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MEMBERS PRESENT: Chairman Bremner  
Mr. Bergevin  
Mr. Brady  
Mr. Coulter  
Mr. Glover  
Mrs. Hayes  
Mr. Horn  
Mr. Marvel                      Mr. Robinson  
Mrs. Westall

MEMBERS ABSENT: Mr. Rhoads (excused)  
Mr. Vergiels  
Vice Chairman Hickey

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci,  
Deputy Fiscal Analyst; Mike Alastuey, Deputy  
Budget Director (SEE ATTACHED GUEST LIST)

Chairman Bremner called the meeting to order at 8:00 a.m.

DEPARTMENT OF GENERAL SERVICES - Director's Office

Mr. Bruce Greenhalgh, Director of the Department of General Services addressed the committee and stated that the Department consists of four Divisions: State Purchasing, State Printing, Central Data Processing, Buildings and Grounds and Accounting. He stated that the office is funded by equal assessments to all four major divisions. He added that the divisions are responsible for the commodity food program, federal surplus property sales, state motor pool, capitol security, records management services, state mail and telephone communications, Carson City Water Treatment Plant and the Marlette Lake Water System.

He stated that the Governor is recommending the addition of a deputy in this office due to the increased departmental work load caused by the addition of the personnel division, the creation of a motor vehicle operations division, a state facilities management program, and centralization of all mail and printing facilities.

He pointed out the increases in travel, communication and building rent and stated that they are for the creation of the Deputy Director position. He stated an additional increase in legal and court expense reflects inflationary increases for the position of Deputy Attorney General.

Chairman Bremner asked why the new deputy was recommended by the Governor but not requested by the Department. Mr. Greenhalgh stated that the budget was prepared prior to presentations of the Governor's Management Task Force Report which because of the increased responsibilities coming to the Department, allowed for the additional position. He stated the Governor was aware of these increased responsibilities and increased the budget and salary of the Director accordingly.

Mr. Glover asked why the new deputy position was needed with the increased responsibilities, adding that he did not feel that the work load would increase enough to justify the additional position. Mr. Greenhalgh stated that his time is fully occupied at the present time with the four existing divisions. He said with the addition of the new responsibilities, the work load would just be overwhelming for one person.

Chairman Bremner asked what Task Force recommendation called for the addition of the new deputy. Mr. Greenhalgh stated that it is not specifically addressed by the Task Force. He said the Task Force only addressed the addition of the new responsibilities, most particularly the addition of the personnel division in its report. Chairman Bremner asked if the Director of Administration's recommended salary had been decreased in the same proportion as Mr. Greenhalgh's salary was being recommended to increase because of the transfer of the personnel division. Mr. Alastuey said that there is no increase contemplated for the current Director of Administration other than the normal anticipated increase for unclassified employees for (Committee Minutes) the next biennium.

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General Services Accounting

Ms. Eunice Garrett, Administrator of General Services Accounting, addressed the committee and stated her division is responsible for the bookkeeping chores for most of the divisions of General Services, the Department of Administration, and for the Lt. Governor.

She stated that the budget increases are for salaries and operating expenses only. She said no additional positions are requested and they have decreased their staff by 2 positions during the last biennium.

She pointed out that the amounts requested under stipends and travel would enable the division to continue to use inmate labor during the next biennium.

Chairman Bremner asked how the inmate labor is used. Ms. Garrett stated they have had one inmate in the office for the past 19 months assisting with clerical and accounting jobs.

Chairman Bremner asked if the Accounting section was familiar with the recommendations of the Governor's Management Task Force and in particular, recommendation number 40 calling for the elimination of one supervisory and three clerical positions. Mr. Greenhalgh stated that recommendation number 40 could only be accomplished if the agencies did their own accounting work. He added that the Task Force did not look into whether the divisions had the capability of picking up the work load themselves without adding new personnel.

Chairman Bremner stated that it appeared as though the Department had complied with the recommendations of the Task Force Report that they liked, and worked around the ones that they did not like. Mr. Greenhalgh stated that the accounting procedures have been improved in the division as called for by the Task Force even though they may not have complied with all the recommendations of the Task Force to the letter. He added they were not able to eliminate all the positions and they are possibly moving into the position of eliminating one.

Chairman Bremner stated that the report indicated that \$61,000 in annual savings could be realized by streamlining procedures. He suggested that Mr. Greenhalgh cut it from the budget any way he can rather than eliminating employees. Mr. Greenhalgh stated that his divisions will have accounting problems if he cuts \$61,000 from his budgets. He did not agree that he can save that much money.

Mr. Hickey asked if there was any direct contact between the inmates working in the division and cash. Ms. Garrett stated there was no direct contact with cash but there is daily contact with accounting staff. Mr. Hickey asked for further information on the inmate personnel assisting in the division. Ms. Garrett will provide the information in writing.

Mr. Glover asked if Ms. Garrett's office was going to do the accounting for the mansion again. She stated that this will become another function of her office. She added that this will take up about one half a position.

Mr. Horn asked how many inmates are working in the office and which positions under the Task Force recommendations were scheduled for eliminations. Ms. Garrett stated that they have one inmate working on their staff that can, under the method of payment, receive up to \$3.00 per hour. She added that the supervisory position scheduled for elimination was a principal account clerk who is responsible for payment of the Nevada Bell telephone bills and invoicing state agencies for those services. She stated the other positions scheduled for elimination were senior account clerks who do the bookkeeping for Buildings and Grounds Division and for State Purchasing Division. Mr. Horn asked who would perform the accounting functions for those departments if those positions were eliminated. Ms. Garrett stated that this was not covered by the Task Force Report but it would appear that Buildings and Grounds and State Purchasing would have to do their own work.

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Ms. Garrett stated that it takes one senior account clerk full time to pay the bills for Buildings and Grounds Division. She added that the Task Force people asked her, "If you did not have the work from Buildings and Grounds and State Purchasing, could you not eliminate these positions?" She stated that her answer was, "Why, of course." She added that the personnel to provide the services being eliminated in her division have not been put back in the agency's budget. Mr. Horn asked for a clarification of the Governor's intent. Mr. Alastuey said the Governor is recommending continuation of the 9 existing positions, in opposition to the Task Force Report.

Chairman Bremner asked if the Task Force had discussed with Mr. Greenhalgh and Ms. Garrett the savings that would be realized by implementing their recommendations. Ms. Garrett stated that they did discuss in detail with the Task Force, the anticipated effects of implementing their recommendations. Mr. Greenhalgh added that they disagreed in some instances with the Task Force. He stated they have implemented some of the recommendations but feel that it would not be a savings to the Department to implement others.

Chairman Bremner asked how accurate and dependable the Task Force Report was, on which the Legislature was asked to rely. Mr. Greenhalgh and Ms. Garrett pointed out that they had discussed with the Task Force people the errors in their conclusions, however, they proposed the modifications anyway.

Mr. Alastuey commented that the proposed modification in this Department was because of some duplication of efforts that existed. He stated that this duplication problem was addressed and there have been major improvements in the services produced by General Services Accounting.

Chairman Bremner asked if it was the intent of the Budget Division that the Task Force Report should be adopted as it stands. Mr. Alastuey stated if there is to be no improvements in the services provided by GSA, perhaps an elimination of personnel can be considered. He stated if there is to be an improvement in the services, the Budget Division does not recommend eliminating positions at this time.

Mr. Hickey commented that the same principles are not being applied on each budget by the Task Force. Mr. Alastuey stated that the Budget Division has long felt that the service provided by GSA has not addressed the real needs of the agencies. He added that these problems have been addressed recently and in order to maintain the current level of services, he does not recommend a reduction in staff at this time. Mr. Alastuey stated that the Task Force Report is there for the consideration of the committee in conjunction with the Executive Budget.

Mr. Glover commented that he has had calls from vendors who are not getting paid in a timely fashion. He asked how long it takes to pay the vendors. Ms. Garrett stated that her Department has a self-imposed deadline of 3 working days to process payments which gets payments to vendors in approximately 2 weeks.

Mr. Horn asked if the Task Force recommendation regarding management training to personnel has been addressed. Mr. Greenhalgh stated that he had addressed the recommendation in an alternate method rather than asking the Legislature for money as recommended by the Task Force. Mr. Greenhalgh stated he feels they can go to private industry and solicit their support to provide training on the executive level by reviewing their operations rather than paying a state employee to go to a school. He stated other recommendations are being addressed at this time; have not yet been completed but are being studied and implemented in the Department at this time.

Mr. Horn asked for a list of the recommendations in the Task Force Report which the Governor has not recommended be implemented. Mr. Alastuey stated that he would provide a list to the committee.

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Mr. Marvel asked why the data processing item keeps increasing every year when they have been on the system so long which is supposed to be saving money. Mrs. Garrett stated that the data processing capability has enabled them to increase the work load and still get the work done quickly.

#### State Purchasing

Mr. Terry Sullivan, Director of State Purchasing, addressed the committee and stated that his division saves millions of tax dollars for the state. He stated that the budget asks for elimination of 2 positions and the addition of 1 new position. He stated that the new position will handle all leases of equipment and will standardize the equipment used throughout the state agencies. He added that the budget reflects an overall increase of 9 percent.

Mr. Glover asked if the new position requested is a specialist. Mr. Sullivan stated that the person will be strictly for equipment leases.

#### One Shot - Increase Revolving Fund\*

He stated that the agency is requesting \$500,000 to increase the revolving fund which will enable the state to pay for merchandise which it purchases in a more timely manner.

Chairman Bremner asked if it would help the agency if they had authority to get temporary loans from the General Fund. Mr. Sullivan stated they have that authority now for \$200,000 and if the committee would consider increasing this authority, they would like to have it increased to \$3 million. Mr. Sullivan asked for early passage and approval of the bill.

#### State Purchasing

Mr. Sullivan stated that the out-of-state travel money is requested to attend a conference. He stated that in-state travel is used to attend bid openings in Las Vegas, attend pre-bid conferences, and excess state equipment sales in Las Vegas.

Mr. Sullivan stated there are no major changes in operating expenses except in utilities, which reflects the addition of the large freezer in the warehouse.

In the equipment category, he said he is requesting funds to purchase a pickup in fiscal year 1982 and a power sweeper in fiscal year 1983 for the 57,000 square feet, which in the past has been swept by hand. He stated that the \$22,000 request is for a forklift to replace the one currently being used outside. He stated that the old one was purchased from surplus property and is no longer economical to repair.

Mr. Hickey asked if any of the existing positions would be transferred into the lease specialist position. Mr. Sullivan stated that it is possible that it will be an inhouse promotion.

Mr. Glover asked what the turnover has been in the division. Mr. Sullivan stated that the turnover in Carson City is minimal, however, in the warehouse in Reno, there is a large turnover experienced. He added that there have been some problems with theft in the warehouses, adding that he has no figure on the exact losses. He said this will be minimized with the addition of the new security procedures they plan to implement.

Mr. Glover asked what the salary was for state warehousemen as compared to private industry. Mr. Sullivan stated that is difficult to compare because private industries have many people in their warehouses, each doing a specific function. He stated that his staff has to do everything in the warehouse and only receives a wage of approximately \$5 per hour.

\*AB358 as BDR27-1255

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Mr. Hickey asked if inmate services are utilized. Mr. Sullivan stated that he has 2 inmates at present and does not have enough staff to control any more than that.

Mr. Horn asked if prison manufactured items are purchased by the State Purchasing Division. Mr. Sullivan stated that they handle all of the merchandising of the prison manufactured products. He said the furniture is listed in the catalog, and they encourage the agencies' use of these products. He added that they do place some furniture, but it is not an easy product to handle. He added that the products are not easy to haul because they are not packaged properly. He said his drivers make only \$5 per hour and they are sometimes not real concerned in what condition the products arrive.

#### Commodity Food Program

Mr. Sullivan stated the Purchasing Division is not asking for the \$10,000 General Fund appropriation normally requested, adding that they are going to do some in-kind service for the Federal Government as match in place of this. He stated that this program ranges from providing commodity foods in the school lunch program, to hospitals, and state agencies who serve meals. He pointed out that only 2 people in the budget are salaried by state funds, the rest are federally funded positions.

He said the out-of-state travel is needed to attend training conferences and federal funds are generally spent to attend these conferences. He pointed out that a great deal of the in-state travel is expended for reviews required to be completed for the Federal Government.

Mr. Sullivan pointed out that the \$15,000 request in improvements to structures in operating is for a one-time expenditure for swamp coolers for the Las Vegas Warehouse. He said the coolers are needed to protect the grains stored there from infestation.

Mr. Marvel asked what is going to happen to the commodity food program in view of the President's proposed federal cuts. Mr. Sullivan stated that he feels that the program will grow somewhat. He said there will still be surplus food on the market in spite of the fact that food stamps will become tighter, and some schools will receive the option to have cash payments in place of food commodities.

Chairman Bremner asked for information on the increase in the state owned building rent line item. Mr. Sullivan stated this is what the commodity food program pays in the Purchasing Division for use of the warehouse. He added that the program will not have as much commercial storage as they have had in the past.

Chairman Bremner asked if the divisions find new building space to rent on their own or do they receive assistance from the Department. Mr. Greenhalgh stated that in some cases they do receive assistance from his Department but in some instances they are able to locate building space on their own. He added that the larger agencies are searching all the time for building space. He said these agencies coordinate through Buildings and Grounds but General Services goes through and approves the leases. Chairman Bremner commented that perhaps a savings could be realized if the Department of General Services provided this service for everyone.

Chairman Bremner asked if any positions could be eliminated with the data processing improvement. Mr. Sullivan stated that there are no positions that can be eliminated, adding that he has only 2 positions that are state funded at this time.

Mr. Glover asked why the aging services revenue is projected to decrease from the work program level. Mr. Sullivan stated that aging services has the option of cash payments or commodity foods and in many cases they have gone the cash method.

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Mr. Marvel asked what type of control the Department has over the cash program as opposed to the commodity programs. Mr. Sullivan stated that they have nothing to do with the cash programs at all, it is handled by the Division of Aging Services.

Mr. Brady asked if commodities shipped to Clark County are shipped via common carrier. Mr. Sullivan stated that the state has its own trucks and also has a warehouse in Las Vegas. He added that commodities are purchased in the areas closest to the distribution centers unless the price received at the point of sale is so good that it can be purchased and shipped to the point of destination at a cost savings.

#### Surplus Property

Mr. Sullivan stated that the budget is not changed and the program has no substantial changes. He pointed out that it is a program where the Federal Government allows the state to have their used or unneeded equipment which the state can, in turn, pass on to various agencies in the state at reduced cost.

Mr. Sullivan pointed out their most noticeable accomplishment last year was the acquisition of four large generators in Blain, Washington, that are currently being used to power the Southern Desert Correctional Center. He added that this was probably a \$500,000 savings to the state.

#### One Shot - Roofing Program\*

Mr. Mike Meizel, Administrator of the Division, stated that this one shot of \$443,850 is needed to reroof various state buildings. He explained this proposal included the use of inmate labor.

Chairman Bremner asked if use of private firms had been considered. Mr. Meizel stated that they had and the total cost was estimated to be approximately \$700,000. Chairman Bremner asked that the calculations of how the one shot figure was estimated be supplied to the Capital Improvements sub-committee.

Mr. Glover stated that the sub-committee will be taking a close look at this project and added that it appears that the \$443,000 cost in materials is a waste. He questioned the use of inmate labor on this project and stated that in the long run it may be more economical to bring in a private contractor and get the work done properly in the first place.

#### Division of Buildings & Grounds

Chairman Bremner asked how much would be saved by eliminating the 24 custodial positions in Las Vegas and Reno and contracting the jobs to private firms. Mr. Meizel stated that it is estimated \$50,000 will be saved the first year of the biennium. He added that the contract amounts are unknown at this time and if bids for this service come in higher than is economically feasible, the state will resume these maintenance responsibilities and he will recommend retaining the positions. He stated that these figures will be supplied to the committee by the end of March.

Mr. Meizel stated an additional 7 positions have been cut throughout the division. He stated that inmate labor will be used to help provide services where positions have been cut.

Dr. Robinson questioned the cutting of the custodial positions in Las Vegas and Reno. Chairman Bremner stated that at the last session, concern was expressed over the quality of the work that was received in Las Vegas. He asked if the quality would be affected by these reductions. Mr. Meizel stated that maintenance work will be of good quality, however, custodial work quality will probably decline with the contracted services.

Mr. Hickey asked if inmate labor was used in Las Vegas. Mr. Meizel stated that they have had no way to get the inmates into Las Vegas from the Southern Nevada Correctional Center and added that he is not aware of a work program for inmate's labor used by other state

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agencies in Las Vegas. Mr. Hickey commented that there is a half way house in Las Vegas that inmate labor could come from. Mr. Hickey stated that the committee will check and find out what the problem is. Mr. Alastuey stated the inmates who work are limited to \$1, \$2, or \$3 per hour and the incentive for them to participate in state employment programs is not there when they can work in the private sector and make more money.

Mr. Glover stated that it has been brought to his attention that there is a problem getting the inmates back and forth from the institution to the work programs. Mr. Meizel stated that just recently their needs were brought to the attention of the prison because the budget as currently set forth will not be operational without inmate labor. He said the prison indicated that they would coordinate all necessary matters to supply the inmates to work.

Mr. Glover asked how many square feet are presently being cleaned by the existing staff and what will the figure be with the elimination of the positions. Mr. Meizel stated that at present 17,000 to 18,000 square feet are being cleaned per janitor. He said after the positions are cut and the new motor vehicle building is added, it will be 21,000 feet per janitor. Mr. Glover asked what the standard figure is in private industry. Mr. Meizel said he did not know, but added that he has heard it is around 18,000 and the Federal Government is around 13,000.

Mr. Glover asked for the justification for keeping the two deputy positions in the office. Mr. Meizel stated that the Task Force recommends a statewide facilities maintenance program and these positions will be needed to comply with this recommendation of the Task Force. Mr. Glover asked for a breakdown of the deputy's duties. Mr. Glover asked why more wasn't budgeted for in-state travel. Mr. Meizel said that he thinks there is an adequate amount budgeted in in-state travel.

Mr. Hickey asked what the Area Superintendent of Buildings and Grounds was needed for in Reno in view of the existence of two deputies. Mr. Meizel stated that this position is really misnamed; he is actually making only 5 percent more than a regular tradesman and supervises 2 other employees. Mr. Hickey asked additionally if any inmate labor is being used in Reno. Mr. Meizel stated at present they are not using inmate labor but are working out a transportation system to utilize them in the near future. He added that he and Mr. Sullivan are working on a joint plan to utilize inmate labor together on state buildings in Reno.

Mr. Glover asked if the 20,000 square footage estimate for janitors to clean will include the new DMV building. Mr. Meizel stated that this does include the new DMV addition.

Chairman Bremner asked why the new position wasn't charged out in the rent but was being supported by the recommended General Fund appropriation. Mr. Meizel stated that it wasn't charged out in the rents because he will be providing services to agencies that aren't in the rent funding mechanism now. Mr. Alastuey stated that if the agencies were charged individually for the janitorial services, that the footage would have to be examined on all buildings that are outside the rental scheme and devise a cost allocation mechanism unique to the position.

Chairman Bremner stated that the regular appropriation has gone up drastically and it might be beneficial to examine the system of charging back the janitorial costs to the various agencies receiving the services.

Dr. Robinson asked if the work done by the proposed Facility Energy Engineer position could be done by the Department of Energy. Mr. Meizel stated that this position is to work out a plant maintenance program on a statewide basis for all state buildings. He added that a portion of the program will be energy management but it will be a small portion.



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Chairman Bremner pointed out that the budget narrative explains the duties of the new position as having responsibility for energy control within state-owned buildings. Mr. Meizel said that the narrative was misleading in that the position would have other duties. Chairman Bremner asked who wrote the narrative. Mr. Meizel said he and his budget analyst wrote it but that it had been an oversight when the budget went to print.

Mrs. Nancy Jennings of the State of Nevada Employees Association addressed the committee in opposition to the proposed elimination of custodial positions in the Las Vegas and Reno areas. She pointed out SNEA's concerns in contracting out any classified positions in state service, stating that it is contrary to the principles of the merit system. She added that there is a great loss of control within the departments in the area of security when private consultants have access to file and work areas. She added another consideration is the loss of control over quality of services. She said that the Task Force argument that \$100,000 in savings could be realized will probably not occur and pointed out a specific example of the Nevada Industrial Commission who had gone to contract janitorial services and returned to using their own custodial workers because it was cheaper. Mrs. Jennings handed out memorandum from agencies scheduled for custodial reductions in support of keeping the positions. (EXHIBIT A)

#### General Services Telephone

Mr. Meizel stated that telephone service is provided throughout the state through this budget. He stated that through the implementation of the computerized info switch program, three positions had been eliminated during the last biennium and the division is contemplating the elimination of a fourth position.

Chairman Bremner asked which position is considered for elimination. Mr. Meizel stated it would be a PBX operator, Range B in the Carson City facility which is currently vacant.

Mr. Greenhalgh pointed out a correction in the budget in the EDP systems program facilities charges line item. He said the Governor's recommendation was made before the impact of info switch could be measured. He stated rather than the estimated \$13,484 and \$15,562 the needed funds are \$28,484 for 1981-82 and \$32,062 for 1982-83.

Mr. Robinson asked for an explanation of how the WATS and tolls revenue is derived. Mr. Meizel said a 6% overhead charge is levied per minute unit on long distance calls. Mr. Robinson asked if the expenditures for telephones shown in all other budgets, if added up, would total the amount of revenue shown in this budget. Mr. Meizel said that telephone equipment rental revenue was received from a portion of the communication funds allocated in the other departments. Mr. Alastuey stated that the communication line items also include mail and freight costs.

#### General Services Mail, One Shot Electronic Scales\*

Mr. Meizel stated that this one shot is for the purchase of two electronic scales in Carson City and two in Las Vegas. He said these scales are much more accurate than the mechanical scales presently being used. He pointed out that the U.S. Postal Service estimates a 10 to 15 percent error rate in mechanical scales which accounts for a large waste of money.

Mr. Robinson asked if the scales were to be purchased or leased. Mr. Meizel stated he preferred to purchase them. He said leased scales would cost more in the long run. He pointed out that the electronic scales appear to be fairly trouble free so he doesn't feel that they will have to be replaced in 2 or 3 years.

Mr. Glover asked if personnel had been trained to be more efficient in how they utilize the current mechanical scales. Mr. Meizel stated that the Post Office indicates this high error rate in their studies of their operations. He stated that his employees are not specially trained and he stated that the error rate is really in the scales which results in overcompensation in the amount of postage placed on the mail.



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Chairman Bremner asked why two scales are needed. Mr. Meizel stated that two are needed because of the variety of mail pieces that are processed. He said the 70 pound scale would not accurately weigh the small letter pieces.

#### General Services Mail

Mr. Meizel stated that General Services Mail has central mail rooms in Carson City and Las Vegas to provide all mailing for the state. He stated that they also handle inter-office mail throughout the Carson City complex. He said the revenues are derived by charging a percentage on the metered postage. He said there are no positions recommended for deletion and no new positions requested. He stated that currently a study is being done to see what mail rooms other agencies have and what can be consolidated under the central mail room as a result of the Governor's Management Task Force recommendations.

Mr. Hickey asked how many pieces of mail are processed by the agency yearly and asked how this compared with previous years. Mr. Meizel stated he would have to provide the information.

Chairman Bremner asked if the postal service line item anticipated a postage rate increase. Mr. Meizel stated that it does anticipate a possible 18 cent rate. Chairman Bremner asked if the rate goes to 20 cents if the agency would have problems. Mr. Meizel stated if this happens, they may possibly have to come to Interim Finance. He said additionally they may receive more mail because of cut backs in travel, which he said may cause them to have to make requests of Interim Finance.

Mr. Hickey asked if there was a central mail system in Las Vegas. Mr. Meizel stated that there is such a system in use.

#### Motor Vehicle Operations Division

Mr. Meizel stated that the State Motor Pool is a subdivision of the Buildings and Grounds Division and the recommendation calls for the motor pool to become a Division into itself. He stated the biggest change from past operations is the recommendation that a Division Chief be added. He said the primary purpose for this position is to set up a statewide fleet management program for all state vehicles. He said at present there are approximately 500 fleet vehicles in the state motor pool, and the state owned about 2,000 vehicles. He said this division would have the management program for all agencies to include maintenance, useage, number of vehicles per agency, and what type of vehicle best suits the agency's needs.

Mr. Meizel pointed out that he is not requesting an increase in the budget for the purchase of cars. He indicated that they intend to decrease the 500 car fleet by 66 cars over the biennium.

Chairman Bremner asked about the new position request. Mr. Meizel stated it is to provide a Division Chief for the new division. He added that this is to oversee the statewide fleet management program. Chairman Bremner asked why this was being charged to the General Fund instead of being spread out over all the agency budgets who use the services. Mr. Alastuey stated that the response to this question will be included in the response to the facilities management engineer for the Buildings and Grounds Division.

Chairman Bremner asked what has been done to implement the Governor's Management Task Force recommendation number 77 to restrict commuting privileges. Mr. Greenhalgh stated one of the problems defined by the Task Force was to get control over more state vehicles. He said at present, the motor pool does not have the say so on who uses the vehicles. He added that the motor pool does have statutory authority to cover abuse of vehicles if they are made aware of the abuse. He stated they are trying to accomplish the Task Force recommendation but have not completed it as yet. He said he feels the creation of the new division is the correct way to handle the matter.

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Mr. Horn asked if the division had ever costed out the difference in state employees being paid mileage as compared to the costs of maintaining the large fleet of cars by the motor pool.

Mr. Alastuey stated that there is a policy in effect which allows an individual to collect up to \$.19 per mile to use his own vehicle if it is at the convenience of the state. He added that there is a 75 mile length trip cut off beyond which it has been deemed cheaper to use a state vehicle or to pay the individual \$.10 per mile for the use of his own vehicle. He pointed out an exception which exists for travel between Reno and Carson City, and for such travel, the \$.19 rate is paid because of the volume involved.

Chairman Bremner asked if the possibility of leasing the cars had been explored. Mr. Meizel stated that this has been looked into and it is more expensive to lease than to own.

Chairman Bremner asked Mr. Greenhalgh if he was familiar with NRS 204.080 which provides penalties for unlawful use of state motor vehicles. Mr. Greenhalgh stated that he is aware of this chapter of NRS and said that this is the statute under which he exercises control over the unlawful use of state motor vehicles. He added that this does not preclude an agency administrator from allowing an employee to take a vehicle home.

Mr. Robinson asked what assumptions were made about the vehicle operation fuel line item and observed that this item is projected to remain at the same level as actual expenditures even though the number of vehicles is anticipated to decrease. Mr. Meizel stated that the figure is probably not realistic in the light of the great fluctuations in fuel prices. He stated that the figure of \$1.50 per gallon was used in the budgetary estimates.

Mr. Marvel asked if the state purchases its fuel in bulk. Mr. Meizel stated that it is purchased in bulk in all but a few cases, adding that he did not have the price information with him. He stated that Standard Oil gives a price break even at the pump, when gas is purchased at the pumps.

#### Motor Vehicle Purchase

Mr. Meizel addressed the budget and stated that this is the account that is tied in with the Motor Vehicle Operations Division through which new vehicles are purchased. He stated that the Division is not requesting an appropriation over the next two years and will subsequently be purchasing only as many vehicles as can be afforded through the receipts in this account. As a result, he said, the Division will substantially decrease its fleet size.

#### Marlette Lake

Mr. Meizel stated that this budget is the water system budget for the State of Nevada. He said the Capitol Complex, Virginia City and the Lakeview Development derive their water from this system. He added that Carson City itself gets some of its water from the system.

He said the revenue shown in the budget is borne by water sales and varies from year to year. He said the amounts requested are based on full sales and this is why it is so much higher than before. He said the specialized equipment requests are to purchase a four wheel drive pickup and two snowmobiles.

Mr. Marvel asked if the system is on meters. Mr. Meizel stated that some of the buildings in the Capitol Complex are on meters.

Chairman Bremner asked if the rates per 1,000 gallons would stay the same as currently budgeted at .16. Mr. Greenhalgh stated the rates are lower now than they were when the system was built 100 years ago. He said that if the system gets the volume of water sales it is predicting, the system will generate enough revenue to keep it in good shape. He added that if the sales volume is realized, the division will be asked to do many improvements on the system that are needed but could not be afforded in previous years.

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Mr. Robinson asked how the rate is determined. Mr. Greenhalgh stated that it is determined by contract. Mr. Meizel added that the contracts are all on five year reviews and are renewable. He said the Virginia City contract expires on July 1, 1981.

Chairman Bremner asked if the rates can be renegotiated if necessary. Mr. Greenhalgh stated that the rates can be renegotiated every two years.

Mrs. Westall asked what the water rate is for the water supplied to the Legislative Building. Mr. Greenhalgh stated that it is \$.37 per 1,000 gallons of water but added that rate is for treated water.

#### Water Treatment Plant

Mr. Meizel stated this plant is located above Carson City and treats the water that is received from Marlette Lake. He stated that the water is purchased from Marlette Lake at \$.16 per 1,000 gallons and is distributed to its customers throughout the system at \$.32 per 1,000 gallons.

Mrs. Westall asked what the Las Vegas water rate was. Chairman Bremner stated that Mr. Robinson was in the process of gathering water rates for systems throughout the state and would provide it to the committee at a later date.

Mr. Greenhalgh pointed out that the agency is not charging the state nor the Legislature depreciation on the plant.

Mr. Meizel stated the amounts set forth in the budget are projected on full capacity and in reality they will probably be less. He added that this method of budgeting was done to avoid having to make further requests of Interim Finance.

Mr. Marvel asked what the full period of depreciation was. Mr. Meizel stated it is 40 years but it is not depreciated through the state budgets, but they do it through the city.

#### State Printing Office, One Shot - Printing Equipment\*

Mr. Don Bailey, Director of State Printing, stated the \$120,000 one shot request is needed to purchase 3 major pieces of equipment; binding/covering machine, 25 inch folding machine, and a sheet counter. He said it is anticipated that the \$120,000 in funds will be paid back at the rate of \$6,000 per year.

Mr. Horn asked if the life expectancy of the equipment is long enough to meet or exceed the payback time. Mr. Bailey stated that the binding/covering machine will last 20 years, the folding machine will last 20 years and the sheet counter is good for 10 years.

#### State Printing Office

Mr. Bailey stated the Printing Division of General Services is based on operations and financed by sales to the various state agencies. He said the rates are based on direct labor costs, direct material costs and overhead.

Mr. Bailey said he had implemented numerous programs designed to reduce costs including the purchase of the envelope press approved by Interim Finance, as well as recycling the silver content of the film processing and recycling paper, film and metal plates to reduce costs and return revenue to the budget.

He stated the new positions requested are part of the Governor's Task Force recommendations.

Mr. Bailey pointed out that his agency does incorporate the use of inmate labor into various programs through the Printing Division.

\* SB 335 as BDR S-1336

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Chairman Bremner asked about the \$175,000 reserve which is set forth in the budget at the end of each year of the biennium and why the equipment could not be purchased out of that reserve. Mr. Alastuey stated this agency has a statutory revolving fund provided by Legislative appropriation.

Mr. Bailey stated his agency is in the process of working with the budget office on developing a depreciation program so they will not have to come back every year for equipment. He said that the depreciation fund will be utilized to purchase new equipment thereby alleviating the problem of being 20 years behind on equipment.

Mr. Glover asked what equipment is used to print the bills. Mr. Bailey stated the linotypes are being used; adding that the new automatic text processing system was supposed to be operational for the new Legislative Session, however it is not on line and working. Mr. Glover asked why this was not functional, stating that they have had two years to get the new program going. Mr. Bailey stated that he could not really answer the question as the project does not come under his jurisdiction.

Mr. Glover said that currently the printing of bills is being accomplished with 2 linotypes, as opposed to the work being done with 5 linotypes last session. Mr. Bailey stated that it is correct that bills cannot be printed as rapidly as was done previously. He stated they have been keeping up with the current demand; however, he stated if all the bills currently pending in the Counsel Bureau came over at once, they would definitely fall behind on production. He said they are pulling a third linotype out of storage to try to compensate for the increased bill production which is anticipated during the next month. He said they sold 3 linotypes and have to buy one back for this purpose because the new system is not yet functional. Mr. Glover asked how much the 3rd linotype machine cost and how much the 3 surplus linotypes had been sold for. Mr. Bailey said he paid \$2,000 for the 3rd linotype and had sold the surplus machines for a total of \$900.

Mr. Bible stated that upwards of \$1 million was appropriated for the new printing program over the past two bienniums. Mr. Glover observed that the current backlog in getting bills from the bill drafters office could be because the bill drafters are trying to keep the large volume of bills from going to the printing department all at once, causing the printer to fall behind in bill printing and calling everyone's attention to the fact the new automated system is not functional. Mr. Glover stated that the people who are responsible for implementing the program should come before the committee and explain why the system isn't working.

Chairman Bremner asked for Mr. Bailey's comments on Task Force recommendation number 60 which calls for the closure of two independent print shops and the transfer of one other shop under the State Printer's control. Mr. Bailey stated that he feels very solid that there are 2 print shops now in operation that could be closed and the work load moved to the Printing Division. He stated a third one in Welfare is almost a break even operation and with some additional work distributed to them from State Printing, they would become economically sound. He said he has had three meetings with the Employment Security Department on closing their shop and added that ESD wants assurances its printing work will get done in a timely manner prior to agreeing to the conversion. He said he has had no meeting with the Department of Transportation on closing their shop.

Mr. Greenhalgh pointed out the closing of these shops was not started due to the Legislative Session being in process and the additional work load it creates on the Printing Division.

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Mr. Glover asked if the people currently running the printing programs scheduled for elimination would be transferred to the Printing Office. Mr. Bailey stated that administrative control would be extended over the Welfare operation, as will be done with the Department of Education reproduction center. He stated the other 2 print shops would be better off being closed, and the personnel there being utilized somehow in the Department. Mr. Glover asked if there was enough room in the Printing Office for all the additional equipment. Mr. Bailey stated some of the equipment would be absorbed and used and some would be surplused.

#### Records Management Services

Mr. Bailey stated this is a unit within the Printing Division which provides services for state agencies involved in records management, microfilming, copy center operations and technical surveillances on all duplicating, microfilming and filing systems. He said at this time they have 5 major copy centers within Carson City, 1 in Elko, 1 in Ely, and 1 in Las Vegas. He said 140 agencies are serviced monthly.

He said they are asking for a photocopy reproduction specialist which is by recommendation of the Governor's Task Force. He stated that the increase in the regular appropriation is for the salary for this position.

The meeting was adjourned at 11:00 a.m.

MEMO

DATE: December 31, 1980

MEMO NO. 150 1660

TO: Kevin Hettich, Management Analyst, C.O.  
cc: J. Young, Field Supervisor, Food Stamp Program

FROM: J. Hall, Project Area Manager, Las Vegas Food Stamp Office

SUBJECT: BUILDING MAINTENANCE - LVFSO

As you know, recommendations made by the Governor's Task Force include the elimination of the Las Vegas custodial staff.

My assumption, and it may be incorrect, is that the custodial functions for this office will be incorporated into some type of a blanket contract with a commercial establishment in Las Vegas responsible for the custodial duties for most State Buildings in this area. I can only surmise that this will be the direction we move as we have had our own separate contract with M. Hillman in the past and, as I recall, it was far more costly than the Services provided by Buildings and Grounds, which would be inconsistent with the cost saving recommendations of the Task Force.

If I am correct in my assumptions I have some very real concerns, which are:

- (a) Although I cannot speak for the custodial functions in general, the quality of custodial services we have received from Glen Dunkerley has overall been very good. He has worked hard and has always been willing to put forth the little extra effort to help staff and me complete tasks (such as moving office equipment) of benefit to the office in general. I can leave this office at night and know that office security will be maintained. My experience with the quality of personnel normally employed by commercial establishments does not provide me with this internal sense of well being.
- (b) We are now receiving fairly substantial amounts of the coupons themselves from Sacramento for those clients placed on Special Handling in this office. Although they are not retained for too long a period, the idea of commercial custodial staff knowing this fact and our Security System is also a negative.
- (c) We also have the problem of confidentiality of case records. The idea of having low-paid, non-State employees (who may differ from night to night) having access to Food Stamp records is not good.
- (d) Lastly, this office has been very fortunate in that we have experienced very little theft of employees' personal belongings or in State office equipment. My experience with commercial establishments has been just the opposite.

For the above reasons I want to call these concerns to your attention at this time before any new custodial alternatives are decided upon.

JH:ms





STATE OF NEVADA  
DEPARTMENT OF HUMAN RESOURCES  
DIVISION OF HEALTH  
BUREAU OF CHILDREN'S HEALTH SERVICES  
SPECIAL CHILDREN'S CLINIC  
620 BELROSE STREET  
LAS VEGAS, NEVADA 89107

TELEPHONE: 385-0223

December 19, 1980

TO WHOM IT MAY CONCERN:

SUBJECT: Anticipated Reduction in Building and Grounds Staff

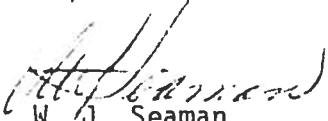
I have received a copy of a memorandum from Michael Meizel to Buildings and Grounds personnel, with the same subject, which states that it has been recommended that the Las Vegas custodial staff be eliminated 1 July 1981. I am very concerned with the impact such a reduction will have on the Special Children's Clinic.

I am concerned that the current level of maintenance will deteriorate to an unacceptable level. We at no time have had any request refused by our competent and dedicated custodial staff.

I am concerned that we will be subjected to pilferage and theft since any contractor will no doubt hire personnel at the minimum wage. It is doubtful that any contractor can obtain, at that wage, competent and honest personnel willing to provide custodial services approximating our current situation. I am also concerned that when an unacceptable degree of service is rendered there will be no one responsible to insure the contractor complies with the provisions of his contract, the net result being a filthy facility and no ability to get it cleaned rapidly. You can be sure that as soon as our clients recognize any deterioration in the quality environment they have become accustomed to there will be a howl of protest, reaching to the seat of the government.

I find it interesting that a custodial crew will be maintained in Carson City.

I do not support the recommended reduction in custodial services nor the elimination of the custodial staff.

  
W. J. Seaman  
Management Analyst

WJS:jp

STATE OF NEVADA  
Department of Taxation

Bradley Building, 2501 E. Sahara

Las Vegas, Nevada 89158

Telephone (702) 386-5263



ROBERT LIST, Governor

ROY E. NICKSON, Executive Director

January 15, 1981

Mr. Mike Phillips, President  
State of Nevada Employees Association  
700 Belrose Street  
State Mail Room Complex  
Las Vegas, Nevada 89158

Dear Mike,

Our conversation of today refers. It is true that since we moved this office to the Bradley Building in October, 1975 we have received good custodial service furnished by the Buildings and Grounds Division. The most significant aspect of that service, in my opinion, is a sincere security consciousness on the part of custodial personnel. To the best of my knowledge there has been no unauthorized entries, pilferage of material or equipment, or revelation of the form or content of our many sensitive documents covered by obligations of confidentiality and strict disclosure laws.

Very truly yours,

A handwritten signature in cursive script that reads "R Cochrane".

Robert R. Cochrane, District Manager

AN EQUAL OPPORTUNITY EMPLOYER

0-1003

January 15, 1981

MEMORANDUM

TO: Michael Meisel, Supervisor, Building and Grounds Division  
FROM: Paul Fugazzotto, Ph.D., Chief *PF*  
SUBJECT: ELIMINATION OF STATE CUSTODIAL SERVICE FOR LAS VEGAS LABORATORY

The proposal of switching custodial service at our Las Vegas Laboratory from Building and Grounds to contract with private sector might create problems that should be considered before such a change is made. In general, we have been satisfied with the service we have received in the past, especially from the standpoint that we have received good cooperation from the custodians in the treatment of problem areas for cleaning. In my opinion, unless a substantial savings can be made, a switch to private custodial service may create headaches that far outweigh the monetary savings.

I feel the following sources of problems should be addressed before such a change is implemented.

- 1) Communication between agency served and provider of custodial service. Since the service is to be provided presumably via Building and Grounds, I assume complaints and other communications will be funneled through B & G to the contractor. This layer of insulation between agency being served and contractor performing work can only lead to delays in necessary action or no action at all unless specifically covered in the contract.
- 2) If an agency requires a change in timing, or nature and extent of service, such change could be hampered by an existing contract. Contracts must be flexible to enable such changes.
- 3) Different agencies require different services. Timing, and detail in custodial services for an office building may not be acceptable for a laboratory where protection of cultures and instruments from dust and mishaps must be considered. These unique services should be agreed upon before a contract is issued.
- 4) Our Laboratory houses very expensive instruments, equipment and other materials which must be protected against loss, and we must have assurances that there will be no need for us to provide special locked cupboards to protect them against loss to changing commercial custodial personnel.

I would like to emphasize again that quality of service and safety of our effects must be of the primary concern. If these can be maintained and money saved by private contractors, we have no objection. However, if these are likely to be sacrificed to save money, then alternate solutions must be found for our facility.

PF:akj

cc: Paul Cohen,  
Louis Rossi  
Robert Pearson

DATE: 2/25/81

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Bruce Greenhalgh  
Terry Sullivan  
PAUL ELLIOTT  
Janice Garrett

Dept. of General Services  
Purchasing Division  
BUDGET DIVISION  
General Services - Acctg