

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 8, 1981

The Senate Committee on Finance was called to order by Senator James I. Gibson, Vice, Chairman, at 8:00 a.m., on Friday, May 8, 1981, in Room 231 of the Nevada State Legislature Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Vice Chairman
Senator Norman D. Glaser
Senator Eugene V. Echols
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

COMMITTEE MEMBERS ABSENT:

Senator Floyd R. Lamb, Chairman
Senator Thomas R. C. Wilson

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Tracy L. Dukic, Secretary

OTHERS PRESENT:

(Please see Exhibit B)

The meeting was called to order by Senator James I. Gibson, Vice Chairman, at 8:00 a.m. in Room 213.

CLOSING OF BUDGETS

DEPARTMENT OF ECONOMIC DEVELOPMENT, page 124

SENATOR JACOBSEN MOVED TO REMOVE THE STATISTICIAN I POSITION.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR JACOBSEN MOVED TO APPROVE THE BUDGET AS AMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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UNIVERSITY OF NEVADA, RENO, page 189

SENATOR GLASER MOVED TO SPLIT THE TUITION INCREASE FOR EACH YEAR OF THE BIENNIUM, \$3 DOLLARS THE FIRST YEAR OF THE BIENNIUM AND \$8 DOLLARS THE SECOND YEAR OF THE BIENNIUM.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION FAILED - SENATORS ECHOLS, GIBSON AND GLASER VOTED IN FAVOR OF THE MOTION AND SENATORS JACOBSEN AND MCCORKLE VOTED AGAINST THE MOTION.

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SENATOR GLASER MOVED TO INCREASE THE UTILITY BUDGET ACCOUNT BY \$40,408 DOLLARS AND \$147,134 DOLLARS FOR THE BIENNIUM FROM THE GENERAL FUND.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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OFFICE OF THE HEALTH OFFICER, page 406

SENATOR GLASER MOVED TO APPROVE THE BUDGET SUBJECT TO THE REOPENING OF THE BUDGET BECAUSE OF INFORMATION PROVIDED BY SENATOR JACOBSEN.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR MCCORKLE MOVED TO FORWARD A LETTER OF INTENT STATING THAT THE OFFICE OF THE HEALTH OFFICER SHOULD NOT BE PRECLUDED FROM PURSUING PRIVATE SOURCES OF FUNDING FOR THE CONTINUING THE HEALTH EDUCATION PROGRAM, AND TO THE EXTENT THAT THEY ARE ABLE TO RAISE PRIVATE FUNDS, TO CONTINUE THIS PROGRAM.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CAPITAL IMPROVEMENTS, page 1,041

81-1--IMPROVE UTILITY SYSTEMS, STATE PRISONS

SENATOR GLASER MOVED TO APPROVE THE BUDGET AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senate Committee on Finance
May 8, 1981

81-3--FACILITY IMPROVEMENTS, STATE PRISONS

SENATOR JACOBSEN MOVED APPROVAL OF THE BUDGET
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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81-4--FACILITY IMPROVEMENTS, MILITARY DEPARTMENT

SENATOR GLASER MOVED TO APPROVE THE BUDGET AS
RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

81-5--FACILITY IMPROVEMENTS, CARSON CITY/LAS VEGAS

(THE COMMITTEE ELECTED TO HOLD THIS BUDGET)

81-6--FACILITY IMPROVEMENTS, UNIVERSITY OF NEVADA SYSTEM

SENATOR GLASER MOVED TO APPROVE THE BUDGET
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

81-7--FACILITY IMPROVEMENTS, DEPARTMENT OF HUMAN RESOURCES

SENATOR JACOBSEN MOVED TO APPROVE THE BUDGET
AS RECOMMENDED.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

81-8--FACILITY IMPROVEMENTS, DEPARTMENT OF WILDLIFE

SENATOR ECHOLS MOVED TO REDUCE THE BUDGET
BY \$337,000 DOLLARS, PLACE THIS MONEY IN A
SPECIAL RESERVE ACCOUNT AND APPROVE THE
BUDGET AS AMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

81-10--STORAGE AND SHOP BUILDING, MENTAL HYGIENE AND
RETARDATION COMPLEX, LAS VEGAS

SENATOR GLASER MOVED TO APPROVE THE BUDGET
AS RECOMMENDED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
May 8, 1981

81-14--HOUSING UNIT NO. 6, NORTHERN NEVADA CORRECTIONAL CENTER

SENATOR JACOBSEN MOVED TO APPROVE THE BUDGET
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

81-16--HOUSING UNIT NO. 7, NEVADA STATE PRISON, CARSON CITY

SENATOR JACOBSEN MOVED TO APPROVE THE BUDGET
AS RECOMMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

PARK IMPROVEMENT PROGRAM

SENATOR MCCORKLE MOVED TO APPROVE THE PARK
IMPROVEMENT PROGRAM.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR ECHOLS MOVED TO INCREASE THE MARINA
DEVELOPMENT BUDGET BY \$18,672 DOLLARS FOR
PAVING THE ENTRY WAY TO CHURCHILL BEACH AT
LAHONTAN STATE PARK.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED EXCEPT FOR THE DISSENTING
VOTE OF SENATOR MCCORKLE.

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SENATOR JACOBSEN MOVED TO APPROVE THE MARINA
DEVELOPMENT BUDGET AND APPROVE THE BUDGET AS
AMENDED.

SENATOR GLASER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

SENATE BILL NO. 276

SENATOR GLASER MOVED TO AMEND THIS BILL BY
INCREASING THE STATE APPROPRIATION BY \$18,672
DOLLARS AND APPROVING IT.

SENATOR JACOBSEN SECONDED THE MOTION.

SENATOR ECHOLS FURTHER AMENDED THE MOTION BY
AMENDING THE REVERSION LANGUAGE IN THE BILL.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senate Committee on Finance
May 8, 1981

Senator Gibson presented two bill drafts for introduction by the Committee--BDR#31-1948 and #S16-91.

SENATOR JACOBSEN MOVED TO INTRODUCE BILL DRAFT
REQUEST #31-1948. (S.B. 657)

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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THE COMMITTEE ELECTED AS A WHOLE BODY NOT TO
INTRODUCE BILL DRAFT REQUEST #S16-91.

Mr. Sparks told the committee that there was a letter of intent forwarded to the Desert Research Institute regarding their wind energy program in 1979, and that program is no longer receiving federal funds; therefore, the State appropriations for last year and this year will revert to the General Fund. He indicated that the appropriation from last year has already reverted, and they are holding the appropriation from this year until the outcome of the letter is determined. He also indicated that the committee acted on this matter previously but, were awaiting receipt of this letter.

Senator Gibson noted that all that would be necessary would be to formally acknowledge on the record the receipt of this letter of intent; (please see Exhibit D).

Mr. Sparks then handed another letter to the committee and explained that this letter was sent to the committee from S. Barton Jacka, Director of the Department of Motor Vehicles regarding the problems that they are encountering with the insurance for mandatory insurance program and the increase in registration costs for vehicles in Carson City, (please see Exhibit E).

SENATOR MCCORKLE MOVED TO APPRVE THE BUDGET
ADDITIONS AS OUTLINED IN THE LETTER SUBECT
TO THE ACTION TAKEN ON SENATE BILL NO. 7.

SENATOR ECHOLS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

A discussion ensued regarding Lynch Communications and the ramifications of the action necessary with regard to the cancellation of the contract that the State of Nevada held with this company.

Senator McCorkle said that all the evidence that has been presented to him clearly supports the fact that the County of White Pine is well able to do without this four million dollars.

Senator Gibson noted, thought, that Whie Pine has already encumbered some expenses in preparing the site for the construction project as proposed by Lynch Communications. He said that they have already installed utility outlets and such.

Senator McCorkle concurred that they should be reimbursed for that expenditure but added that the balance should revert to the General Fund.

Senate Committee on Finance
May 8, 1981

Mr. Sparks suggested that the Interim Finance Committee take this up next week and determined, with the help of Lynch Communications, exactly what the company has expended in trying to compjy with some of the necessary start-up requirements they accomplished prior to the cancellation of their contract.

Senator Gibson suggested that this money might be allocated to the Kennedy Sky-lites project in order to prevent any more costly delays being incurred by them.

The committee agree with this suggestion.

There being no further business, the meeting was recessed at 9:34 a.m.

Respectfully submitted by:


Tracy L. Dubic, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATED: May 25

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day MONDAY, Date May 4, 1981, Time 8:00 a.m.

1. Closing of Budgets.

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time 8:00 a.m.

TUESDAY, MAY 5, 1981

1. S. B. No. 551 - Makes supplemental appropriation to State Board of Parole Commissioners for travel expenses. (Bryn Armstrong)
2. S. L. No. 583 - Makes supplemental appropriation to Department of Taxation for budgeting changes. (Roy Nickson)
3. S. B. No. 617 - Creates prison farm fund. (Charles Wolff)
4. A. B. No. 498 - Makes appropriation for replacement of floor coverings at Southern Nevada Correctional Center. (Charles Wolff)
5. S. B. No. 618 - Increases post-retirement allowances of certain persons receiving disability or service retirement allowances from public employees' retirement system. (Howard Barrett)
6. S. L. No. 619 - Requires certain approvals before state agencies may reallocate money received under federal block grants. (Ron Sparks)
7. A. B. No. 153 - Makes various changes in provisions regarding interim finance committee. (Ron Sparks)
8. A. B. No. 359 - Makes appropriation for bill drafts for executive agencies and judiciary for 61st session. (Ron Sparks)

WEDNESDAY, MAY 6, 1981

1. A. B. No. 489 - Authorizes board of regents of state university to finance two multipurpose pavilion projects by issuance of state general obligation securities payable from state slot machine tax proceeds. (Ken Partridge)
2. A.J.R. No. 36 - Expresses opposition to federal control of public retirement system. (Vernon Bennett)
3. A. B. No. 417 - Provides additional benefit for retired police officers and firemen. (Vernon Bennett)
4. A. B. No. 511 - Revises definition of "police officer" for public employees' retirement system. (Vernon Bennett)
5. A. B. No. 171 - Makes appropriation for study of "Nevada plan" of financing public education. (Ted Sanders)
6. A. B. No. 320 - Makes appropriation for replacement of drapes and carpeting at Southern Nevada Children's Home. (Ace Martell)
7. A. B. No. 321 - Makes appropriation for repainting and certain repairs to buildings of Las Vegas Mental Health Center. (Jerome Griepentrog)
8. A. B. No. 351 - Makes appropriation for certain capital improvements for Department of Military. (William Engel)

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day (SEE BELOW), Date (SEE BELOW), Time (SEE BELOW)

REVISED AGENDA

WEDNESDAY, MAY 6, 1981 - 7:30 a.m.

1. A. B. No. 489 - Authorizes board of regents of state university to finance two multipurpose pavilion projects by issuance of state general obligation securities payable from state slot machine tax proceeds. (Ken Partridge)
2. Prison CIP's

THURSDAY, MAY 7, 1981 - 8:00 a.m.

1. A.J.R. No. 36 - Expresses opposition to federal control of public retirement system. (Vernon Bennett)
2. A. B. No. 417 - Provides additional benefit for retired police officers and firemen. (Vernon Bennett)
3. A. E. No. 511 - Revises definition of "police officer" for public employees' retirement system. (Vernon Bennett)
4. A. B. No. 171 - Makes appropriation for study of "Nevada plan" of financing public education. (Ted Sanders)
5. A. B. No. 320 - Makes appropriation for replacement of drapes and carpeting at Southern Nevada Children's Home. (Ace Martell)
6. A. B. No. 321 - Makes appropriation for repainting and certain repairs to buildings of Las Vegas Mental Health Center. (Jerome Griepentrog)
7. A. B. No. 351 - Makes appropriation for certain capital improvements for Department of Military. (Major McRitchie)

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.

Day THURSDAY, Date MAY 7, 1981, Time 8:00 a.m.

SUPPLEMENTAL AGENDA

1. S. E. No. 516 - Increases salaries of employees of State of Nevada in classified service. (Jim Wittenburg, Bob Gagnier)

Exhibit B

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL
MINUTES AND THE MICROFICHE.**

**PACIFIC
WESTERN
SYSTEMS, INC.**

P.O. Box "A" • Winnemucca, Nevada 89445 • Phone: (702) 623-5271

April 29, 1981

To: Honorable Floyd R. Lamb, Chrm.
Senate Finance Committee
& Honorable Roger Bremner, Chrm.
Assembly Ways & Means Committee
Nevada State Legislature
Carson City, Nevada, 89710

Dear Senator Lamb & Assemblyman Bremner:

It is the intention of Pacific Western Systems, Inc. to enter into an agreement with U.N.R., Desert Research Institute for the installation and development of a Wind Powered generating system on the top of Winnemucca Mountain.

It is the intention of Pacific Western Systems, Inc. to furnish the following:

1. Site for the installation.
2. Power as required.
3. Technical assistance for the transfer and installation of wind generator.
4. Mechanical fabrication as required for development of the system.
5. Use of other facilities as Pacific Western now owns on mountain top such as power lines, water lines, etc., as might be utilized in the installation.

D.R.I. to supply the following:

1. Instrumentation for the collection of scientific data as might be required.
2. Scientific and Engineering guidance.
3. Such hardware as now exists.
4. Whatever supervision that might be required in the dismantling and re-assembly of existing generator.

For the purpose of evaluating in kind contributions, Pacific Western values their labor at \$35.00 per hour and the use of Pacific Western trucks and equipment at \$1.00 per mile for large truck and 50¢ per mile for pick-up, suburban, etc. Pacific Western agrees to provide in kind matching effort up to \$35,000.

We hope this defines our intentions and agreement as it is now understood.

Pacific Western would like to explore licensing rights for the manufacturing of this equipment, should it demonstrate commercial possibilities.

Very Truly Yours,

DV/mv
cc: Warren C. Kocmond

Don Visger M.V.
Don Visger, Plant Mgr.

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RECEIVED

APR 21 1981

DEPARTMENT OF MOTOR VEHICLES

555 WRIGHT WAY
CARSON CITY, NEVADA 89711
DIRECTOR'S OFFICE
(702) 885-5375

LEGISLATIVE COUNSEL BUREAU
FISCAL ANALYSIS DIVISION

April 17, 1981

The Honorable James Gibson
Vice-Chairman, Senate Finance
Nevada State Senate
Carson City, Nevada 89710

Dear Senator Gibson:

Pursuant to your request the following two items should be considered for inclusion in the budget of the Registration Division, account 4718:

Mandatory Insurance Program:

Jan/June	July/June
1982	1982/1983
<u>\$92,648</u>	<u>\$166,789</u>

SB7, Transfers Registration functions from the Carson City Assessor to the Registration Division:

Jan/June	July/June
1982	1982/1983
<u>\$127,555</u>	<u>\$75,545</u>

Detailed budgets and justification are attached for your review.

Thank you for your consideration.

Very truly yours,

Barton Jacka, Director

SBJ/cf

MANDATORY VEHICLE INSURANCE

April 13, 1981

Costs:		<u>Jan/June 1982</u>	<u>July/June 1982/1983</u>
Salaries:			
Management Ass't II	25-1	\$5,634	\$11,764
Admin Aide II	21-1	4,748	9,904
Admin Aide II	21-1	4,748	9,904
Admin Aide II	21-1	4,748	9,904
		<u>19,878</u>	<u>41,476</u>
Cost of Living Raise	14%	2,783	5,807
	1982 9%		4,255
Payroll Costs	15%	<u>3,399</u>	<u>7,731</u>
		\$26,060	\$59,269
Operating Expense			
Supplies		\$ 4,000	\$ 2,000
Postage	30,000 at \$1.53	46,000	
	60,000 at \$1.53		92,000
Forms		3,500	3,000
Envelopes		1,500	1,300
Phone Costs		600	1,200
Data Processing Costs		3,504	7,444
Office Furniture and Equip.		<u>\$7,484</u>	<u>\$576</u>
Total		\$92,648	\$166,789

Mandatory Vehicle Insurance
Effective January 1, 1982

BUDGET EXPLANATION

This budget is based on proposed legislation which would require a random sampling of up to 10% of the vehicle owners to see that they actually have insurance in force. A certified letter and a verification form would be sent to the registrant. The filled out verification forms from the registrant would be sent to the appropriate insurance companies. The insurance companies would return those verification cards which did not reflect policies in force. Non responses from registrants and returns from insurance companies would be turned over to the appropriate District Attorneys for prosecutions.

SALARIES:

We believe that four people will be necessary to make this project effective, handling up to 5,000 certification requests per month.

OPERATING EXPENSE:

SUPPLIES - Heavy first year to set up the required stock of supplies and expendables.

POSTAGE - All mail must be sent out certified in order to make the program function. Delivery receipts will be part of the evidence to be turned over to the District Attorney.

FORMS - This category will provide the continuous form letters, certification forms, suspension notices and D.A. notices.

DATA PROCESSING - This category will provide one computer terminal and related computer costs for random selection of names for sampling. Terminal will also be used to suspend registration for the uninsured.

OFFICE FURNITURE and EQUIPMENT

4 Desks at	\$ 313	\$1252
4 Chairs at	123	492
4 Typewriters at	1026	4104
4 Wastebaskets at	11	44
4 File Cabinets at	144	576
4 Typestands at	104	416
2 Storage Cabinets at	240	480
4 Side Chairs at	30	120
	TOTAL	<u>\$7,484</u>

April 15, 1981

SB 7, Carson City Assessor Motor Vehicle functions
transferred to DMV Registration Division.
Effective January 1, 1982

		Jan/June 1982	July/June 1982/1983
Income Estimated		\$46,750	\$98,500
Salaries:			
Registration Office Supr I	27-9	\$ 7,339	\$15,346
Registration Clerk	23-11	6,421	13,425
Registration Clerk	23-9	6,143	12,842
		<u>19,903</u>	<u>41,613</u>
Cost of Living Raise	14%	2,786	5,826
1982	9%		4,270
Payroll Costs	15%	3,403	7,756
		<u>\$26,092</u>	<u>\$59,465</u>
Operating Expense			
Supplies		\$ 2,000	\$ 3,000
Phones		600	1,200
Postage		1,500	3,300
Forms and Envelopes		2,000	3,000
Data Processing Costs		5,520	8,280
		<u>\$11,620</u>	<u>\$16,080</u>
Office Furniture and Equip.		\$ 4,843	
Scalehouse and Scales		<u>\$85,000</u>	
Total		\$127,555	\$75,545

Reference - Senate Bill 7

<u>FY 81/82</u>	<u>Current Law</u>	<u>Vehicle Registration by State</u>	<u>Net Loss C Net Gain S</u>
Est. Gross Privilege Tax 81/82	\$ 970,000	\$970,000	
State Commission (1%)	9,700	58,200 (6%)	\$48,500
Net Privilege Tax	960,300	911,800	
Est. Plate Fee Paid	<u>42,000</u>	<u>-0-</u>	<u>\$42,000</u>
Total to Carson City	\$1,002,300	\$911,800	
Net Loss to Carson City-Gain to State			\$90,500
Income from Scales - Weighing			3,000
Annual Revenue Increase			\$93,500
Jan. thru June Revenue Increase			\$46,750

FY 82/83

Est. Gross Privilege Tax 82/83	\$1,030,000	\$1,030,000	
State Commission (1%)	10,300	61,800 (6%)	\$51,500
Net Privilege Tax	1,019,700	968,200	
Est. Plate Fee Paid	<u>44,000</u>	<u>-0-</u>	<u>44,000</u>
Total to Carson City	\$1,063,700	\$ 968,200	
Net Loss to Carson City-Gain to State			\$95,500
Income from Scales -Weighing			<u>3,000</u>
Annual Revenue Increase			\$98,500

SB 7, Carson City Assessor Motor Vehicle functions
transferred to DMV Registration Division
Effective January 1, 1982

BUDGET EXPLANATION:

Salaries

The Assessor currently has four people dedicated to this function. They operate in a manual mode, without computer assistance. We propose to utilize three people and some computer assistance.

The above starting grades are necessary to match the salaries of the existing experienced assessor employees, when they come onto the state payroll.

Operating Expense:

Postage is for mailing renewals back to the owner after payment and validation. Estimated 8333 at .18 each. Second year 18,333 at .18 each.
Data Processing is 3 terminals and 3 printers plus some computer cost.

Office Furniture and Equip:

3 desks at	313	939
3 chairs	123	369
3 calc	150	450
2 typewriters	1026	2052
6 stools	60	360
3 wastebaskets	11	33
3 filecabinets	144	432
2 typestands	104	208
		<u>\$4,843</u>

Scalehouse and Scales: per Public Works Dept.

Scalehouse	\$25,000
Scales, 60 ton	39,447
Paving.	14,640
Culvert	3,500
Curb & Gutter	550
Electrical	500
Misc.	1,363
	<u>\$85,000</u>