost for regular retired employees to be \$20,987,500 and for retired police and firemen to be \$ 2,412,100. There is no provision in this bill to either appropriate the necessary funds to pay this or provide an increase in employer contributions. This legislation has not been sponsored by any of the employee associations or officially sponsored by any of the retired associations. Approval of this legislation would violate the long established principle that a member of this System receives the benefits that are in effect at time of retirement. Most legislation regarding this System has been applicable prospective only. This would establish a precedent whereby retired employees would request new benefits being provided to active members and the right for recomputation of benefits at any time that new legislation is passed. We feel that this is an extremely expensive and dangerous precedent to establish. Therefore, we strongly request that you oppose AB 759.

Respectfully submitted

Handwritten signature of Vernon Bennett in cursive.

VERNON BENNETT
Executive Officer

Encl:
c.c.: Ways and Means Committee
Retirement Board
Mr. Warren Fowler

VB:bb

EXHIBIT A



MARTIN E. SEGAL COMPANY

FIFTH AVENUE • NEW YORK, N. Y. 10019 • (212) 586-5600

October 18, 1978

JOHN P. MACKIN
SENIOR VICE PRESIDENT

ATLANTA
BOSTON
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DALLAS
DENVER
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LOS ANGELES
NEW ORLEANS
PHOENIX
SAN FRANCISCO
WASHINGTON, D.C.
TORONTO

Mr. Vernon Bennett
Executive Officer
Nevada Public Employees Retirement System
P. O. Box 1569
Carson City, Nevada 89701

Dear Vernon:

This will confirm the actuarial liability figures for post-retirement benefit increases which I gave you over the telephone.

	<u>Regular</u>	<u>Police & Fire</u>
- Making temporary monthly increases payable from 7/1/77 to 6/30/79 payable for the expected lifetimes of pre-1977 retirees and beneficiaries (monthly increases from \$20 to \$3 depending on amount of base benefit).	\$ 2,429,600	\$ 179,500
- \$50 per month benefit increase granted in 1975 to pre-7/1/63 retirees and beneficiaries - actuarial liability for such \$50 increase as of June 30, 1978.	1,149,000	85,400
- Increase pre-1977 retirees' benefits by recomputing benefits based on new formula (i.e., increase benefits for pre-1977 retirees to 2½% for years 21-30 instead of 1½%).	20,987,500	2,412,100

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The above actuarial liabilities as of June 30, 1978 are based on 7% interest and the Group Annuity Mortality Table for 1971 (the interest and mortality assumptions used in actuarial valuations).

With my best wishes.

Sincerely,



John P. Mackin

JPM:ns

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