

MINUTES OF THE  
INTERIM FINANCE COMMITTEE'S  
SUBCOMMITTEE TO REVIEW PUBLIC WORKS BOARD MATTERS  
(NRS 218.6827)  
November 18, 2009

The Interim Finance Committee's Subcommittee to Review Public Works Board Matters (NRS 218.6827) held its first meeting of the 2009-11 Interim on November 18, 2009, in room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was video-conferenced to room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**SUBCOMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Senator Bernice Mathews  
Senator William J. Raggio  
Assemblyman Tom Grady  
Assemblywoman Debbie Smith

**SUBCOMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Senator Bob Coffin, Chairman  
Assemblyman Joseph Hogan

**SUBCOMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT IN CARSON CITY:**

Tracy Raxter, Assembly Fiscal Analyst, Fiscal Analysis Division  
Eric King, Program Analyst, Fiscal Analysis Division  
Brenda Erdoes, Legislative Counsel, Legal Division  
Eileen O'Grady, Chief Deputy Legislative Counsel, Legal Division  
Patti Sullivan, Secretary, Fiscal Analysis Division

**STAFF MEMBERS PRESENT IN LAS VEGAS:**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division

**EXHIBITS:**

[Exhibit A](#) – Agenda and Meeting Packet

[Exhibit B](#) – Attendance Record

[Exhibit C](#) – Vicinity and Site Plan Maps for Projects C21, Department of Motor Vehicles; C14, North Las Vegas Readiness Center; C13, Field Maintenance Shop; 07-C05, Indian Springs Conservation Camp; 07-M07, Wells Conservation Camp; 10-A001, Maintenance Shop Paint Booth; C18, Boulder City Veterans' Cemetery Expansion.

I. ROLL CALL.

From Las Vegas, Chairman Coffin called the regularly scheduled meeting of the Subcommittee to Review Public Works Board Matters to order at 3:05 p.m. He asked Eric King, Program Analyst, Fiscal Analyst Division, who would be testifying and Mr. King replied Gus Nunez, Manager of the SPWB, as well as Tom McElroy from the Nevada Army National Guard. Chairman Coffin announced that two representatives from the Department of Motor Vehicles (DMV) in Henderson were present in Las Vegas to answer questions from the Subcommittee on the first agenda item regarding the parking lot expansion. Chairman Coffin thanked the Subcommittee members for 100 percent attendance.

The actual roll call was overlooked, but all members were present in Carson City and Las Vegas at the start of the meeting.

II. APPROVAL OF MINUTES OF THE NOVEMBER 19, 2008, MEETING.

The approval of the minutes was overlooked at the beginning of the meeting, but was addressed after Agenda Item III.

III. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE REQUEST FOR AN ALLOCATION OF \$147,000 FROM THE IFC CONTINGENCY FUND (HIGHWAY FUND) IN ACCORDANCE WITH NRS 353.268 TO INCREASE THE SCOPE OF CIP PROJECT 09-C21, PARKING LOT EXPANSION FOR THE HENDERSON DEPARTMENT OF MOTOR VEHICLES OFFICE, TO ADD AN AMERICANS WITH DISABILITIES ACT COMPLIANT SIDEWALK.

Gus Nunez, Manager, State Public Works Board, (SPWB) explained the Department of Motor Vehicles had received a letter from the city of Henderson requesting the construction of a sidewalk along Stephanie Street. The city indicated it had received a formal complaint about the lack of Americans with Disabilities Act (ADA) accessibility along Stephanie Street. Mr. Nunez communicated a change in scope would be necessary to add the sidewalk construction to CIP 09-C21, Parking Lot Expansion at the Henderson DMV office; therefore, the SPWB was requesting an allocation of \$147,000 from the Highway Contingency Fund to do the additional work.

Chairman Coffin asked why the sidewalk construction was not included in the earlier design. Mr. Nunez noted that at the time of the original design there was very little development in the area, but the project was designed before he worked for the SPWB. He deferred the questioning to Chris Chimits, Deputy Manager, SPWB, who was the architect on the original project, to provide more accurate information about the design process.

Chairman Coffin suggested that maybe the state was just trying to save money since the state usually only included what was required in a project, even if additional items might only add a small amount of money to the project cost. Since there was an additional contingency in the SPWB's projections, Chairman Coffin thought that some design information might be available in order for the Subcommittee to evaluate if there was a way for the contingency to be reduced.

Mr. Nunez asked if Chairman Coffin was talking about the existing contingency in CIP project 09-C21 and the Chairman confirmed that was correct. Mr. Nunez explained the sidewalk construction was an addition to the original CIP project 09-C21 and since that project was just getting started it would be premature to give up some of the contingency funds. He said he would not recommend deleting any funds from the project at this time because contingencies come up during the design process and other contingencies arise during construction.

Chairman Coffin wondered if Mr. Nunez was aware people were getting ticketed for parking along Stephanie Street, as well as on American Pacific Drive, where parking was allowed previously. He also asked if the SPWB had made any effort to negotiate with the city of Henderson to forego ticketing people until the state finishes the parking lot expansion.

Mr. Nunez said there was a tremendous need for additional parking at the Henderson DMV office. The DMV office is located on a busy street and people are parking on the street, as well as parking across the street and then running across the street. Mr. Nunez related there was potential for an accident to occur; therefore, the request from the DMV was brought forth for the Subcommittee's review. Mr. Nunez stressed for the Subcommittee not to delay this request since a formal request had been forwarded to the Department of Justice. It would be prudent for the state to make arrangements to solve the problem as soon as possible to stay on good terms with the Department of Justice.

Chairman Coffin said he agreed with Mr. Nunez about not delaying the request, but wanted to take questions from members of the Subcommittee before taking a vote. In addition, he also wanted to address the issue of the city of Henderson ticketing the citizens who really have no place to park and are forced to park on the street. Chairman Coffin stated he was going to ask the staff from the DMV in Henderson to testify and explain what was happening.

Assemblywoman Smith asked for an explanation why there were two different contingency funds; it looked like there was a contingency in the original project and another contingency in the new request. Mr. Nunez indicated there are two types of contingencies, a construction contingency and a project contingency. The construction contingency functions to take care of issues that arise during construction and the project contingency is to take care of other miscellaneous issues. Mr. Nunez expressed that issues requiring the SPWB to use the contingency funds vary for each project, and could depend on the following

variables: results of the geotechnical service investigation, what happens with endorsements after the civil engineering firm provides a scope of work and estimated plan check fees that may be higher or lower. The Project Manager sets aside a pool of money for project contingencies separate from the construction contingency in order to address issues that require a financial adjustment in the project cost during the design process.

Assemblywoman Smith asked if the second contingency amount could be reduced since there was already a construction contingency amount. Mr. Nunez noted the contingency amount as \$59,000 for a \$652,000 contract and said a review of the project could be performed with the possibility the \$59,000 amount could be reduced. Mrs. Smith urged the SPWB to take a look at the second contingency because she thought the contingency would not be this high if this scope of work had been included in the original project. She said it probably did not seem to be a large sum of money, but every dollar that can be saved helps. Mr. Nunez said the SPWB could look at the contingency to see if the project could get by with a little less; however, even if the SPWB thought a complete scope was developed to cover everything once the design phase was finished issues still arise.

Assemblyman Grady asked if the city of Henderson approved the original plans with or without a sidewalk. Mr. Nunez called on Mr. Chimits to answer the question, because as previously stated Mr. Chimits was the architect on the original project and had more knowledge of the design process. Mr. Chimits said when the property was first developed it was all sagebrush and the DMV office was the first building in the area. He explained that at the time the plans were submitted to the city of Henderson for zoning approval the state showed a sidewalk along Stephanie Street. The city of Henderson subsequently reviewed and approved the plans; however, the ADA requirements currently required for the project were not required in 1995. The city of Henderson is now interested in retrofitting along that road in order to adhere to the ADA requirements since a formal complaint was filed.

Chairman Coffin cited that ADA requirements had been in effect since 1990; the state must have eliminated something from the project, and it appears it was the sidewalk since there were no other commercial developments along the street. He said he could understand how the city of Henderson might look the other way for a while, but project deficiencies eventually catch up to the landowners, and in this case it caught up with the state. Chairman Coffin stressed that he was worried about the imminent problem with the DMV customer parking and asked the staff present from the Henderson DMV to testify regarding the situation.

Linda Vantilborg, Field Services Manager, DMV Henderson testified that for ten years DMV customers had parked on the street on American Pacific Drive, which is in front of the DMV building. The street parking had typically been used in addition to the parking lot as an overflow parking area. About eight months ago, the city of Henderson posted no parking signs on both sides of the street.

Ms. Vantilborg said she called the city of Henderson to inquire why DMV customers could no longer park on American Pacific. The city indicated that a complaint had been received; however, the city did not divulge who actually filed the complaint. The city maintained it did not want people parking there because of the traffic flow. She said customers continue to park there and are ticketed for about \$80.00 by the city of Henderson parking enforcement. Customers also park in the Ocean Spray Cranberries, Inc. big rig truck entrance and the company has installed a camera on that area and has any unauthorized cars towed immediately. Ms. Vantilborg reported that on November 2, 2009, there were at least six vehicles towed from the Ocean Spray location and numerous tickets given by the city of Henderson's parking enforcement.

Chairman Coffin said the city of Henderson was not present at the meeting to testify but asked Mr. Nunez to communicate with the city as well as Ocean Spray to request some forbearance until the project was finished. He realized this was a public safety issue but did not think that anyone had been hit during this period of time. Mr. Nunez said the SPWB would contact the city of Henderson Public Works Department to see if the parking situation could be alleviated. The SPWB would inform the Public Works Department of the state's construction plans and see if something could be worked out in the interim. Chairman Coffin asked to add Terri Barber, Chief Lobbyist for the city of Henderson to the list of phone calls. He said these types of situations could sometimes be worked out with just a phone call and a hand shake. Chairman Coffin asked if there were any further questions from the Subcommittee and hearing none asked for a motion.

Chairman Coffin called for a motion to accept the proposal set forth by the SPWB for an allocation of \$147,000 from the IFC Contingency Fund to increase the scope of CIP project 09-C21, Parking Lot Expansion for the Henderson DMV office. Assemblyman Hogan motioned for approval and Chairman Coffin asked for a Subcommittee member in Carson City to second the motion. There was no response from members in Carson City so Senator Coffin asked if the Subcommittee wanted to defer the item.

Assemblywoman Smith said she had another motion. Chairman Coffin asked if she was going to amend Mr. Hogan's motion of approval; it was determined since there was no second on the first motion the motion was dead and therefore Mrs. Smith could make an alternate motion. Mrs. Smith said she believed the Subcommittee needed to approve this request to be ADA compliant, but she is concerned about the contingency money since it had gone from 4 percent to 9 percent, and a second contingency amount was added for the new piece of the project. She wanted to at least discuss the option to approve the project without the second contingency.

ASSEMBLYWOMAN SMITH MOTIONED TO ACCEPT THE REQUEST TO INCREASE THE SCOPE OF CIP PROJECT 09-C21, PARKING LOT EXPANSION FOR THE DEPARTMENT OF MOTOR VEHICLES IN

HENDERSON, TO ADD AN AMERICANS WITH DISABILITIES ACT COMPLIANT SIDEWALK AND APPROVE AN ALLOCATION OF \$131,170 FROM THE IFC CONTINGENCY FUND.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Smith pointed out that the Subcommittee had inadvertently skipped Agenda Item II, the approval of the minutes from the last meeting. Chairman Coffin apologized to the Subcommittee for moving too fast and asked for a motion of approval.

ASSEMBLYWOMAN SMITH MOTIONED FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 19, 2008, MEETING.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

IV. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE REQUEST TO INCREASE THE SCOPE OF CIP PROJECT 09-C14, NEW READINESS CENTER – NORTH LAS VEGAS, TO ADD A GUARD SHACK AND STORAGE AND EQUIPMENT BUILDINGS.

Mr. Nunez testified a change in scope was requested for CIP project 09-C14 to add three alternate items to the scope, if sufficient funding were available. The alternate items included a guard shack, a 10,000 square foot storage building and a 25,000 square foot equipment building. He explained that an architect had been selected and the SPWB was currently in the process of selecting a construction manager at-risk in order to have the contractor on board at the beginning of the design process. This would allow the SPWB to review the funding and address the funding issue immediately, before the project got too far underway.

Chairman Coffin questioned the way the request was phrased. He remarked that the SPWB had brought the request to the Subcommittee, although it did not appear that it was mandatory he thought the Subcommittee should act on it. Chairman Coffin asked if the SPWB had thought about putting the alternate items in the initial project when it was first designed. Mr. Nunez replied when the project was originally submitted to the SPWB at the beginning of the CIP process the alternate items were not included. Since that time the Nevada Army National Guard had expressed a desire to include these facilities at the North Las Vegas Readiness Center. He said the SPWB had extensive conversations with the Guard to make sure that if the existing project did not have sufficient funding to add the three items the federal funding would not be jeopardized. The Guard indicated if the existing funding could not be utilized to construct the additional buildings the

project would proceed as planned with the federal funding not in jeopardy. Mr. Nunez contended the SPWB wanted to get the Subcommittee's approval to see if the existing funding could accommodate the construction of these items, then a decision would be made. Good bid results had come in on other projects, but it is unknown at this point whether it would be realistic and the reason for the request written as "if sufficient funding is available."

Chairman Coffin asked Mr. Nunez to clarify the reference to "sufficient funding", if that meant sufficient federal funding. Mr. Nunez said yes, sufficient federal funding and also staying within the funding of the existing CIP. Chairman Coffin said typically a project was 90 percent federal and 10 percent state funding and asked if that was holding true in this case. Mr. Nunez thought this project was actually 75 percent federal and 25 percent state funding. Chairman Coffin thought that a guard shack might be very important since arms and ammunition were more than likely stored at this site, as well as other high value assets. Mr. Nunez said usually all the readiness center buildings required a vault facility since the Guard needed to keep various types of items secured in a vault.

Tom McElroy from the Army National Guard identified himself and commented the Guard does store weapons in that armory. He explained the Guard does not generally store weapons with ammunition and the two are separated for obvious reasons. When the federal funding was programmed for this project the word storage was used; however, there was a difference in interpretation between the federal language used and the in-person communication with the SPWB who thought that unit storage was needed within the armory, and what was actually needed was storage that was separate from the armory. Mr. McElroy explained the two units to be housed at the North Las Vegas Readiness Center are very equipment intensive. One is a Quartermaster unit, which has water purification units with reverse osmosis containing membranes and pump seals that are very sensitive to the heat and dry out in the Las Vegas sun. The other unit is an engineer unit for a vertical construction team, which is essentially a construction company with a lot of hand tools and high value pilferable items, which have to be secured and stored inside.

Chairman Coffin asked for questions from any members but there were none. He asked for Mr. King to express his opinion of the request. Mr. King responded that it would be helpful once the estimates for the construction of the three add-alternates were determined if the information could be provided to staff.

SENATOR MATHEWS MOTIONED TO APPROVE THE REQUEST TO ADD CONSTRUCTION OF A GUARD SHACK, A 10,000 SQUARE FOOT STORAGE BUILDING, AND A 25,000 SQUARE FOOT EQUIPMENT BUILDING TO CIP PROJECT 09-C14, NEW READINESS CENTER – NORTH LAS VEGAS, AS CONSTRUCTION BID ADD-ALTERNATES THAT WOULD BE COMPLETED ONLY IF SUFFICIENT FUNDS ARE AVAILABLE FOR THE ADDITIONAL WORK.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Before the motion was approved Senator Raggio asked for clarification. He understood the funding was not being changed nor was the source of the funding, but wanted to clarify that depending on the bids and the bidding of the add-alternates it would then be determined whether these specific items could be added within scope of the project. He also wanted to know if the Guard had a priority on these three items in the event that an acceptable bid did not cover all of the three but maybe only one or two.

Mr. Nunez said he had not had that level of discussion with the Guard. In the bidding process the add-alternates are listed in priority order and are awarded in the order listed, which makes everyone look at the bid award in a fair manner. Mr. Nunez explained that since this was a construction manager at-risk project the contractor would be part of the design process. It should be known at the design development stage whether these three items could be added to the scope of the project or not. Senator Raggio interjected that he assumes the SPWB would ask the Guard about its priority of the three add-alternates. Mr. Nunez indicated that the Guard would definitely be a part of the design process as well as the construction process, and consulted about its priorities of the add-alternates.

Chairman Coffin requested Mr. King to make sure Senator Raggio's questions on the intent and Mr. Nunez's reply be included in the minutes, because that exchange clarified the information and made the motion more easily understood.

THE MOTION PASSED UNANIMOUSLY.

V. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE REQUEST TO REDUCE THE SCOPE OF CIP PROJECT 07-C05, INDIAN SPRINGS CONSERVATION CAMP EXPANSION, FOR DEMOLITION OF THE CULINARY, STORAGE, AND NEVADA DIVISION OF FORESTRY TIRE SHOP BUILDINGS.

Mr. Nunez said the approved scope for this project included the demolition of the existing Indian Springs Conservation Camp culinary structure, storage structure and a Nevada Division of Forestry tire shop structure. At the request of the Department of Corrections, this item requested removal of the demolition of these three buildings from the scope of the project. Mr. Nunez informed the Subcommittee that a representative was present from the Department of Corrections to answer any questions from the Subcommittee.

Chairman Coffin asked if the intention was to build around these existing buildings and if that was possible; Mr. Nunez said yes. Mr. Nunez reported 70 to 80 percent of the construction was finished and these building were not in the way of the new construction. Chairman Coffin asked if a later decision was made to demolish these buildings would it disrupt the buildings currently being built and Mr. Nunez said no.



Don Helling, Deputy Director, Nevada Department of Corrections (NDOC) testified the plan for the buildings included creating another administrative south building. Currently Southern Transportation had 17 employees working in a building originally designed as a dog kennel, and the NDOC would like to move the staff out of that building. Mr. Helling said it was a very nice dog kennel, it is not your typical dog kennel, but there is not enough office space for the staff. The NDOC would also look at moving the Inspector General's (IG) staff currently located in several different facilities in the southern region into one central location, which would allow better coordination of the staff's duties and assignments. The tool building would be used as office space for the IG's staff and the tire shop would be used for storage and possibly for staff overflow from the IG's office. Originally, when Prison Number 8 was being planned the design included an administrative building, and this would be the NDOC's alternative to not having that office space built.

Chairman Coffin asked Mr. Helling why the IG needed so much space and would the area be secure enough for the offices of the IG, considering all the sensitive documents that the IG had to maintain from its investigations. Mr. Helling said it would be more secure than the current location in Carson City. The office used now is in the Stewart Complex, but at Three Lakes Valley there would be correctional officers manning the facility 24 hours a day. The movement would be controlled in and out and it would be a secured building location for the IG.

Chairman Coffin asked why the IG needed so much space. Mr. Helling replied there were approximately 13 IG staff, 17 Central Transportation staff, and several administrative support staff that would move into the building. In addition, the NDOC also needed some space for the Chief of Plant Operations. This move would also allow office space in Casa Grande to be used for more re-entry purposes rather than administrative issues. He stated it was a way for the NDOC to juggle space and get the maximum use out of the buildings. If the buildings eventually were torn down he thought that labor would not be an issue because inmates would certainly enjoy tearing down prison buildings. Chairman Coffin said the reason he persisted with his line of questioning was because Fiscal staff, when the request was submitted, got the impression that amount of space was going to be used exclusively for the IG. There was nothing in the request that indicated any other staff would occupy the space until it was mentioned in Mr. Helling's testimony. Mr. Helling reiterated that the information he received was the tool building would be used for the IG and the other space would be used to house the Southern Transportation's staff of 17, and also provide a secure area to park vehicles, which it does not have presently. It would be a more secure area to perform administration duties and it would be a consolidation of office space.

Chairman Coffin addressed Mr. King and asked if he had a chance to look at this information and if Mr. Helling's testimony was contradictory to what the Fiscal Analysis Division received in writing. Mr. King said the original request included the three buildings that would not be demolished, and of the three buildings the 1,000 square foot storage building and the 1,400 square foot tire warehouse would

continue to be used by the NDOC as storage, and the culinary building would be used for the IG's office. There was no mention of the transportation unit moving into any of these buildings in the written request. Chairman Coffin asked Mr. Nunez and Mr. Helling to clarify the information for the record so there would be a more clear understanding. Mr. Nunez explained what was reported to Mr. King was the information the SPWB originally had at that time but perhaps there was other information that became available later. Mr. Chimits said the information received by the SPWB included 11 IG staff members moving from Casa Grande into the 1,000 square foot tool shop and the space left at Casa Grande would be filled by staff in the Training Division currently located in Carson City. The reason the Training Division would move was that the majority of the training was going to occur in the Las Vegas area. The tire shop would be used for storage and the culinary building would be used for storage and house 17 members of Central Transportation.

In order to clarify why there was a difference in information between what was received by the Fiscal Analysis Division and what was presented at the meeting, Mr. Nunez explained the process the SPWB uses when a request for information is received by legislative staff. He said that when Mr. King requests information the SPWB contacts the using agency and reports the information from the agency to Mr. King. If there was a discrepancy between what was provided before the meeting and what was provided at the meeting then it was just additional information being disclosed not known in advance. Mr. Helling added that sometimes plans change as the plan is developed. He emphasized that if these buildings were torn down then there would not be a plan. Leaving the buildings standing would give the NDOC more options to explore and process, get the cost, and at the next session present a small CIP to deal with the administrative functions of the department. The NDOC houses 70 percent of its inmates in the southern facility; therefore, space is needed for support staff to handle those inmates. The space at Casa Grande was meant for programming and other responsibilities related to Casa Grande but has been overtaken by other departments such as the IG's office. The Casa Grande building is full and more space was needed to operate, but if the buildings were demolished then there would be less options for housing staff.

Chairman Coffin asked about the anticipated extra cost to remodel the buildings. Since remodeling the buildings was not part of the request for this meeting Mr. Nunez did not have that information and requested for Mr. Helling to provide that information. Mr. Helling explained the NDOC was in the process of developing the figures. At present, the NDOC was trying to determine the material cost. To minimize the overall cost the NDOC was considering the use of inmate labor to offset the largest portion of the cost because boot camp inmates as well as minimum custody inmates would be incarcerated there.

Senator Raggio asked what the NDOC would estimate to be the savings from not demolishing the buildings. Mr. Chimits said that the contractor had proposed an

\$18,000 credit, which would be deleted from the total project cost. Senator Raggio remarked and Mr. Chimits agreed the \$18,000 could possibly be utilized for a change in scope for the remodeling.

Assemblywoman Smith commented she was just a little uneasy because this was a sizable request that was not heard during session, there was not enough information presented, and concerns from the past about how inmate labor may be used. She worried the actions of the Subcommittee would obligate the next Legislature. Mrs. Smith was concerned about going forward with the remodel more than with not proceeding with the demolition.

Chairman Coffin said in order to address situations like this, which seem to be an open ended request for approval, this Subcommittee is going to meet a little more often than it did previously. Like Mrs. Smith, Chairman Coffin said he was also uncomfortable with the request.

He asked the SPWB and the NDOC when each could provide additional information and a real number for the project cost. Mr. Nunez reiterated the original request from the NDOC only concerned not demolishing the three buildings, which would result in an \$18,000 credit on the contract. There is not a request for any change of scope on the project, which would be required if the project funds were going to be used to remodel the buildings for future use. The SPWB could investigate the cost of remodeling the building at the NDOC's request or the Subcommittee's request, but at this time the only request is to not have the buildings demolished.

Chairman Coffin said he thought the Subcommittee could approve leaving out the demolition of the buildings, but also thought there were additional ramifications when changes were made to the contract, and the Subcommittee would like to have a report back on what was happening. He understood about the \$18,000 savings but wondered if there were any other financial numbers associated with the project. Mr. Nunez said that is the only number since the SPWB had not been directed to look into the cost of the remodel. He urged the Subcommittee to approve at least deleting the demolition from the contract so the contractor could be notified. Additional costs could be incurred if the contractor was not notified on a timely basis. Mr. Nunez extended that the SPWB could come back to the Subcommittee and report on the remodel cost and the manner of execution of the project.

Chairman Coffin said unless any Subcommittee member had a serious objection then he saw no reason for not moving forward with the request. Assemblyman Grady said he is bothered by the fact that it seems like every time the Interim Finance Committee or this Subcommittee has met, the NDOC has a different request to either add or subtract from a project. For example, last session the NDOC was going to close the Nevada State Prison and some of the honor camps, but during session the plans changed. He would like to see some forward

planning by NDOC so the Subcommittee members are aware of what was happening and not presented with “piece meal” information at every single meeting. Mr. Grady personally thought this request was premature.

Chairman Coffin recognized that during the last session the NDOC initially proposed what NDOC thought was a clean solution to its problems, which was building Prison Number 8 and closing the Nevada State Prison, but then there became the issues of the cost of the projects, as well as the loss of jobs in Carson City. Unfortunately, it was not clean cut, it became messy and he said in some respect the Legislature contributed to the problem. Chairman Coffin said on one hand the Legislative Committees had to stay on top of the NDOC to monitor any requested changes after session is adjourned, but on the other hand the Legislative Committees had set the scene for numerous little shifts when the NDOC did not get what was requested, and it was at that point when it became a mess. He said he did not know how else to say it or if any other members would agree, but in some respect the Legislature was the cause of some of these problems, although there was not always a choice. Chairman Coffin asked for comment from any of the Subcommittee members. Senator Raggio agreed with the Chairman and said obviously it was an easy call to approve the request not to demolish these buildings. If the Subcommittee lets the buildings be demolished then that decision cannot be changed; there are no alternatives at that point. At least by leaving the buildings in tact the merits or demerits of how to utilize the buildings can be addressed at a later date. Senator Raggio thought it foolhardy to demolish the buildings.

Senator Raggio motioned to approve the request. Senator Mathews wanted to second the motion but needed further clarification. She asked if Senator Raggio motioned not to demolish the buildings and she agreed with that, but if his motion included holding the total request until a future date when the cost for the remodel could be determined then she did not agree. She also inquired about the cost of the demolition if it were delayed until a later date and added she thought it would probably be more than \$18,000. Senator Mathews said it that was the intent of Senator Raggio’s motion then she would second the motion.

Chairman Coffin said he was pleased to have a motion and a second so further discussion could ensue. He asked if the staff from the SPWB and NDOC could live with that motion because it covered the request, which was the ability not to demolish the buildings at this time.

Mr. Nunez said he thought the Subcommittee moved in the right direction because as Senator Raggio pointed out, if there is potential future use for these building and the buildings are demolished, there is no return. Addressing Senator Mathews, Mr. Nunez said that she was right, about the cost of the demolition. To perform the demolition at a later date would result in a higher cost because it would be a project by itself, whereas now it is portion of larger project. Mr. Nunez maintained he thought it was wise not to demolish the buildings at this time.

Assemblywoman Smith stressed that she supported the motion but wanted to reiterate her original thoughts, as well as Mr. Grady's comments, regarding planning with longer term thinking. She said it is bothersome that six months or so out of session plans are already being rearranged. Mrs. Smith understood that some of these decisions were being made in order to transfer staff from the north to the south but felt the Subcommittee needed to know that information to make informed decisions.

Assemblyman Hogan said that in view of the comments regarding the possible use of inmate labor if the building were to be remodeled, the Subcommittee would want to be sure that in connection with this motion it is clear to all parties that any such reviving or activating of the plans for remodeling or further use of these facilities needed to come back to the Subcommittee. The Subcommittee's decision today would be closely associated with the decision of remodeling the buildings. Although he felt the motion did not need to be changed he wanted the record to be clear that any further activity with regard to the buildings that would not be demolished would need to be communicated to the Subcommittee.

Chairman Coffin called for a vote from the Subcommittee.

SENATOR RAGGIO MOTIONED TO APPROVE THE REQUEST TO REDUCE THE SCOPE OF CIP PROJECT 07-C05, INDIAN SPRINGS CONSERVATION CAMP EXPANSION FOR REMOVAL OF THE DEMOLITION OF THE CULINARY, STORAGE, AND NEVADA DIVISION OF FORESTRY TIRE SHOP BUILDINGS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

VI. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE REQUEST TO INCREASE THE SCOPE OF CIP PROJECT 07-M07, SEWER: WASTEWATER IMPROVEMENTS – WELLS CONSERVATION CAMP, AND TO TRANSFER \$240,000 FROM CIP PROJECT 07-M39, WINDOW AND SECURITY IMPROVEMENTS – NORTHERN NEVADA CORRECTIONAL CENTER, TO PAY THE UNANTICIPATED COSTS ASSOCIATED WITH THE LEACH FIELD REPLACEMENT.

Mr. Nunez said this request was to transfer \$240,000 from CIP project 07-M39 to project 07-M07 to help cover the costs of unforeseen leach field conditions. Project 07-M39 was nearly complete with over \$350,000 remaining in the construction contingency; therefore, the transfer of \$240,000 to project 07-M07 would not leave the other project underfunded.

Chairman Coffin wanted to clarify that the Northern Nevada Correctional Center work was done and the state did not have to spend all the money, so the money would be available. He asked Mr. King if there was anything that he would like to add. Mr. King recommended that this agenda item be approved as submitted.

There were no questions from the Subcommittee so Chairman Coffin called for a motion.

ASSEMBLYWOMAN SMITH MOTIONED TO ACCEPT THE REQUEST TO INCREASE THE SCOPE OF CIP PROJECT 07-M07, SEWER: WASTEWATER IMPROVEMENTS – WELLS CONSERVATION CAMP, AND TO TRANSFER \$240,000 FROM CIP PROJECT 07-M39, WINDOW AND SECURITY IMPROVEMENTS – NORTHERN NEVADA CORRECTIONAL CENTER TO PAY THE UNANTICIPATED COSTS ASSOCIATED WITH THE LEACH FIELD REPLACEMENT.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

VII. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE REQUEST TO ALLOW THE STATE PUBLIC WORKS BOARD TO ACCEPT FUNDING OF \$1,526,882 FOR AGENCY PROJECT 10-A001, COMBINED SUPPORT MAINTENANCE SHOP PAINT BOOTH, NEVADA ARMY NATIONAL GUARD, CARSON CITY (NRS 341.121).

Mr. Nunez said this request was to establish project 10-A001, construction of a paint booth at the Nevada National Guard facility on Fairview in Carson City and authority to receive and spend up to \$1,526,882 in federal funding for the project.

Chairman Coffin asked what would be done with the space at the existing paint booth and thought that it should be a high value use since paint booths were expensive. He also asked if the renovation cost would be the state's responsibility. Mr. Nunez said he believed the existing paint booth would be converted into a prep area and Mr. Chimits added there would be some minor costs associated with remodeling the existing paint booth into a prep area, but those costs had been considered and included in this agency project. Mr. Nunez clarified that it would all be federal funding.

Tom McElroy from the Nevada Army National Guard said Senator Raggio had requested an aerial map of the property and he had brought it for him. Chairman Coffin asked if the aerial map was faxed to southern Nevada. Mr. King said the Subcommittee in Carson City and Las Vegas had been given a handout, [Exhibit C](#), and provided with a schematic drawing of the paint booth project. Chairman Coffin verified he had a copy in Las Vegas. He commented he had asked staff to make

sure the Subcommittee members received drawings or photographs of various projects addressed at the meetings in order to get a better feel of what was being presented.

Mr. Hogan wondered if there were any other paint booth facilities around Carson City used by other state vehicle fleets, or if there was a possibility of savings through making arrangements to use the Guard paint booth, unless it was only configured for military use.

Mr. Nunez said he did not recall another paint booth in the area, but if there was one it would not be large enough to paint tanks and other large equipment utilized by the Guard. Chairman Coffin commented that paint booths had become very expensive in recent years and according to the new environmental rules contaminants had to be kept out of the booth and other products used had to be kept in the booth. Since the paint booth was part of a federal facility he said he did not know if the state would get into trouble using it for state projects or if a suitable rent could be collected for state use. Mr. Nunez said 100 percent federal funds would be utilized for the construction and operation of the facility and typically the Guard did not rent its facilities for use by other state agencies. Mr. McElroy agreed with Mr. Nunez's statement regarding the federal funds for this project.

ASSEMBLYMAN HOGAN MOTIONED TO ALLOW THE STATE PUBLIC WORKS BOARD TO ACCEPT AND EXPEND FUNDING OF \$1,526,882 FOR AGENCY PROJECT 10-A001, COMBINED SUPPORT MAINTENANCE SHOP PAINT BOOTH AT THE NEVADA ARMY NATIONAL GUARD FACILITY IN CARSON CITY.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

VIII. CONSIDERATION OF RECOMMENDATION TO THE INTERIM FINANCE COMMITTEE ON NOVEMBER 19, 2009, REGARDING THE CIP PROJECT EXCEPTION REPORT PURSUANT TO NRS 341.100(8)(g).

Chairman Coffin indicated to Mr. Nunez that staff had selected two items on the Project Exception Report for Subcommittee discussion and approval, but also asked Mr. Nunez if there were any other items he wanted to mention or highlight. Mr. Nunez said although many of the items were already discussed at the meeting and he did not know which items the members were interested in he would still quickly highlight every project on the report. He started at the beginning of the report with the first projects listed on pages 53 and 54 of the meeting packet. Both projects had already been discussed earlier in the meeting and concerned the demolition of buildings at the Indian Springs Work Camp and the Sewer Wastewater Improvements project for replacement of a leach field. Moving on, Mr. Nunez said project 07-M08, Sewer: Groundwater Monitoring Well and Aeration

on page 55 had been resolved so would not appear on future exception reports and project 07-M39, Window and Security Improvements on page 56 was previously discussed. Project 07-M41, Shower and Bathroom Renovation on page 57 would be concluded with the Subcommittee approval and the project would no longer appear on future reports. Project 07-M48, Surveillance and Cameras at Northern Nevada Correctional Center (NNCC) and Nevada State Prison was on hold based on other active projects at NNCC. Referring to project 07-P05, Veterans' Cemetery Expansion Planning, Mr. Nunez said besides the information listed on page 59 of the packet, the VA had indicated that changes to the project would be requested and a meeting was scheduled for December 9, 2009, with both the federal and state Veterans' Administration (VA) to discuss and review the SPWB's last submittal. If the proposed modifications of the project required a change in scope then the SPWB would seek approval from the Subcommittee and subsequently the Interim Finance Committee at its first meeting in calendar year 2010. After the issues were resolved the SPWB would activate the project and proceed with completing the design under project 07-P05, which is 100 percent state funding. A follow-up project to 07-P05 contained in the 2009 CIP is the CIP project 09-C18, Southern Nevada Veterans' Cemetery Expansion for the construction of the cemetery's expansion, which would be started when the federal funds included in the project became available.

At this point, Chairman Coffin stopped Mr. Nunez and indicated that rather than going through each project in the Exception Report and in the interest of time, the Subcommittee would like to discuss the Veterans' Cemetery Expansion and also the Field Maintenance Shop facility at the Las Vegas Readiness Center.

Chairman Coffin asked for questions from the Subcommittee on the Veterans' Cemetery Expansion. There were no questions so it appeared to Chairman Coffin the Subcommittee was satisfied with Mr. Nunez's explanation and would wait until information was received after the meeting with the VA on December 9, 2009. Chairman Coffin did however ask Tim Tetz, Executive Director of the Office of Veterans' Services to say a few words. Mr. Tetz said the scope of the project had been changed by the federal VA. The VA had asked to expand the project to include some things that were not anticipated in 2007 or in 2009. The original project included a remodel of the administration building, but now the VA wanted the existing building demolished and a new administrative building built that will better meet the needs of the Office of Veterans' Services staff. Additional changes requested include: a visitor's kiosk, a traffic study to increase traffic flow, a columbarium wall, and in-ground cremains. Since the project was federally funded the "purse strings" were held by the VA and the funding would not be released unless the project met the VA's satisfaction. Mr. Tetz said he had met with his staff before the meeting and had not had a chance to brief the SPWB, but indicated it was his office's intention to seek additional money at the December 9, 2009, meeting for planting sod in all the areas that had previously been expanded and for planting sod in the current areas. He said the public is concerned about the sod and seeding capabilities at the cemeteries and the Office of Veterans' Services



was going to ask that the VA do that as part of its standard operations when the cemetery was expanded. Mr. Tetz testified he welcomed the federal government increasing the scope of this project and would work with the SPWB and the Subcommittee to make sure that it became reality.

Chairman Coffin said the state would be grateful if the VA were to expand the cemetery. He thought some of the Subcommittee members would attend Senator Shaffer's services at the cemetery, and would appreciate if Mr. Tetz were in attendance if he would give the members a tour in order to get a better feel for the possibility of the expansion.

Senator Mathews wanted to make sure the federal government was going to pay for the project whether it included a remodel or a new building, and added that the Subcommittee would be interested in the prospective cost of the project when that information was available. Mr. Nunez said the SPWB would discuss all these items with the federal VA representatives and Mr. Tetz at the meeting scheduled for December 9, 2009. Based on the input from the VA and the decisions made at the meeting, the SPWB would develop and review any new costs. Any proposed changes in scope would be brought before the Subcommittee and subsequently the IFC for approval. Mr. Tetz clarified for the members the federal government would cover 100 percent of all eligible costs of the construction and expansion at VA cemeteries. He explained the federal funds would not cover the SPWB's cost for project management, which is an adjusted cost based on the overall total amount of the project. Mr. Tetz indicated that he and Mr. Nunez had discussed this issue. If the project cost were to go up then the project management cost would also increase and the difference would have to be proposed in the 2011 CIP, but the eligible costs would all be funded by the federal government. Senator Mathews said she was just reminded that the planning had already been paid in the 2007 CIP.

Chairman Coffin said the Subcommittee also wanted to discuss when the federal funding was going to be available for project 09-C13, Field Maintenance Shop Facility at the Las Vegas Readiness Center. Mr. Chimits testified that according to the Guard it was supposed to be just a matter of days before the SPWB would receive the authority for the federal funds. Mr. McElroy from the Nevada Army National Guard said he was not the project manager on this project and he did not know the status of the funds, but he could find out and report the information to Mr. Nunez. Chairman Coffin asked that Fiscal Analysis Division staff be informed as well.

Chairman Coffin asked for a motion on accepting the Project Exception Report.

ASSEMBLYMAN HOGAN MOTIONED TO ACCEPT THE PROJECT EXCEPTION REPORT.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

## IX. PUBLIC COMMENT.

Chairman Coffin asked if anyone from the general public would like to comment on any of the agenda items and no one came forward.

Chairman Coffin noted that he thought the issues addressed and decisions made at the Subcommittee meeting would help to speed up the IFC meeting the following day and hopefully anticipated any possible questions from the IFC members. He said the state spends hundreds of millions of dollars in most sessions on public works projects and it is unfortunate that with the 120-day maximum length of session there is just not enough time to tour the proposed projects, as in the past. Although not an agenda item, he proposed that the Subcommittee members get active so that in the coming months interested members and other legislators could take tours of the proposed projects. He proposed that members try to go on tours in the north and the south. Chairman Coffin stressed that he thought it might be important especially for newer members who had not had the opportunity to get out in the field. He asked that staff arrange the tours at a minimum cost for travel and other details. Chairman Coffin expressed that it would save money in the long run since it opened up the process making it easier for Legislators serving in the 2011 Session to understand the presented projects and make informed decisions. In conclusion, Chairman Coffin said that was his thought process on the future of the Subcommittee for the next 12 months

Assemblywoman Smith agreed and she mentioned she had been talking to staff about the same issue. She went on to explain the importance of Legislators seeing state properties in order to visualize the properties that would be discussed when budgets and building projects are considered during session, and thought that scheduling tours for the members of the money committees would be particularly helpful. Mrs. Smith thought that she and Chairman Coffin were on the same wavelength with this issue. Chairman Coffin thanked Mrs. Smith for her comments.

Assemblyman Hogan also wanted to express agreement. He asked Mr. Nunez if he could suggest a timeframe for the tours depending on the cycle for the presentation of prospective new projects and when the SPWB might have the knowledge of the new projects for the upcoming CIP. Mr. Nunez said the SPWB would be ready to receive applications from the agencies for the next CIP in January 2010. The deadline to receive the applications would typically be April 1 so by then the SPWB would know exactly what all the agencies would be proposing to do for the next cycle. By early June the SPWB would conduct in-house peer reviews where each Project Manager presented the scope and budget for each project in order to justify every line item. This process was part of the SPWB's quality control and quality assurance program. The projects would then be prioritized for the entire state and presented to the Public Works Board for the next CIP. He said the CIP was based on available funding, which is based on

the bonding capacity of the state and typically backed up by the ad valorem tax, but it seemed that there would be a shortage of funding for CIP's in the next biennium. However, in late May or early June the SPWB would have a good idea of what projects were being proposed so tours could be arranged at that time. Chairman Coffin thanked Mr. Nunez for his time and explanation and agreed the future is uncertain. He said the Legislators all understand times are uncertain but never really know what issues they will have to face at the start of session. Chairman Coffin thanked the Subcommittee members.

X. ADJOURNMENT.

Chairman Coffin adjourned the meeting at 4:35 p.m.

Respectfully submitted,

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Patti Sullivan, Subcommittee Secretary

APPROVED:

\_\_\_\_\_  
Senator Bob Coffin, Chair

Date:\_\_\_\_\_

**Copies of exhibits mentioned in these minutes are on file in the Fiscal Analysis Division at the Legislative Counsel Bureau, Carson City, Nevada. The division may be contacted at (775) 684-6821.**