

***Approved Minutes – Feb. 6, 2009***

Finance Oversight Committee Meeting

Nevada Board of Wildlife Committee

Nevada Department of Wildlife

1100 Valley Road, Reno, Nevada 89512

*Amended Agenda*

Wednesday, January 14, 2009 - 2 p.m.

1. Call to Order – Chairman Ron Lurie
2. Member Items
3. Public Comment Period
4. Finance Oversight Committee Charter – Chairman Lurie – Action - The committee will draft the committee's purpose and goals into a charter and submit the draft charter to the Board of Wildlife Committee for approval and finalization at the February 6 and 7, 2009, Commission meeting.
5. Nevada Department of Wildlife 2006 Internal Audit Report – Chairman Lurie - Informational - The committee will review the findings, recommendations, and implementation of findings from the report.
6. Nevada Department of Wildlife Funding Report – Chairman Lurie - Informational - The committee will review the Department's funding allocations by source (license and tag fees, federal funds, state General Funds, etc) for each Division and spending by the Division, and allocated funding and expenses for all non-revenue producing Divisions.
7. Nevada Revised Statutes 501.179 Compensation of Nevada Board of Wildlife Committee – Chairman Lurie – Action - The committee will discuss and may take action in regard to compensation of members and may make a recommendation to the full Commission at the February 6 and 7, 2009, Commission meeting.
8. Future Committee Meeting - Chairman Lurie – Action - The committee will set a date, location, and time for the next committee meeting.

Committee Members Present: Commissioners Ron Lurie (chair), Michael McBeath, and Carson County Advisory Board Member Gil Yanuck

NDOW Staff Present: Director Ken Mayer, Deputy Director Rich Haskins, Administrative Services Officer III Dave Prather, Executive Assistant Suzanne Scourby.

Public Present: Jim Ornellas and Marsahll Goldy

Wednesday, Jan. 14, 2009 – 2 p.m.

- 1 Chairman Lurie called the meeting to order at 2:05 p.m. Chairman Lurie said the committee meeting agenda was posted as per Nevada Opening Meeting Law and the entire committee is present: Chairman Ron Lurie, Commissioner McBeath and Gil Yanuck.

- 2 Member Items – Chairman Lurie said he has one in looking at the statutes concerning NRS 501 regarding the financial report provided to the Legislature. He would like to have that on the next agenda - a financial report that is being submitted to the legislature.

Commissioner McBeath said it is a statutory provision and the committee should have received the agency's budget prior to this meeting.

Commissioner Lurie read the statute.

Mr. Yanuck said he sees statement when the budget is presented to the legislature, and wondering if possible to get a copy in advance to see if something to discuss or recommend prior to sending to the Legislature, and the purpose would be to help the Department, as the more information we can share the better.

Director Mayer said he will need to talk to the Governor's Office because the all the directors were told their Department budgets were under wraps and confidential and once the State of the State is delivered, then the agencies can share the budgets, and the Department's budget presentation to the joint Financial Committee at the Legislature is Feb 4, 2009.

Commissioner Lurie said that is fine.

Administrative Services Officer (ASO) III Dave Prather asked the committee what they want to see, as that would help his preparations.

Chairman Lurie said the budget being submitted to the Governor's Office, and he said it is a lot and does not know what the format is, or what the committee wants to review – perhaps start with summaries and go with expansion from that.

Commissioner McBeath said from looking at the NRS, it states the Department's role is to prepare the budget in consultation with the Commission the Department's budget and submit to the Commission, and his question is, if this biennial budget is the 10 volumes of paper that staff says it is, no one on the Commission could have the time to go through the binders; however, the Finance Oversight Committee needs to make sure the Department is in compliance with statute.

ASO III Prather said there are reports on the state budget system that he could show the committee and told the committee that we have a line item budget which complicates the process.

Commissioner McBeath said perhaps at the next Commission meeting in Reno staff could demonstrate to them what is online and they could get an idea of what is there.

Chairman Lurie said he would like that and having ASO III Prather run them through it while they are there would be helpful, and the whole point of the committee is to be a support group and thinks we have not been doing that.

3 Public Comment Period – None

4 Finance Oversight Committee Charter – Chairman Lurie - Action

Chairman Lurie said he submitted a draft mission statement for the committee's review, and just received an email from Director Mayer.

Director Mayer said right before the meeting started he emailed a mission statement to all the members.

Chairman Lurie read the mission statement as contained in support material: Ensure that funding sources for the Nevada Department of Wildlife are identified and maximized annually. Make certain that all funding is utilized and reported in a manner that is consistent with the requirements of all state and federal regulating agencies while meeting the goal of protecting, preserving, managing and restoring wildlife and its habitat for the benefits they bring to the sportsmen and citizens of the state of Nevada.

Director Mayer said ASO III Prather put these together and possibly we need to combine the mission statement and the charter.

Commissioner McBeath said the purpose is to make sure we are identifying all sources of funding that can be brought into the Department, maximizing existing funding sources and identifying additional sources. He said at the joint Commission meeting with California he got a little bit of information from fellow Commissioners on how California is much more sophisticated than Nevada in obtaining their funding. He sees one purpose of the committee to assist in preparation of the budget as delineated in statute, another important purpose is to insure that all reporting requirements are being met by the state of Nevada and the federal government in relation to grants and other federal Acts that supply us with funds, another purpose is compliance with audits that have occurred, and finally to provide information to the Commission and the public.

Mr. Gil Yanuck said he listened to what Commissioner McBeath said and he is confused with the committee's name, "oversight – audit", and does not know if the three committee members have the time to be an audit committee without committing staff time and would not they be duplicating efforts of state auditors. The role he envisioned for the committee was to work and assist the Department but not the people who dig into the nitty gritty of what they are doing, and don't have time to effectively do that nor do we have time. He sees the committee as providing information to the Commission and address questions of the public and his vision was not to be auditors.

Commissioner McBeath said he meant in regard to audit compliance and "oversight" because you have an independent auditor? He meant by oversight of audit, that he did not mean to be involved, but that each one of those groups are more than likely to issue a report and those reports will indicate compliance exhibited by the Department, and that report is what this committee should be reviewing and working with the Department, and insure compliance as a monitoring function.

ASO III Prather said the Department is audited by the Executive branch through the Department of Administration, the other audit was Legislative Counsel Bureau, and we also have a federal audit underway, as well as audits through a private firm named Kafoury Armstrong.

Mr. Yanuck said Commissioner McBeath's explanation was helpful, and the role is more to review audit findings.

Chairman Lurie said it is a review of the summary of what the auditors find and to stay on top of compliance. Chairman Lurie asked for staff to provide feedback on mission statement because he wants to get this passed and sounds like we may need a second meeting to review the charter.

Director Mayer said he does not see any problem with mission statement and needs to have our attorney look at this and then it could be put on the February agenda for action. He suggested that they use email to communicate on the charter to ASO III Prather.

Commissioner McBeath said he is concerned about Open Meeting Law and with sharing emails between Commissioner and the committee asked Director Mayer to check with their Deputy Attorney General (DAG) as to the appropriateness of sending comments on the proposed charter.

Chairman Lurie asked Director Mayer to check with DAG Stockton and let them know, and he asked for a motion to adopt the mission statement subject to approval of the DAG.

MR. YANUCK MOVED TO APPROVE, AND COMMISSIONER MCBEATH SECONDED THE MOTION. VOTE ON MOTION WAS UNANIMOUS.

Director Mayer said ASO III Prather will take his notes from their comments and plug that into the charter, and bring it back to the committee for approval at a meeting prior to the February Commission meeting.

5 Nevada Department of Wildlife 2006 Internal Audit Report – Chairman Lurie – Informational

ASO III Prather said this was an Legislative Counsel Bureau (LCB) audit and was finalized in September 2008, the corrective actions were implemented, the audit was finalized and closed.

Commissioner McBeath asked if LCB communicates back to the Department that they have accepted the correction actions.

Director Mayer said that LCB has sent a letter to the Department concluding acceptance and completion, and the letter was sent to the Commission.

Commissioner McBeath said he does not understand what the committee's charge is in regard to this agenda item as the group that audited the Department is satisfied and what would this committee do on top of that.

Chairman Lurie said Chairman Gerald Lent passed the audit out to make sure of implementation and he recalls receiving the letter and just wanted to make sure we reviewed it and are moving forward to follow the recommendations given by LCB.

6 Nevada Department of Wildlife Funding Report – Chairman Lurie – Informational

Chairman Lurie thanked ASO III Prather for sending the spreadsheets although he did not have that much time to look at it and asked for overview of funding allocation sent out.

ASO III Prather said the first chart is by Division which is actual versus budget and easy to see, and is dated Jan. 9, 2009. He said the hard part of putting this together is we have multiple accounts with Divisions all having interests segmented across the accounts. He said he would like to have a better understanding of what the committee is looking for.

Commissioner McBeath said he also got this yesterday and could not look at it in detail but did look quickly through it and this is very helpful and will help him understand the funding. He said he did not think it would be helpful to the general public and will spend time on it and think about how to present it to the Commission.

Mr. Yanuck said the pie chart is easy to understand for the public and answers a lot of questions without the minutiae of reports, and people who attend their CABMW meetings want to know what is being spent to improve specific things such as habitat, fisheries, etc... and this will be a tremendous start on how to disseminate information when they want to know where their fees are spent. He commended Dave Prather for providing the information as a great start.

Chairman Lurie said he has been on the Commission for a long time and this last year we have gotten more information than ever on how money is spent and where, and he thinks we are on the right track, and the County Advisory Boards to Manage Wildlife should get the pie charts so that they can feel comfortable that dollars are being spent in the right place and address them at the right time.

Commissioner McBeath asked if we have something similar to this that basically lays out the expense side as far as salaries and expenses within each Division, and that would match to the revenue side as to where the funds are being spent.

Chairman Lurie said they should have something that mirrors that and asked if we have that?

ASO III Prather said the State Accounting System does not quite work that way as the state has a system of "org" and "suborg" and there are three different systems, and within Game Division there are at least eight cost centers, and told them when you look at the pie charts it is revenue and the expenditure authority matches revenue source by spending account.

Commissioner McBeath said this will be interesting to get their hands around and when they are there looking at the budget and maybe he can show them one Division specifically online. He was hoping there were existing reporting systems in place but is hearing that on the cost side that might be a challenge, and with each Division running their own system, would question if each chief is duplicating effort by running their own system.

ASO III Prather said he has been charged by the director to get the cost centers identified and to make it easier for Division Chiefs to run, and after this budget cycle he plans to move forward and base it on cost centers.

Commissioner McBeath said it is sounding like you are not happy and if you are going to tackle this that you provide reports on progress and does not want to create work for staff.

Chairman Lurie said it will make it easy for sportsmen, and while in Reno they will have a class on budget.

Commissioner McBeath said he would like to informally have a budget class training.

Director Mayer said he would ask DAGs Stockton and Nguyen for their opinion on whether they can meet for informal training, and will advise the committee chair of their answer.

7 Nevada Revised Statute 501.179 Compensation of Nevada Board of Wildlife Commissioners – Chairman Lurie – Action

Chairman Lurie said Commissioners get paid \$80 per day and statute says not more than \$80, and he did not take the job to earn \$80 and he personally donates his compensation to the Boys and Girls Club, and his suggestion is for the Commissioners to not take the \$80 and move it to travel or per diem and that is what he would like to recommend to the Commission. He said no one probably is serving for the pay and we are serving on the commission for the betterment of Nevada's wildlife, and again, this is something that he thought we needed to review. Chairman Lurie said in keeping with

Chairman Lent's memorandum to save dollars, and would that be okay with no Commissions or boards being paid for their time because the pay does not change his life.

Commissioner McBeath said he was not aware the Commissioners got paid when he was appointed, and his question relates that if we do not take the money does it get removed from the budget, and does that get chopped off the funding. He asked whether the savings can be moved to travel or another use but is concerned that we may lose funding.

ASO III Prather said typically the way the budget works is that if you choose to not take the stipend it will just go away because of the line item budget system and that is the way it works, if you don't use it you lose it.

Director Mayer said it would go back to the reserve, and for future meetings staff plan to go to the Interim Finance Committee to augment the budget. The committee needs to remember that we are working today in a budget that was made three years ago, and have to forecast the budget for the next two years. Director Mayer said for example, the proposed 6 percent salary cut to state workers will go back to the agency's reserve account. He said savings if dedicated accounts stay in that account.

Chairman Lurie said he brought it up because it was brought up in the chair's memo to move dollars around and wanted to try to move the money around so if people wanted to meet face to face they could,

Commissioner McBeath asked if any other mechanism such as donating their compensation back to a specific fund.

ASO III Prather said the Commissioners could donate their funds back but would require another fund to be created.

Chairman Lurie said the discussion was useful and they could bring it up at the February meeting and explain all the options to the rest of the Commission.

Director Mayer's advice is to cut back where we can, meet on conference calls, and when people go to conferences or meetings that we all car pool, and need to be cognizant of being frugal and watching expenditures.

Chairman Lurie said they will take no action but give the Commissioners the options discussed today, and are not talking a lot of money here but the process is complicated.

Commissioner McBeath said the Commissioners meet at set times during the years, and all subcommittees should be scheduled during those times as we are already paying for travel and to take advantage of the proximity of the travel expenses we are already

paying as the cost would be marginal. Commissioner McBeath said it benefits him greatly to meet by conference call.

Director Mayer said it would be perfectly be a good suggestion to make that a policy to make committee meetings in conjunction with regular commission meetings. He also would suggest possibly eliminating a Commission meeting from the schedule and to be flexible.

Chairman Lurie said the committee can make the suggestion to have committee meetings in conjunction with regular meetings and to look to where we can eliminate one meeting for cost savings. Chairman Lurie said item discussed and the committee will take no action on this item, and bring up for discussion at the February meeting and then in March take some form of action on it - holding committee meetings always in conjunction with regular Commission meetings, and recommend to the Commission that they make donation of their \$80 to one area of the pie chart and give ASO III Prather additional work.

8 Future Committee Meeting – Chairman Lurie - Action

The committee decided to meet at 9:30 a.m. on Feb. 6, 2009, to finalize their mission statement and purpose to present to the full Commission at the Feb. 6 and 7, 2009, meeting.

Meeting Adjourned

*Summary List*

- 1 Commissioner McBeath is going to send his comments on the mission statement/charter to ASO III Prather.
- 2 Director Mayer is to check with DAG Stockton on communications, sending drafts back and forth, and informal budget training.

Note: The minutes are a synopsis of the meeting. At the Department of Wildlife headquarters in Reno is a complete record of the meeting, including recordings; and all the exhibits received/referenced during the meeting. The record is available upon request for review.

