

NCBV Committee Meeting

August 6, 2015

3:30pm

I. Roll Call and Confirmation of a Quorum, Richard Saperstein, Chairperson

A Quorum was present for this meeting

Richard Saperstein, Chairperson
Bill Schley, Secretary and Northern Representative
Harold Petrofsky, Southern Representative

Carol Ewing
Ben Giron
Benita McHenry
Mikie Yamada
Nels Brown
Beth Perring

Ivan Delgado, Operator Trainee
Jason Coleman, Operator Trainee
Lee Weiss, Operator Trainee
Marjory Olaes, Operator Trainee
April Smith, Operator Trainee

Staff Present:

Melaine Mason, Deputy Administrator, Rehabilitation Division
Drazen Elez, Chief Enterprise Office, Rehabilitation Division/BEN
Susie Park, BEO II, Rehabilitation Division/BEN
Russell Smith, BEO I, Rehabilitation Division/BEN
Andy Chao, BEO I, Rehabilitation Division/BEN
Janette Parish, AA IV, Rehabilitation Division/BEN

II. Verification of Posting, Jeanne Clark

Jeanne Clark was absent from this meeting; Russell Smith confirmed that the agenda was posted in a timely and correct manner.

III. First Public Comment, Richard Saperstein

No public comment.

IV. For Possible Action- Vote to Accept the Agenda, Richard Saperstein

Bill Schley made a motion to accept the agenda while Harold Petrofsky seconded it and it passed unanimously.

V. Welcome and Introduction of Guests, Richard Saperstein

Francis Baker and Gloria Giron were present.

VI. For Possible Action-Approval of the minutes for the Nevada Committee of Blind Vendors meeting June 18, 2015, Richard Saperstein

Harold Petrofsky made a motion to approve these minutes and Bill Schley seconded it and it passed unanimously.

VII. Old Business

A. Discussion- Update regarding Strategic Planning Project, Drazen Elez

Drazen Elez reminded everyone of the copy he sent of the Strategic Planning Project which originated a few years ago. Though there were certain aspects of this plan which have previously been met, Mr. Elez invited all to contribute their thought in order to continue improving the BEN Program calling for the various subcommittees to meet and discuss certain goals so that we can continue moving in the right direction. Richard Saperstein asked Mr. Elez to convey this subcommittee discussion message to Bert Hansen and reminded Harold Petrofsky of his upcoming subcommittee meeting.

Recent Goals-

- Second annual vendor meeting a month and a half prior.
- Improving some of the locations scheduling remodels and certain upgrades as well as new locations and setting up agreements of the So NV Health District and Sunset Park Concession.
- Began process of developing specific policies and procedure to upgrade current versions. Harold Petrofsky will be contacted to assemble his Policy and Procedure Subcommittee for discussions prior to presenting t to the full Committee.

B. Discussion- Update on new, waived and in progress sites, Drazen Elez

Susie Park led this report due to her close, active involvement with these sites.

Recently Established Sites:

Southern Nevada Health District

The contract between our agencies is now in place with plans of moving in by December 2015 with architectural drawings and plans being finalized. Ms. Park commented on the host agency's receptive and positive outlook throughout.

Potential New Sites:

Development Services Center Building by the City of Las Vegas

This agency is housed on the fifth floor in an attractive nine story building and has initiated conversation with the Ben Program for the opening of a micro market in their new break room in April of 2016. The building is located off of US-95 & Rancho Rd.

Existing Sites with Challenges or Successes:

Stephen Gault, head manager for Department of Energy Support Facility, gave to Benita McHenry and her partner, Carletha Windom, a letter of appreciation for its exemplary service at the Department of Energy (BEN #40) while catering a large conference. A client from the Bureau of Vocational Rehabilitation (BVR) was hired recently to join their team.

Melaine Mason stated that this information with its success of its hiring of a BVR client will be featured in an annual report that will be issued in December and submitted to our Governor and read in all 50

states regarding the partnerships between the BEN Program and Vocational Rehabilitation. She then described this alliance as a longtime effort to rebuild the bridge between the two agencies and is now finally showing success. Bill Schley as chairman of the Training subcommittee expressed his delight in hearing the result of the training project that began over a year and a half ago in the way of new trainees and BVR clients with the addition of new sites and overall expansion.

C. Reports from the subcommittees listed below:

1. Finance, Carol Ewing

Carol Ewing reported a July 30, 2015 Budget and Finance Subcommittee Meeting referring to the final leg of the 3 ½ years Retirement and Health Reimbursement revision process which must be affirmed during this meeting. She complimented the BEN staff and all involved for accomplishing this progression. Ms. Ewing mentioned that the Program has been spending money and by the end of next month \$250,000 will come out of our account and in the first of next year \$117,000. She ended this discussion thanking all for allowing her to be the Chairman of this Subcommittee.

2. Policies & Procedures, Harold Petrofsky

Harold Petrofsky had nothing to report.

3. Training, Bill Schley

Bill Schley stated that there have been no meetings during this fiscal period therefore nothing new to report.

4. Legislative Watchdog, Kawana Pohe

Kawana Pohe was not present at this meeting.

5. Future Planning, Bert Hansen

Bert Hansen was not present at this meeting.

VIII. New Business

A. Discussion- Overview BEN Biennial Budget SFY 16 & 17, Melaine Mason

Melaine Mason referred to the attachment sent out titled "Department of Employment, Training and Rehabilitation/ Business Enterprises of Nevada Budget Account 101-3253 describing it's useful in making your decisions and voting today. It's also useful regarding the upcoming discussion and that of the recommendation from the Subcommittee. She also stated that this particular attachment reveals a quick overview of the cash flow for the next two years and the projected amount of the BEN ending cash.

Obligations:

Wishing not to detail this discussion to excess, Ms. Mason began with highlighting Obligations or how much money we spent each year on the Program. She mentioned the drop between 2014 & 2015 and explained that this is in part due to the [Fallon NAS] Navy contract which was paid and called an expense, but was actually considered a pass-through of the money we receive from the Navy to run that contract to the Operator. From that amount the set aside is paid back to the Program as revenue. There have been no major renovations but there was one which ended in 2014 at the Hoover Dam's Arizona Look Out. With no large outlays of projects that was another reason for this drop of \$1 million.

Beginning Cash:

This category (savings account) means that at the end of the fiscal year when we are finished earning revenue and paying bills that is the end number of the cash balance. Money is moved from one fiscal

year to the next and these numbers are reflected in this sum. The reason for our revisions in Health Care and Retirement Policies is due to the questioning of why it kept growing and not investing it back into the Program that increase was at \$300,000. Ms. Mason stated the goal of the Program is to improve the revenue of the Operators and projected her expectations that the new Health District location would be a relatively lucrative location generating more revenue.

- **In 2015 the projected fund amount in the savings account would be approximately \$4.1 million**
- **The average increase in the fund balance will be approximately \$177,000.**
- **The average increase in the past has been \$300,000 but no longer growing at this pace.**

Ms. Mason then identified the following lines as those showing the result of the balance if the Program stopped receiving revenue with its current level of expenditures it would last three years. If the Program’s revenue was to increase and the expenditure which is believed would occur in the next 12 months, [highlighted in upcoming expenditures] the fund balance would last two years.

Projections:

Melaine Mason reported that the amounts of obligations of \$1.4million for the next 12 months, state fiscal year 2016, are derived from the budget that was recently built. The new Health District is not reflected as a new location because the biennial budget will be starting in February to begin building 2018-19 and will not come to fruition until a 1 from this current date. As we get closer to the Legislative session and things become more concrete about locations and expenditures our window for adding them into the budget gets tighter and tighter. That is why there was no new locations firm enough to reflect in this number. **Therefore, she stated that between the beginning cash of \$4.1 million plus any additional revenue [\$5.6 million] for 2016, less the projected expenditures, gives \$4.2million of cash which will be distributed in the next 12 months to be discussed during this meeting.**

Ms. Mason reminded all of August 19, 2015 at 9:00am as the date for the Legislative Hearing which she urged Operators to attend in case questions are asked and if they call the Work Program. She added that it would be a victory if they did not call the Work Program.

Ms. Mason detailed the upcoming expenses:

○ Retirement	\$226,000.00	Retirement distribution to operators North & South
○ Hoover Dam Transition	\$400,000.00	Starting inventory the Bureau may purchase for new operator
○ Hoover Dam Ceiling Leak	\$650,000.00	Funds to repair the leaks in the ceilings at the DAM
○ So. NV Health District	\$100,000.00	Development of the So. Nevada Health District
○ 5 new location-south	<u>\$200,000.00</u>	Development of 5 new locations in So. NV
	\$1,576,000.00	

When looking at the projected \$1.6 million and to revisit the fund balance of \$4.2 million and subtract the projected expenditures the end fund balance is projected to be \$2.6 million which will be carried into 2017. (When any projected revenue is added it is believed that without any additional expenditures that are NOT budgeted, the fund balance will be \$2.5 million in 2017.) She mentioned

that she visited the old Target location, in May, with its large dining, prep and storage areas which are now gutted. In order for us to move in we would need to furnish two sides for that operation.

Melaine Mason reminded all that after reviewing the fund balance the Policies and Procedures which have been revised and approved going through the Subcommittees and Committee provides that we review the cash balance and decided that the fund balance would not drop below \$3 million in 12 months. If the Bureau were to disperse more than the \$9,000 that is already the base of yearly retirement the amount projected for the new Health Reimbursement would be open.

B. For Possible Action- Majority Operator Vote Required- Determining the amount of funding for the Health Care Cost Reimbursement for biennial budget cycle SFY 16 & 17, Drazen Elez

Richard Saperstein reminded all of the Finance Subcommittee decision and recommendation to the NCBV Committee was to increase the current reimbursement from \$12,500 to \$14,500 as the new cap for the next two years. He explained that this increase was due to the thinking that overall health care is increasing each year as were the ages of the present Operators. Further he stated that votes are required of all vendors present at this meeting.

Drazen Elez wished to add a few points including the fact that the old policy was no longer in effect as of June 25th when the new policy took effect. The major changes to the current policy versus the previous are that there is no longer an amount that will be distributed to the Operators as was needed in the previous policy. The Operators will now decide the amount of the yearly reimbursement based on the current level of the BEN budget.

Mr. Elez added that there were 9 out of 14 Operators present noting a majority of Operators needed. The majority of the overall Operators have to approve this amount NOT the majority present based on the way that it was written. 8 Operators must vote for the policy to go into effect. Richard Saperstein questioned this stated procedure whereby Janette Parish read from the line from the actual policy and then it can be determined if there is any doubt to the procedure. It was determined from this reading that the majority of licensed operators are to adopt the amount available for distribution in the current venue. Richard Saperstein felt that this was a bit of a vague description and asked Melaine Mason if there were legal ramifications to this to which she answered that it does not specify this then added that in her opinion it was clear and the Bureau meant to be clear as there was counsel on this. She stated that it was the "majority of licensed operators" since it is the Operator's money.

At this point Richard Saperstein entertained a motion from the Committee to approve the medical reimbursement for the fiscal year 2016-17 to be \$14,500 per vendor. Bill Schley made a motion Harold Petrofsky seconded it and it carried unanimously for the Committee. He then asked Janette Parish to poll each vendor for a "yes" or "no" answer. The yeas were voted 9-0 and the motion passed unanimously.

(9) Yeas:

Richard Saperstein
Bill Schley
Harold Petrofsky
Carol Ewing
Mikie Yamada

Benita McHenry
Demecio Giron
Beth Perring
Nels Brown

(0) Nays

None

Carol Ewing commented that not everybody will top out the \$14,500 however if vendors top out this year or next it will be a little more \$200,000- the figures referred to earlier during this meeting. Melaine Mason added that the figure of \$12,500 was already budgeted for each Operator therefore the increase of \$2000 times the 15 Operators would not be a significant impact to the budget.

C. For Possible Action-Determining the effective date of the Healthcare Cost Reimbursement in respect to the State's budget approval process, Melaine Mason

Melaine Mason stated that since it was already past July 1st when the total was identified and the amount starts with this meeting date being 8/6/15, it can be decided by the Committee vote when you want to make the \$14,500 effective. Apart from this, Ms. Mason stated that she would leave the effective date up to the Committee to discuss offering that July 1st was one of the options. Harold Petrofsky asked if this was July 1st of this next year or this past year to which Ms. Mason verified that it was a retroactive to July 1, 2015 and you just voted for 2017 for that same amount for the next couple of state fiscal years. **Harold Petrofsky made a motion that effective July 1, 2015 the healthcare benefits would be raised to \$14,500 per year and carried forward for the next two state fiscal years. Bill Schley seconded it and it passed unanimously.**

D. For Possible Action-Majority Operator Vote Required-Determining the additional amount of funds to be distributed for Retirement Income for biennial budget cycle SFY 16 & 17, Drazen Elez

Richard Saperstein initiated this item by announcing that in determining the additional amount of funds to be distributed for retirement income to the biannual budget cycle there was a decision of the Finance Subcommittee to recommend to the NCBV Committee the sum was NOT to exceed \$9,000 per year for the next 2016-17 fiscal year for retirement per vendor. This decision was based upon the requirements of the Program and the financial needs to expand in the next two years to accomplish those items outlined earlier by Melaine Mason during her presentation.

Drazen Elez named the major changes as from \$7,000 per year from the previous policy to:

1) Minimum retirement income of \$9,000 which does not need voted on as this will be the new minimum retirement that will be distributed. Once a vendor reaches five years then he would be receiving 100% of that \$9,000. If one has been in the Program less than five years there is a schedule by what percentage of the \$9,000 to be received.

2) The vendors would have the ability to distribute additional retirement over \$9,000. If the budget reserve amount is over \$3 million dollars then the operators would have the ability to distribute the funds over \$9,000 deciding what the amount would be as a whole. It would then be distributed as a

tenure formula that will be used on a point base system to decide as to how much each would receive stated in the policy.

In this particular situation what is being voted on is how much over the \$9000 would be distributed for the next two years (2016-17) based on all the information that was discussed during the last meeting that the Finance Committee had. They voted and decided that there would be NO additional distribution over 9,000 for the next two years and was the recommendation to the jCommittee.

Richard Saperstein entertained a motion for the committee vote to distribute NO additional funds over the next two state fiscal years for Retirement. Distribution was usually dispersed in January for the preceding year; therefore they would pertain to a period of January 1, 2015 through December 2015 and January 31, 2016 through December 31, 2016. Melaine Mason verified this statement.

Harold Petrofsky made a motion to distribute \$9,000 with no addition money for the next two years. Bill Schley seconded that. The yeas were voted 9-0 in favor of the motion and passed unanimously.

Yeas:

Richard Saperstein

Bill Schley

Harold Petrofsky

Carol Ewing

Mikie Yamada

Benita McHenry

Ben Giron

Nels Brown

Beth Perring

(0) Nay:

None

E. For Possible Action (if necessary)-Determining the effective date of the Additional Retirement Funds to be distributed in respect to the State's budget approval process, Melaine Mason

This item was skipped as it was not necessary due to the motion voted on in Item D.

XI. Second Public Comment, Richard Saperstein

Kawana Pohe joined the meeting.

X. Discussion- Date for Next NCBV Meeting, Richard Saperstein

Drazen Elez recommended scheduling the meeting toward the end of September taking in account the approvals take and since the wish is to have it in effect before the end of the year, it would be in the Operator's best interest to meet in late September. Thursday, September 24, 2015 at 3:30pm was chosen.

XI. Adjournment, Richard Saperstein

Bill Schley made a motion to adjourn while Kawana Pohe seconded it and it passed unanimously.

