

**STATE OF NEVADA**  
**BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS**  
**Minutes of the Administrative Procedures Oversight Committee Meeting**  
**held in Reno, Nevada Friday, April 13, 2018**

Committee Chairman Karen Purcell, PE, called the meeting to order at 10:03am, in the Ed and Mary Alice Pine Boardroom, 1755 East Plumb Land, Suite 130, Reno, Nevada. Committee members present were Patty Mamola, PE, Executive Director and Amy Cheng, PE, via teleconference. Committee member Michael Kidd was excused. Also present were Board Chairman Robert LaRiviere, PLS; Murray Blaney, Compliance Officer and Sarah Wiley, Administrative Assistant.

**1. Public Comment Period**

There were no public comments.

**2. Consider draft financial reserve policy**

Ms Mamola said that the Sunset Sub-Committee of the LCB asked for the board's policy related to the board's financial reserves. She presented a draft financial reserve policy for APOC's consideration. The policy states financial reserves will be equal to eighteen (18) months operating expenses—one year of operating expenses plus six (6) months budget operating expenses. Ms Mamola said that the eighteen (18) months of financial reserves was based on historical financial records, the last 15 years of board financial data, which also includes the 2008 dip in the economy and the subsequent economic recovery. She further explained that the 18 months would allow for adequate time to adjust expenses if the revenue were to take a significant dip again.

Ms Mamola went on to say that APOC would make a recommendation regarding the proposed financial reserves policy at the next board meeting taking place on May 10<sup>th</sup> and the board would discuss and ultimately need to vote to adopt a financial reserves policy. Following board approval, the financial reserves policy would be presented to the LCB Sunset Sub-Committee in early June.

**3. Possible Budget Modifications for Fiscal Year 2017/2018**

Ms Mamola stated that staff had reviewed the current budget, FY 2017/2018, and identified potential budget adjustments needed to reflect budget changes. Lowest to highest would be as follows:

**Las Vegas Office Network Infrastructure**

IQ Technologies	\$	4,848.92
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IQ Technologies for the Las Vegas office - Office Network Infrastructure. Equipment and labor to set up an electronic firewall in Las Vegas for secure access to the board's server in Reno, as well as a wireless network.

**Las Vegas Office Furniture**

Hon Company	\$	10,814.75	Conference chairs, desk & chair, file credenza
Reno Business Interiors	\$	13,824.48	Conference table to match Reno office
Credit from current budget	\$	(15,000.00)	Reno furniture purchase deferred
	\$	<b>9,639.23</b>	Total request for office furniture

Las Vegas Office Furniture is on the current state purchasing approved vendor list for HON Office Furniture and will be providing the conference chairs, guest chairs, desk chair and file credenza. The cost for the furnishing includes delivery and installation.

They will also be providing the conference table. However to match the Reno conference table, state purchasing gave permission to order the same conference table from the previously approved state vendor , despite them no longer being on the state approved vendor list.

There is currently a credit in the current budget due to deferring purchase of office furniture for the Reno office. Therefore the requested augmentation for the Las Vegas office furniture is \$9,639.23.

Ms Purcell inquired about the amount that should have been in the budget for the Las Vegas furniture. Ms Mamola stated that there was not an amount budgeted for the Las Vegas office furniture since it was unknown on the timing for acquiring a Las Vegas office.

<b>Travel out of State</b>	<b>\$</b>	<b>15,000.00</b>	NCEES meetings, FARB Conferences
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Ms Mamola stated that the amount budgeted for travel out of state was estimated based on prior year’s travel and did not take into consideration the actual meeting locations and also did not include FARB meetings. It is estimated that an additional \$15,000 will be needed for out of state travel.

<b>Professional Fees - Regulations</b>	<b>\$</b>	<b>35,000.00</b>
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Ms Mamola explained that these fees are because of the added work related to updating regulations. Allison MacKenzie’s office needed to research the processes, create a schedule, help with small business impacts, and assist in meetings and workshops, and interface with LCB.

Ms Cheng inquired about professional services. Ms Mamola responded that there is a statement in Nevada statutes indicating the board should be self-sufficient and be able to cover operational costs and any costs defending and prosecuting legal cases. Ms Cheng asked if liability insurance has been purchased. Ms Mamola answered that they carry what is required as a state agency.

<b>Total Augmentation Request</b>	<b>\$</b>	<b>64,488.15</b>
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Ms Mamola said the total budget augmentation request is for \$64,488.15. Based on that amount, the budget for FY 2017/2018 estimates finishing the year over-budget by\$27,322.91. However, actual revenues are currently unknown, there is a good possibility that revenues will exceed projections and the budget would then break even or finish in the black. Ms Purcell asked if APOC would then recommend the augmentation at the board meeting. Ms Mamola answered yes and that the board would be asked to approve the augmentation.

#### **4. Proposed Budget for Fiscal Year 2018/2019**

Ms Mamola referred to the proposed budget for fiscal year 2018/2019. Ms Mamola explained that she had gone through the revenues and based on this past year and considering prior years, she estimates possible revenue as follows:

- Application fees remaining the same – \$150,000
- PLS comity applications should double – \$4,000
- EI applications remaining the same – \$5,000
- PE initial applications remaining the same with approximately 10 applications per month – \$25,000
- PLS initial applications remaining the same - \$400
- PE reinstatements projecting year-end \$12,000, projecting next year a little bit under that – \$10,000

PLS reinstatements remaining the same - \$200  
Renewals remaining the same but possibly a bit higher – \$530,000  
Late fees are projected a little lower for the next year – \$20,000  
Exam fees remaining the same – \$2,000  
PE license fees remaining the same – \$40,000  
PLS license fees remaining the same - \$500

She said, based on the above estimates, the total income for next year is estimated to be \$937,000.00, which is slightly lower than the current approved budget and the projected year-end, but higher than year ending 2016/2017.

Mr LaRiviere asked Ms Mamola to explain the line item of cost recoveries under the 4034 Penalties. Ms Mamola explained that all penalties were lumped into one accounting line item so she added a new line item in the budget to the administrative fines category since those funds will need to be tracked when collected as we are required to pay those funds to the state of Nevada's general fund, which the board had not done in the past. The board is entitled to ask for cost recovery related to disciplinary action, so going forward it will be important to accurately track funds related to disciplinary actions.

She elaborated that she will ask APOC in the future to consider retaining a CPA to audit the board's accounting system and advise the board on best practices related to tracking revenues and expenses, to improve the board's accounting practices.

Ms Mamola continued with the proposed 2018/2019 budget and reviewed the estimated operating expenses.

- I. Proposed Salaries – Current staff salary plus 5% cost of living increase for staff and possible merit salary increases totaling approximately \$10,000
- II. Furniture (Reno & Las Vegas) – 5 sets of office furniture for the Reno office \$20,000, and reception area furniture for the Las Vegas and Reno office \$5,000
- III. Equipment Purchases – Two 70" wall monitors for Reno and Las Vegas, and recording equipment for the Las Vegas office
- IV. Blue Book – Scheduled to be updated and printed during the fiscal year. Print 500 at the cost of \$2,500
- V. Drafting new regulations – Incur additional legal fees related to updating regulations, and the AG now requires two attorneys during formal hearings (one for prosecuting and one for advising board)
- VI. Transitioning from paper to online transactions – Database consultant fees
- VII. CPA Accounting Firm – Review of accounting system and processes
- VIII. Fines to pay to Nevada General Fund – Back dated to first recorded deposit 10/17/2003. May have to extrapolate back to 1994, added \$47k. There is a possible statute of limitations and the board would only need to go back three years.
- IX. Regulations & Costs that LCB charges – Requires LCB involvement and we are billed for their time

## 5. Open Discussion Topics

Ms Mamola addressed the question from Mr LaRiviere in regards to the Las Vegas office status. She said the new Las Vegas office will not be ready by the May 10th board meeting because the conference table will not be delivered in time. The May board meeting will be held at the Clark County Building. The September board meeting will be able to be held in the new office.

Ms Cheng inquired about the signage at the new location. Ms Mamola and Mr Blaney said that they thought general signage would be placed in the entrance of the building and that maps of the new location and where to park would be sent out ahead of scheduled events and meetings.

Ms Mamola announced that there would be an APOC meeting on Wednesday the 9th of May and that notifications would go out in the next couple of weeks.

**6. Public Comment Period**

There was no public comment.

**7. Adjourn**

Ms Purcell adjourned the meeting at 10:37 am.

Respectfully,

Patty Mamola  
Executive Director