

STATE BOARD OF FINANCE
June 7, 2016 – 8:30 AM
Summary Minutes

Location:

Via videoconference at the following locations:

Laxalt Building
401 N. Carson Street
Carson City, NV 89701

Governor's Office Conference Room
555 E Washington Avenue, Suite 5100
Las Vegas, NV 89101

Governor Sandoval called the meeting to order at 3:00 P.M.

Board members present:

Governor Brian Sandoval – Carson City
Treasurer Dan Schwartz – Carson City
Controller Ron Knecht – Carson City
Dave Funk – Carson City
Steve Martin – Las Vegas

Others present:

Tara Hagan – Nevada Treasurer's Office
Budd Milazzo – Nevada Treasurer's Office
Lori Chatwood – Nevada Treasurer's Office
Kimberly Arnett – Nevada Treasurer's Office
Dennis Belcourt – Deputy Attorney General
CJ Manthe – Nevada Housing Division
Michael Holliday – Nevada Housing Division
Fred Eoff – Nevada Housing Division
Evan Dale – Nevada Department of Administration
Liz O'Brien – Nevada Department of Wildlife
Ryan Henry – Carson City School District

Agenda Item 1 – Public Comment.

There were no public comments in Carson City or Las Vegas.

Agenda Item 2 – Approval of the Board of Finance minutes from the meeting held on May 4, 2016.

Dave Funk motioned to approve Agenda Item 2. Controller Knecht seconded the motion. Motion passed unanimously.

Agenda Item 3 – Receive semi-annual report on bond expenditures as of December 31, 2015.

Tara Hagan presented the semi-annual report on bond expenditures, and she explained that currently there is \$74.31 million of unspent bond proceeds. The majority of unspent proceeds derive from bonds sold in 2008-2010. Department of Administration has \$26.01 million in unspent proceeds. Conservation and Natural Resources has \$3.25 million and State Lands has unspent proceeds that amount to \$7.99 million. Ms. Hagan explained that Treasurer's Staff is working diligently with agencies to avoid discrepancies.

Agenda Item 4 – Presentation, discussion, and possible action on the issuance of general obligation and refunding bonds by State of Nevada.

Lori Chatwood presented the proposed programs to be included in the upcoming State of Nevada securities issuance which is expected to go on sale in late October and will receive proceeds in the beginning of November. Ms. Chatwood explained that Public Works had requested \$44.34 million, but this amount was adjusted to \$37.34 million. Evan Dale, Department of Administration, explained that they would repurpose the remaining \$7 million through the Interim Finance Committee. The Cultural Centers and Historic Preservation requested \$1 million. Both of these are subject to the debt limit. The requests exempt from debt limit included the State Lands-Tahoe Environmental Improvement program, who requested \$1.5 million, as well as the Wildlife-Q1 Program who requested \$1 million.

Lori Chatwood also explained that the Legislative Counsel Bureau Printing Office Lease-Purchase Project is viable for refunding based on the current market conditions. The refunding would provide savings of approximately 8% of refunded par. LCB has reviewed the proposed refunding savings and is in agreement with refunding. Controller Knecht asked for the difference between the coupon rates. Marty Johnson, financial advisor, responded that the original coupon rate was approximately 4.5% and the new coupon rate that is assumed is 2.5%.

Dan Schwartz inquired about the status of the Faraday Future bonds. Ms. Chatwood responded that the Treasurer's Office is still reviewing the information, and they are not ready to bring the item to the Board of Finance. Ms. Chatwood clarified that Staff is seeking for approval for the items that will be included in the sale rather than bringing the resolutions to the Board of Finance in August 2016. Dennis Belcourt added that the Board of Finance needed to take action on this item so Treasurer's Office staff could include these programs in the fall 2016 sale.

Controller Knecht motioned to approve Agenda Item 4. Dave Funk seconded the motion. Motion passed unanimously.

Agenda Item 5 – Discussion and possible action on a resolution approving the report submitted by the Executive Director of the Department of Taxation and the State Permanent School Fund Guarantee Agreement pertaining to the Carson City School District, Nevada, General Obligation (Limited Tax) Refunding Bonds, Series 2016A to be guaranteed in the maximum principal amount of \$10,000,000.

Lori Chatwood presented the report from the Executive Director of the Department of Taxation pertaining to the Carson City School District, Nevada, General Obligation Refunding Bonds,

Series 2016A, which will be issued to refund existing school improvement bonds for debt service savings. Two series of bonds are being considered in this transaction guaranteed by the Permanent School Fund. Ms. Chatwood explained that with the approval of this resolution and after the issuance of the proposed refunding bonds, the Carson City School District will be utilizing approximately \$28,270,000 of their \$40,000,000 authorization under the Permanent School Fund.

Dave Funk motioned to approve Agenda Item 5. Steve Martin seconded the motion. Motion passed unanimously.

Agenda Item 6 - For discussion possible action – Discussion and possible action on request from the Nevada Division of Museums and History to enter into an agreement to accept credit cards with Cayan. Approval of the Board is required pursuant to NRS 353.1465.

Tara Hagan presented the request from the Nevada Division of Museums and History to enter into an agreement to accept credit cards with Cayan. The agreement with Cayan will allow the Nevada museum stores to integrate credit/debit card payments directly into the inventory system which will allow for better audit and inventory tracking.

Controller Knecht motioned to approve Agenda Item 6. Dave Funk seconded the motion. Motion passed unanimously.

Agenda Item 7 – Receive a report on the Housing Division homebuyer programs for period beginning September 22, 2014 through May 16, 2016.

CJ Manthe presented the report on the Housing Division homebuyer program. Ms. Manthe explained that the program has helped 6,151 homebuyers, who are mostly first-time homebuyers. In May 2016, the program helped 55 veteran families. The program helps moderate to low-income families with down payment costs. CJ Manthe added that the program is a public/private partnership; therefore, the program utilizes non-governmental funds.

Treasurer Schwartz asked where the funds for this program come from. Ms. Manthe clarified that the funds for the down payments comes from the private sector who then hedges the mortgages. Controller Knecht asked if this program helped low-income families or middle-class families. CJ Manthe responded that the program helps families with an income of less than \$98,000 but the average income is \$57,000.

Agenda Item 8 – For discussion and possible action - Discussion and possible action on the Nevada Housing Division’s request to approve the Findings of Fact pertaining to the issuance of up to \$11,000,000 of Multi-Unit Housing Revenue Bonds (Rose Garden Townhouses), for the purpose of construction and related costs of acquiring and renovating

of a 115-unit affordable housing rental project in the City of North Las Vegas, Nevada. The project owner/developer will be a limited liability investment partnership, which will consist of Hampstead Rose Garden Partners and National Equity Fund, Inc. will be equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

CJ Manthe requested approval of the Findings of Facts pertaining to the issuance of up to \$11,000,000 in multi-unit housing revenue bonds to provide an affordable housing opportunity for acquisition and renovation of a 115 unit senior apartment complex in North Las Vegas. The bonds will be structured in two phases, Construction Phase and Permanent Phase. The renovation will consist of buildings being painted, stucco patched, new appliances, cabinetry, plumbing fixtures, carpet, flooring and drought resistant landscaping. The project will also add a new 2000 square foot community building and management office.

Governor Sandoval asked if the improvements were going to change the rents. Fred Eoff responded that tenants will be paying 30% of their income.

Dave Funk motioned to approve Agenda Item 8. Steve Martin seconded the motion. Motion passed unanimously.

Agenda Item 9 – Public Comment.

There were no comments in Carson City or Las Vegas.

Controller Knecht motioned to adjourn the meeting. Treasurer Schwartz seconded the motion.

Meeting was adjourned at 9:33 a.m.