

FINAL (approved at July 30, 2015 meeting)

Commission for Cultural Affairs

January 6, 2015 10:02 a.m.

Meeting Minutes

Teleconferenced:

Department of Conservation and Natural Resources
Bryan Building, 5th Floor, Bristlecone Conference Room
&
Conference Calling

1. Call to order by Chairman Robert Ostrovsky, (*Chair Ostrovsky*) at 10:02 am.

2. Roll Call:

Commissioners:

Robert Ostrovsky, Chairman (Board of Museums and History, Governor's Appointee)

Present via Phone

Robert Stoldal, *Vice Chair* (Board of Museums and History) **Present Via Phone**

Judy Michaels Simon (State Council on Library and Literacy) **Present Via Phone**

Michael Hillerby (At-Large, Governor's Appointee) **Present via Phone**

Irma Varela-Wynants (Nevada Arts Council) **Present Via Phone**

John Rice (Nevada Humanities) **Present Via Phone**

Staff Present:

Rebecca Palmer, Historic Preservation Office **Present**

Susan Kastens, Historic Preservation Office **Present**

Michael "Bert" Bedeau, Comstock Historic District Commission and Historic Preservation Office **Present via Phone**

Shane Chesney, Senior Deputy Attorney General **Present via Phone**

Public Present:

Sherry Rupert, Nevada Indian Commission **Present via Phone**

Dr. Richard Simmonds, President Sparks Heritage Museum **Present via Phone**

3. Public comment: *Chair Ostrovsky* asked for any public comment. There were no comments.

4. Review and testimony regarding the applicant's request to modify their CCA application for the following project: Stewart Indian School Building #1, Nevada Indian Commission:

Chair Ostrovsky stated the reason for calling the meeting of the Commission was to discuss a proposal by the Nevada Indian Commission, originally awarded a grant of \$180,000 by the Commission in FY14, to modify their project. Chair Ostrovsky felt that while the division (State Historic Preservation Office) usually makes minor modifications to Commission grants or funding agreements to accommodate small changes in scope or budget during the grant cycle, this request exceeded the administrative authority of the division and required Commission review. Chair Ostrovsky requested that Palmer explain the situation.

Palmer stated she would rely on Ms. Rupert to explain the situation since she was only peripherally involved in the proposal. Palmer met with Sherry Rupert and Chris Gibbons in December of 2014 when both Ms. Rupert and Ms. Gibbons explained that seismic retrofit application for CCA did not receive the anticipated matching Capital Improvement Project (CIP) funding (request #5451). Ms. Rupert proposed to redirect the grant from the seismic work originally proposed to a plan. The plan is posted on the division's website and was provided to all Commissioners. Includes a proposed budget included an estimate of totaling of \$120,000.

Rupert stated that there were two scenarios proposed as preliminary estimates by H&K architects. First is \$120,000 and the second scenario was \$137,000 based on 12% and 4% relative to construction costs. Looking at design development and construction documents for this project. Not listed in CIP listing for this biennium. Rupert thanked Chair Ostrovsky and the Commission for the letter of support sent to Julia Teska for their CIP proposal. These are preliminary estimates from H&K and the engineers since holiday schedules prevented the preparation of concrete numbers.

Chair Ostrovsky requested of Ms. Rupert what would have been achieved with the original grant request if they had received the matching funds.

Rupert stated that they originally requested \$370,000 and looking at structural repairs, strengthening, and seismic retrofit.

Chair Ostrovsky asked if the public works department required documents for this phase before they will allow any funding for the retrofit phase.

Rupert stated that she had not been notified of the requirement. But one member of the Public Works Board stated: "that providing a full set of construction documents would provide a convincing argument at the next CIP to provide financing for construction".

Commissioner Rice asked if the planning wouldn't have taken place even if the CIP wasn't funded.

Rupert stated that indeed a portion of this would have taken place anyway, particularly on those items that they had requested for CCA funding.

Commissioner Rice stated that it appeared to him that the Commission would still be moving the project forward the way that the Commission intended to originally.

Vice Chair Stoldal asked what would be earliest that the next CIP meeting would occur.

Rupert isn't sure on dates but would find out.

Vice Chair Stoldal asked if it would be soon.

Chair Ostrovsky stated that the CIP projects would be reviewed and modified and approved by the Legislature for the biennium. Always reserves for emergencies, but not another prioritized CIP list until 2017.

Vice Chair Stoldal asked about funding for FY16-17.

Palmer stated that she didn't have any information about FY16-17.

Vice Chair Stoldal asked if there was any other sources of funding. Or will the CIP and CA be dealing with two-year old documents in FY16-17.

Rupert stated that there was a Major Budget Initiative (MBI) in FY16-17 and support from the Governor's office. Support in budget and will be discussed in session. We may be able to be process in FY17. Design, development, and construction documents would a tool for Legislature.

Commissioner Hillerby asked if the money in the MBI could be used for construction outside of the CIP.

Rupert stated that money is for positions and development, design of exhibits. No money for construction.

Commissioner Varela-Wynants this money would be directed to documents. Seems to moving to where Commission wants to go, but funding uncertain.

Chair Ostrovsky stated the Governor's office is supportive of Stewart, but that Stewart has to compete with other CIP projects.

Commissioner Hillerby stated that the situation was generally grim and bonding capacity is limited.

Vice Chair Stoldal asked where the figures for seismic retrofit in the CCA grant originally came from.

Rupert stated that the figures came from the Schematic Design Manual that was done for the project which was prepared by H&K architects.

Vice Chair Stoldal asked what the cost was for the seismic portion of the Stewart grant.

Rupert stated that the seismic, strengthening, and repairs to reoccupy the building totaled \$370,000.

Vice Chair Stoldal asked how much H&K had charged for that plan. Is there a way that the Commission could split and complete the seismic with the \$180,000 grant money awarded?

Rupert stated that the project was one complete package totaling \$370,000 to include demolition, earthwork, rough carpentry, masonry, structural steel, and concrete. All of it was for the strengthening and the seismic retrofit.

Chair Ostrovsky asked about the two numbers in the estimate from H&K.

Rupert to different scenarios one is 4% and 12% of construction budget. Two different percentages.

Chair Ostrovsky stated that a hard numbers would be sent from H&K.

Rupert these are preliminary numbers.

Vice Chair Stoldal could the Commission approve this change with either the \$120,000 or \$137,000 amounts with the asterisk that if the general funds are not approved for construction in this Legislative session that the grant funds would revert back to the Commission for either work on Building #1 or just to the CCA for different distribution.

Chair Ostrovsky stated that Ms. Rupert was hoping to use the documents as a tool for funding the overall projects.

Rupert stated that indeed that was true and she has the Planning Board member's encouragement in writing to prepare them.

Chair Ostrovsky reminded the Commissioners that in the past the Commission has approved grant funding for planning documents, perhaps not this large an amount, personally has preferred actual construction to documents.

Palmer stated that planning documents did meet the requirements of the GO bonds, as they would be critical for construction. Would chair like to run this past Bond Counsel?

Chair Ostrovsky stated that no, they had done this before so was satisfied it would be done again.

Palmer stated that yes the Commission had previously supported the grant funding of planning documents.

5. Discussion, award and/or reallocation of unspent grant funds (total of \$180,000) from the original Stewart Indian School Building #1 project to the modified Stewart Indian School Building #1 project or any other FY14 CCA project(s) or any combination of both (see attached list) (FOR POSSIBLE ACTION).

Chair Ostrovsky stated that there has been enough discussion of background and time to move to decisions. The Commission could deny the request and spend \$180,000 on other projects, they could fund this request and redistribute the remainder to other grantees, or they could deny all requests and the money would revert to the state. As the result, they would likely sell fewer bonds. Asked *Palmer* if the funds are available or are the bonds sold as needed.

Palmer stated that the Treasurer's office has sold the bonds and is holding the cash.

Chair Ostrovsky asked the Commissioner's for their thoughts. As Vice Chair *Stoldal* had some proposals asked for his comments first.

Vice Chair Stoldal asked *Rupert* how long it will take H&K will take to complete the construction documents.

Rupert stated that their estimate has completion date of August 2015 to have the documents done.

Vice Chair Stoldal asked how this would help with the Legislature.

Rupert stated that they would try to get these documents in by the end of the session. But could also move forward for the next Legislative session.

Vice Chair Stoldal would like to have a commitment from the CCA for construction plans for the session. But is concerned about construction plans that old in FY17. Also not too sure about the economy for the CIP next session. Need to look for other sources of funds for the Stewart complex, it is a treasure.

Rupert agrees that it is National and State Treasure. Working on a letter of intent for the National Historic Landmark program. There is support from the administration and some things in the works for this session.

Bedeau addressed concern about construction documents going stale. Actually, CIP process is lengthy and not uncommon to have documents that are older. CCA application in FY14 were all dated 2011

Chair Ostrovsky disconnected but returned to call at this point.

Vice Chair Stoldal made a motion to reallocate the grant funds to the figure of \$137,000; Commissioner Rice seconded the motion.

Chair Ostrovsky asked for comments from Commissioners.

Commissioner Hillerby asked about the motion and what timing issues are there for funds if it were contingent upon Legislative action. Would that raise any issues for the bond funds?

Palmer stated that yes there are timing issues with the use of bond funds. State required to expend all of the \$1,000,000 by October of this year. Reimbursable grant program.

Chair Ostrovsky stated that left a balance of \$45,000 remaining and would like to move on Agenda Item #5 to reallocate the funds today. Asked if there were any other Commissioners who would like to comment. Asked if there were any members of the public on the call would like to comment before the Commission takes action on the motion.

Rupert expressed concern that the numbers were preliminary.

Vice Chair Stoldal stated that he had originally planned on suggesting the \$120,000 but pushed it to \$137,000 and he suspects that H&K will be able to do what they need to do with \$137,000.

***Chair Ostrovsky* called for a vote on the Motion made by Vice Chair Stoldal and seconded by Commissioner Rice.**

The vote was held and it was unanimous with all Commissioners voting to support the Stoldal motion to reallocate \$137,000 of the original \$180,000 grant award for Stewart Building #1 to the preparation of documents as described in proposal provided by the Nevada Indian Commission.

Chair Ostrovsky stated that he didn't think a reserve would be feasible. The remaining \$43,000 dollars would need to be reallocated to another grantee and spent. Wants to hear from Commissioners.

Commissioner Simon asked how much can be spent administrative use.

Chair Ostrovsky none can be spent for administration. Although there is a request in this session to modify the statutes to allow some administrative costs to be used by the division.

Palmer stated that other revenue was used for such costs.

Commissioner Simon restated question to ask if funds could be shifted from one project to another without a meeting of the Commission.

Palmer stated that there didn't appear to be a prohibition on transferring between projects in small amounts but would prefer that the Commission vote on that.

Vice Chair Stoldal stated that in his experience both administrative and Commission movements of funds has occurred.

Chair Ostrovsky stated also that 100% of funds were allocated but for whatever reason if a grantee can't expend all of their funds, it has come back to the Commission. Small amounts by administration. Division tracks expenditure. Asked Palmer if any applicants have an emergency issue.

Palmer stated that she was unaware of any emergencies, but is aware that several applicants could easily expend the additional \$43,000.

Chair Ostrovsky asked Commissioner for ideas.

Commissioner Hillerby stated that when excess funds were available in the past the Commission did vote. Perhaps staff could check with applicants on the status of their projects and ability to accept additional funds.

Commissioner Simon stated that that would help her as a new member to understand their needs if reallocation occurred.

Chair Ostrovsky stated that the Commission should go back to the approved grant projects. Asked Palmer how difficult it would be to write letters to all applicants.

Palmer stated that yes that would be possible. Would like to send letters to incomplete projects and not to completed projects (Pioneer Center and Storey County Courthouse).

Commissioner Hillerby asked about the Sparks Heritage Museum and the status of the project since it wasn't fully funded.

Palmer stated that communication was difficult with this organization. The funding agreement was placed on the agenda for the Board in November and the division hasn't heard from them since.

Chair Ostrovsky asked if they had expended any funds.

Palmer stated that no they haven't and neither has the White Pine County Railroad Museum and the White Pine County McGill project. No funding agreements for any of the three projects.

Simmonds Sparks Heritage Museum trying to get estimates and is on agenda next week. Will be sending to division soon.

Palmer can't predict if we will be successful in completing the funding agreements for the two Ely projects.

Chair Ostrovsky what is the deadline for funding agreements to be prepared?

Palmer stated that given the time they take and the limited time left to expend the bond proceeds, that the end of January is the drop-dead date.

Chair Ostrovsky asked if the applicants are aware of this date.

Palmer stated that yes they are all aware of the date.

Chair Ostrovsky asked if a letter could be sent out to let applicants know of additional money and then schedule another conference call of the Commission to reallocate the money early next month.

Palmer stated that yes, that would work and by then the division would know if the remaining three incomplete funding agreements would be completed or if the money needed to be reverted for those as well.

Chair Ostrovsky asked Commissioners for thoughts.

Vice Chair Stoldal stated that he heard two things that needed to be addressed, but asked about the timeline for expenditures.

Palmer stated that yes, all of the \$1,000,000 needed to be expended by October 2015.

Vice Chair Stoldal recommended that a stern letter needed to be sent to the three grantees stating that either they execute the funding agreement by a reasonable date, end of the month, or the money will be reverted.

Commissioner Hillerby stated that the reverted funds be available only to successful applicants and only for projects that they originally applied for and were not funded and can be completed. No new projects.

Chair Ostrovsky asked if requesting these letters be sent required a vote of the Commission.

Chesney stated that yes it required a motion of the Commission.

Commissioner Hillerby made a motion 1)to direct the division on behalf of the Commission to send out letters only to previously approved and incomplete projects that there is an additional \$43,000 in reverted funds to augment their existing and approved projects and 2) to direct the division on behalf of the Commission to send another letter to the three approved projects with unexecuted funding agreements warning them that they have until the end of January, 2015 to complete these documents or the CCA grant funds will be in danger of reversion; Vice Chair Stoldal seconded the motion.

Chair Ostrovsky asked for comments from the Commissioners.

Commissioner Varela-Wynants asked if the Indian Commission could ask for the reverted funds.

Chair Ostrovsky stated that yes; the Indian Commission could apply for all or part of the reverted funds that would then be voted on by the Commission in early February.

Chair Ostrovsky called for a vote on the Motion made by Commissioner Hillerby and seconded by Vice Chair Stoldal.

The vote was held and it was unanimous with all Commissioners voting to approve the motion 1)to direct the division on behalf of the Commission to send out letters only to previously approved and incomplete projects that there is an additional \$43,000 in reverted funds to augment their existing and approved projects and 2) to direct the division on behalf of the Commission to send another letter to the three approved projects with unexecuted funding agreements warning them that they have until the end of January, 2015 to complete these documents or the CCA grant funds will be in danger of reversion.

Chair Ostrovsky asked if the Commissioners had any comments, none were made.

Chair Ostrovsky asked for public comment from anyone on the phone or from anyone in the room. Hearing none, he thanked the Commissioners for their time and welcomed the new Commissioners. He would entertain a motion to adjourn the meeting.

7. Adjournment

Vice Chair Stoldal made the motion for adjournment. Chair Ostrovsky hearing a motion on the floor for adjournment, called for all those in favor. The vote was unanimous to do so at 11:03 AM, January 6, 2015.