

STATE OF NEVADA
BOARD OF PROFESSIONAL ENGINEERS AND LAND SURVEYORS
Minutes of the Administrative Procedures Oversight Committee Meeting Virtual Meeting held
(via Zoom), Tuesday, March 30, 2021, at 3:00pm

Committee members participating were committee chair Michael Kidd, PLS; Karen Purcell, PE; Brent Wright, PE/SE; and Thomas Matter, public member. Also joining were Patty Mamola, Executive Director; Murray Blaney, Operations/Compliance; and Louisa Kern, Administrative Assistant.

1. Meeting conducted by Committee Chair Michael Kidd, call to order and roll call to determine presence of quorum—committee members: Michael Kidd, Karen Purcell, Thomas Matter, Brent Wright.

Mr Kidd called the meeting to order at 3:00pm.

2. Public Comment Period

There was no public comment.

3. Approval of November 4, 2020, Administrative Procedures Oversight Committee meeting minutes.

APOC 21-1 A motion was made by Ms Purcell, seconded by Mr Wright to approve the November 4, 2020 APOC meeting minutes. The motion passed unanimously.

4. Discuss updated financial policy related to Nevada Revised Statue 622.234 and written internal controls for board expenditures.

Ms Mamola said an amendment to NRS 622.235 required we add additional internal controls for monthly expenditures, which we did by having board counsel create an attestation statement to be signed following review of monthly expense. Ms Mamola said Mr Matter is currently designated as the second set of eyes behind the board chair. Ms Mamola added that the board's internal financial policy was updated as required by the statute and that it is included in the committee packet for review.

Mr Kidd said he would report to the board at the next regular meeting that the required changes have been implemented, and that board's internal financial policy has been revised and the committee supports board approval. (ACTION Item)

5. Discuss third-party verification of digital signatures for licensees of the board and possible role of the board in the verification process including cost participation.

Mr Blaney said Mr Wolf did the research on this topic. Our original thoughts were that it would be fairly straight forward to parse out parts of the third-party verification process and identify possible areas for subsidy consideration. He said in reality it wasn't straight forward and outlined staff findings.

→ The packaging and pricing of vendors services makes it difficult to define any portion of the vendor

verification process that could be cost subsidized.

→ There are a number of vendors providing these services. Endorsing or subsidizing by the board would limit or impact the individual choice of licensees.

→ The state is in the process of accepting applications from third-party verification vendors (Certificate Authorities), which we assume means they are going to compile a list of approved vendors. The board endorsing providers prior to the state forming a list would be premature.

→ Our regulations do not currently require that a digital signature require third party or Certificate of Authority verification. Moving forward with endorsing or possibly subsidized providers would be premature.

In summary, Mr Blaney said the staff recommendation was not to pursue any cost participation at this time. He said staff would monitor the state's progress on an approved Certificate Authority and continue reviewing the sealing and signing regulations relating to a verification requirement.

Ms Mamola added that although the board's regulations do not require digital signatures by third-party verifiers, there is nothing that precludes an agency from having that stipulation. She said we can still consider adding that language to the regulations. Staff will continue researching what neighboring states are doing and keep the Legislative Committee updated. (ACTION Item)

Mr Kidd clarified that the portion for consideration by APOC, and possible budget impact, was cost participation, and that staff was recommending against a board subsidy.

Mr Wright agreed with the recommendation. He said for licensees, using a digital signature in an engineering sense is not the only application. Subsidizing something that could have a lot of outside industry use is not necessary. The committee agreed.

Mr Kidd asked that when the state formalizes an approved vendor list that it be shared with licensees. (ACTION Item) He added that he would recommend to the board that cost-participation relating to third party digital signature verification vendors not be pursued.

6. Consider executive director work performance and salary.

Mr Kidd said as a board we are very fortunate we have the person with your experience and background as our executive director. I personally am very pleased and happy with what you do and how you do it.

Mr Wright said I think you do a fantastic job and I can't imagine there's a single state in the nation that has an executive director that's as qualified or more qualified than Patty and that does as good of a job. My feeling is that she should be compensated in proportion to the great work she does, and where the pay range is for this position, Ms Mamola should be right at the top.

Ms Purcell agreed. I just think your knowledge of NRS and NAC is just exceptional, and we are very fortunate, given all of your experience with NCEES and as a former board member, to have you as an

executive director. Ms Purcell said the changes in productivity and efficiency you have enacted in the five years you've been director has led to tremendous improvement. We all appreciate you very much.

Mr Matter said, just to add to what the other committee members have said, is that pride and professionalism you bring to the position, you do a tremendous job.

Mr Kidd said from his understanding the upper range of the position was not to exceed 95% of the governor's salary.

Ms Purcell said that was correct. She added that where Ms Mamola stands currently we have room to offer a merit salary increase.

Mr Kidd said he would propose a salary increase for Ms Mamola in the amount of 7%. The committee agreed

APOC 21-2 A motion was made by Mr Wright, seconded by Mr Matter to approve a 7% salary increase for Ms Mamola. The motion passed unanimously.

Mr Kidd said he would report the committee decision to the board at the next regular board meeting. (ACTION Item).

7. Consider proposed budget for fiscal year July 1, 2021 to June 30, 2022.

Ms Mamola reviewed the keys points in the budget proposed for the next financial year. She said revenues were increased to account for continued/sustained increase in application numbers and license renewals. Prior year budget had reduced revenue projections due to anticipated COVID-19 impacts. However, there were no discernible COVID-19 impacts and the prior year actual revenues have outperformed budget projections. Therefore, we anticipate finishing the 2020-2021 budget year about 11% over budget and are proposing the 2021-2022 budget for revenues be set at the anticipated actual budget for 2020-2021, \$924,300.

Ms Mamola said expenses have been budgeted conservatively to account for current COVID-19 limitations and reflect typical/actual annual costs for operations resulting in nearly a 32% reduction in budget. Expenses are proposed to nearly equal revenues, creating a near-net-zero budget of \$923,992.

Ms Mamola said deferred expenses are included in the budget to address items that have been identified in the NVPPELS Business Plan. The Business Plan was created to identify amount of reserve monies needed to address deferred operational expenses. Proposed budgeted deferred expenses total \$257,515 and include:

- \$39,200 for legal and government liaison fees associated with continued work on catching up on updating regulations and statutes.
- \$35,000 for updating website content and structure to change focus to customer-facing/user interface.
- \$75,000 for licensing database upgrades and implementation

- \$10,000 for contract labor to assist with scanning compliance files to transition from paper to e-files.
- \$3,500 for exploring moving to verified digital signatures.
- \$95,123 (\$75k wages + burden) for an additional staff member for realignment of duties to allow a current staff member to focus 75% of their work hours on deferred items in NVBPELS Business Plan.

Mr Kidd asked for clarification that the deferred items were being funded from board reserves.

Ms Mamola replied that it was. She said in an effort to move forward and address items earmarked for reserve expenditure; the items listed in the business plan. It is proposed that we move one of our current staff members to focus primarily on the launch of the new licensing platform. The development of the move to a new system began in 2016 but we have gained momentum in the last year and want to push hard to get it over the finish line in the near term. It is going to take someone focused on driving that project. Ms Mamola said secondary, but still important, is to finish the move to have a paperless office. Beyond the actual sorting and scanning of paper records, we need our files indexed so information can be accessed efficiently.

Ms Mamola said it is proposed that Mr Blaney focus a high percentage of his time in the next FY on achieving the business plan goals. She added a position will be back-filled to work with Mr Wolf in compliance and assist her as Executive Director. The new role would be at a similar level to the compliance investigator position.

Ms Mamola said another consideration with the budget and possible impact on reserves, are the possible financial impacts of Senate Bill 402 as it relates to endorsement licensure. Based on current application costs, if the bill is successful, we could see a near \$100k decrease in revenue which would need to be covered.

Mr Matter asked if expense projects included any travel funds in anticipation of restarting in-person meetings.

Ms Mamola said a limited amount has been budgeted, and that amount was lowered in the expectation that the non-essential travel would not be lifted before the start of 2022.

Mr Kidd said he would make a recommendation to the board on behalf of the committee to approve the budget as presented. (ACTION Item)

8. Consider COVID-19 impacts to office operations.

Mr Kidd asked that the committee move ahead to item 8 before discussing budget proposals. He said he wanted to hear from staff if there are extra-ordinary items that need to be considered related to the impact of the pandemic.

Mr Blaney said the board was well positioned to work virtually because of the recent upgrades to the Reno and Las Vegas offices. Establishing a robust VPN in 2018 for staff to work remotely while in Las Vegas had us well situated. And also having completed the office move in Reno in mid-2019 that included upgrading the conferencing equipment to include web and video access allowed a fairly seamless transition for board and committee meetings.

Ms Mamola said the general office equipment, servers and desktops are still in good order and staff laptops were upgraded in late 2019. She said the major item that needs to be addressed is the licensing platform and portal. The pandemic has highlighted the parts of the old process that still require paper, checks and physical mailing of items. Moving all functions to a web-base for efficiency is now an immediate goal. Ms Mamola added the upgrade and its cost and management have been included in the proposed budget under deferred costs.

9. Consider interim Special Board Meetings, in the months between regularly scheduled meetings, to expedite consideration of initial licensure applications.

Ms Mamola said this agenda item was for discussion and consideration of scheduling short interim board meetings for the consideration of initial applications. The thought being the interim meetings would have a fixed agenda of only initial applications and waiver considerations – to keep the meetings to 10 to 20 minutes – on the months with no regularly scheduled board meeting.

The committee agreed and Mr Kidd said he would make a recommendation to the board on behalf of APOC. (ACTION Item)

Ms Purcell suggested the interim meetings have a regular day and time-slot so board members could reserve time on their calendars.

10. Consider strategies and tactics associated with board strategic plan goals.

Ms Mamola said this item relates to the strategies from the strategic planning session the were parsed out and assigned to APOC. She said the revised strategies have been presented for the committee's consideration of supporting tactics. Ms Mamola added that staff would be drafting tactics and action items as part of an implementation plan, and they would be shared with the committee for comment, input, and direction.

11. Consider staff and committee action items.

Ms Mamola gave a brief review of the listed items and asked for committee questions. There were none.

12. Public Comment Period

There was no public comment.

13. Adjourn

Mr Kidd thanked the committee members for their participation and adjourned the meeting at 3:43pm.

Respectfully,

Patty Mamola
Executive Director