

**STATE BOARD OF FINANCE**  
**August 19, 2019 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Old Assembly Chambers	Governor’s Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Sisolak called the meeting to order at 1:00 P.M.

**Board members present:**

Governor Steve Sisolak – Carson City  
Treasurer Zach Conine – Carson City  
Controller Catherine Byrne – Excused  
Teresa Courier – Carson City  
Brian Sagert – Las Vegas

**Others present:**

Tara Hagan – Chief Deputy Treasurer  
Miles Dickson – Chief of Staff to Treasurer  
Dennis Belcourt – Deputy Attorney General  
Terry Reynolds, Department of Business and Industry  
Director Michael Brown, Department of Business and Industry  
David Robertson – Lewis, Young, Robertson & Burningham, Inc.  
Ryan Warburton – Gilmore and Bell  
Jim Macias – Fulcrum BioEnergy  
Eric Pryor – Fulcrum BioEnergy  
Richard Barraza – Fulcrum BioEnergy  
Jim Stone – Fulcrum BioEnergy  
Dale Conner – Nevada State Parks  
Jen Idem – Nevada State Parks

**Agenda Item 2 – Public Comment.**

No public comment in Carson City or Las Vegas.

**Agenda Item 3 – For discussion and possible action** – Approval of the Board of Finance minutes from the meeting held on June 13, 2019.

**Treasurer Conine moved to approve the minutes. Motion passed unanimously.**

**Agenda Item 4 – For discussion and possible action:** on the request by the Director of the State of Nevada Department of Business and Industry to approve the Findings of Fact pertaining to the

issuance of industrial development revenue bonds in one or more issues in an aggregate amount not to exceed \$50,000,000 for the purpose of assisting in the financing or refinancing of a portion of the costs of (i) constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products located on an approximately 19.4-acre site to be located in the Tahoe-Reno Industrial Center, Storey County, Nevada and/or (ii) the improvements to and equipping of the facility used for preliminary sorting and processing of municipal solid waste located on an approximately 10.0-acre site in Mustang, Storey County, Nevada. The project will be owned by Fulcrum Sierra Holdings, LLC, and operated by Fulcrum BioEnergy, Inc. Approval of the Board of Finance is required pursuant to NRS 349.580(2).

Terry Reynolds with the Department of Business and Industry presented the details of the fifth installment of the Fulcrum project and stated that the bond funds in the amount of \$50,000,000 will be used for constructing, improving, and equipping a facility to be used for converting municipal solid waste into renewable fuel products, including the use of solar energy. Mr. Reynolds noted this volume cap will be part of the renewable energy cap in the amount of \$100,000,000 which was set aside in 2018. He noted that once completed, the project will be running on 100% of renewable energy which makes it the first in the State of Nevada.

Fulcrum BioEnergy representatives provided the Board with a presentation regarding the scope of the project in Nevada. Mr. Macias explained that the Sierra project will consist of two buildings. The first building will be a feedstock processing facility which will be located at the landfill and the second building is the biorefinery. The feedstock processing facility will take the raw dirty garbage and turn it into a clean engineered dry feedstock. This facility has been up and running for about two years and the biorefinery is currently under construction and will be operational mid-2020. Mr. Macias discussed the partners associated with the project and explained the conversion process for the liquid gas. Mr. Macias reviewed the permanent jobs (120), the Fulcrum actual wages (\$30.62 per hour without benefits) and noted 100% of Fulcrum employees have medical, dental, vision and life benefits.

Governor Sisolak thanked Mr. Macias for the presentation and noted his support for the project. He stated that he is pleased to see the employment numbers are created than the estimated projects. He then asked who owns the garbage when it's taken from the landfill.

Mr. Macias with Fulcrum stated that the garbage is owned by Waste Management and they take title to it when it's dumped on their floor.

Member Brian Sagert asked how the firm estimates the initial start-up costs. He noted due to the unique nature of the project, he was curious how the costs and revenue estimates were developed.

Mr. Macias stated the company was founded twelve years ago and it spent the first ten years planning, designing, testing, enhancing and refining the process. He noted those years were spent ensuring the process was guaranteed which was the result of many years, and lots of money. They started with estimating basic engineering costs and continued to refine it until the team was satisfied with the results. He noted it was not done overnight.

Governor Sisolak as if this will be the first plant of many to come.

Mr. Macias stated yes, this is the first plant and they are developing other plants in Chicago, Houston, the United Kingdom, Seattle, San Francisco and Los Angeles. He noted that the team is in Nevada due to the development of the Reno-Tahoe center and support of the state and local government.

**Brian Sagert moved to approve Agenda Item 4. Motion passed unanimously.**

**Agenda Item 5** – **For discussion and possible action:** on the request from the Nevada Division of State Parks to enter into an agreement with Viply and Braintree Payment Services to accept credit cards. The agreement will require all fees to be paid by customers who choose to use the application. Approval of the Board of Finance is required pursuant to NRS 353.1465.

Tara Hagan stated that staff is seeking the Board's approval for the Nevada Division of Parks to enter into an agreement with Viply and Braintree Payment Services to accept credit cards through a mobile application. Pursuant to statute, the Board must approve any contract for credit card processors when an agency is not using the state's master contract. Currently, the state's master contract is with Wells Fargo Merchant Services. The Treasurer's Office, in conjunction with the Division of Parks, worked with Wells Fargo Merchant Services to attempt to find a solution; however, due to the unique needs of the Division, staff is seeking the ability to use another vendor. This contract will allow park visitors to pay for entrance fees, by choice, with an application on their mobile phone at no cost to the state. The consumer will pay additional fees to use the mobile application for park entry fees (\$5.00). This is a pilot program with the Division of Parks, and the Division will track the usage of this application to determine next steps. The State Treasurer's Office is recommending the Board's approval of this contract.

Ms. Hagan stated that at the June 2019 meeting there was some confusion as to whether the state would continue to receive the full \$5.00 park entry fee as part of the agreement. Staff has worked with both the Division of State Parks and the contractor to ensure the agreement will not allow for the offset of fees. The contract will stipulate that the fees will be passed 100% to the consumer. Ms. Hagan reminded the Board that this one of many payment options for park visitors. All parks accept the standard entry fee in cash and some parks have kiosks which allow for the acceptance of credit and debit card payments. The fees for this application are broken down as follows: \$5.00 is the entry fee to the park, \$1.20 is Viply's fee and 2.9% of the total transaction costs is paid directly to Braintree to cover all the credit card costs, including chargebacks and other various processing fees for a total of \$6.38. Ms. Hagan explained that part of the reason for the higher fees is because neither the Division of Parks nor the contractor knows the expected volume this application will generate. Staff will be reviewing the contract twice a year to audit the volume and credit card processing to ensure the fee is commensurate with the transaction volume.

Governor Sisolak stated he is concerned with the \$1.20 fee being so high.

Ms. Hagan stated that Staff will work with the Division of Parks and the Contractor to ensure that the mobile application is made very clear to the consumer that there is a \$1.20 fee, in addition to the \$5.00 park entrance fee.

Brian Sagert about marketing and advertising and asked if the fee will be posted and advertised at the parks.

Ms. Hagan stated that Staff will be working very closely with Viply and the Division on the advertising. Ms. Hagan explained that it is required, by credit card companies, that those fees must be made very clear up front to the consumer and that other payment options are noted with the credit card option.

Governor Sisolak asked if there was a projected charge back rate and if a consumer has their card charged without their consent and they make a call to dispute the charge, who is responsible for that charge.

Ms. Hagan stated that the state will not pay the chargeback rate of \$5.00. Ms. Hagan stated that Viply and Braintree are responsible for the fee, not the state. If a consumer disputes the charge, he or she would call Braintree directly to dispute the charge.

**Treasurer Conine moved to approve Agenda Item 5. Motion passed unanimously.**

**Agenda Item 6 – For discussion and possible action:** on the approval of the amended State Treasurer’s investment policy statement for the State General Fund Portfolio pursuant to NRS 355.045.

Governor Sisolak requested the Board take Agenda items 6 and 7 together.

Ms. Hagan noted that the primary purpose of the amendments to both the General Portfolio and Local Government Investment Portfolio (LGIP) is to modify the policies to incorporate the passage of Assembly Bill 34 (AB34) which was passed in the 2019 legislative session and signed by the Governor on May 23, 2019. She noted the last policy revision for the General Portfolio policy was in June 2012 and LGIP was in November 2015. Ms. Hagan reviewed the primary additions to the statutes as the result of the passage and approval of AB34.

No comments or questions from Board members on Item 6 or 7.

**Teresa Courier moved to approve Agenda Item 6 and 7. Motion passed unanimously**

**Agenda Item 7 – For discussion and possible action:** on the approval of the amended State Treasurer’s investment policy statement for the Local Investment Pool (LGIP) Portfolio pursuant to NRS 355.045.

Please see agenda item #6.

**Agenda Item 8** – **For discussion and possible action:** on the approval of to the State Treasurer’s quarterly investment report for the quarter ended June 30, 2019 pursuant to NRS 355.045.

Ms. Hagan provided the Board with the investment report for period ending June 30, 2019 for both the State’s General Portfolio and the LGIP. She noted the performance of both portfolios is in line with market expectations and is pleased to report that the interest distributed to state agencies via the General Portfolio for fiscal year 2019 is \$60 million which was nearly double the amount distributed in fiscal year 2018.

**Brian Sagert moved to approve Agenda Item 8. Motion passed unanimously.**

**Agenda Item 9** – **Public Comment**

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:29pm.