

**STATE BOARD OF FINANCE**  
**September 10, 2013**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Guinn Room  
101 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 9:01 A.M.

**Board members present:**

Governor Brian Sandoval - Carson City  
Treasurer Kate Marshall - Carson City  
Controller Kim Wallin - Carson City  
Steve Martin - Las Vegas  
Dave Funk - Carson City

**Others present:**

Mark Mathers, Chief Deputy Treasurer  
Lori Chatwood, Deputy Treasurer-Debt  
Pam Jurgensen, Deputy Treasurer-Investments  
Bart Patterson, President, Nevada State College  
Buster Neel, Senior Vice President, Nevada State College  
John Hill, Executive Director, Southern Nevada Regional Housing Authority  
David Heath, Chief Financial Officer – Housing Division, Department of Building and Industry  
Fred Eoff, Public Financial Management, Inc.  
John Patterson, JNA Consulting  
Kendra Follett, Sherman & Howard  
Alan Molasky, The Molasky Group  
Eric Novak, Praxis Consulting Group, LLC

**Agenda Item 1 – Public Comment:**

There was no public comment.

**Agenda Item 2 – For possible action - Approval of the Board of Finance minutes from the meeting held on June 11, 2013.**

Treasurer Marshall made a motion to approve the meeting minutes held on June 11, 2013. Dave Funk seconded the motion. Motion passed 4-0.

Board Member Steve Martin was not present for the vote on Agenda Item 2.

**Agenda Item 3 – For possible action – 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 Lyon County School District, Nevada Taxable/Tax-Exempt General Obligation (Limited Tax) Refunding Bonds, Series 2013B in the maximum aggregate principal amount of \$23,905,000.**

Lori Chatwood stated that the maximum guarantee amount for the Lyon County School District Refunding Bond under this issuance is \$23,905,000. Over \$21,000,000 of the \$23,905,000 is currently guaranteed by the School Fund.

Treasurer Marshall asked if the State Treasurer's Office had an assessment of how much money Lyon County will save by receiving the AAA rating. Lori Chatwood stated Lyon County is looking at approximately \$400,000 in savings.

Dave Funk made a motion to approve Agenda Item #3. Controller Wallin seconded the motion. Motion passed 5-0.

**Agenda Item 4 – For possible action - presentation on issuance of certificates of participation**

**A. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a state office building located within the Capitol Complex in Carson City known as Capitol Complex 1.**

**A. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement and related documents and providing other matters related to the proposed refinancing of a facility used as a detention facility for the State Department of Corrections.**

**C. For possible action – Discussion and possible action on a resolution approving the form of a lease purchase agreement, ground lease and related documents and providing other matters related to the proposed financing of the construction of a nursing/science/education building and a student activities/administration building for Nevada State College.**

Lori Chatwood stated that Attachments A and B pertain to refundings for existing buildings the State of Nevada currently has. Attachment C is for a new lease purchase project. The Lease Revenue Bonds are certificates of participation and are structured as a series of one-year renewable leases.

Attachment A is referred to alternatively as the Capital Complex Building 1, DCNR Conservation Building, and the Bryan Building. Under this proposed refunding, in 2017, the

State will be able to level out the Debt Service compared to the current annual 4% increases in the rent.

Attachment B is referred to as Casa Grande. The refunding for Casa Grande is a little less efficient in the market. The State Treasurer's Office would still like to receive approval in case the market improves.

Attachment C is the new Nevada State College Project. Bart Patterson stated that Nevada State College has approximately \$1,500,000 in lease payments which would be reapplied to the financing payments through the lease purchase. Nevada State College will be pledging Capital Improvement and General Improvement Fees which are already being collected to the project. There will also be a new student fee that will be imposed in 2015.

Treasurer Marshall asked the representatives from Nevada State College to talk more about the stabilization reserve. Buster Neel stated a stabilization reserve was being established in case there was any downturn throughout the term of the COP's. The account would ultimately be funded at 150% of annual debt service.

Dave Funk asked Nevada State College if they have a time limit on when they will have the stabilization account. Buster Neel stated Nevada State College believes in about five to six years they will have the account fully funded but there is no established time limit.

Governor Sandoval asked how the new buildings will affect the teaching and nursing programs. Bart Patterson stated a better campus will attract more teachers. One of the new programs that will be started will increase the number of nursing graduates over the next 5 years.

Governor Sandoval asked what the current number of enrollment is and what Nevada State College predicts it will grow to. Bart Patterson stated Nevada State College has approximately 3,400 students. Bart Patterson stated Nevada State College enrollment rates will probably spike 5% -10%.

Governor Sandoval asked if Nevada State College received student input on the \$150.00 semester fee. Bart Patterson stated that the feedback from the student surveys indicated a tremendous amount of support.

Governor Sandoval asked if there was going to be a student center. Bart Patterson stated that one of the buildings being financed will be a student center. Governor Sandoval asked if the students located in different buildings from different locations would now be at the new campus. Bart Patterson confirmed the students would be moved.

Dave Funk made a motion to approve the presentation on issuance of certificates of participation. Steve Martin seconded the motion. Motion passed 5-0.

**Agenda Item 5 – Discussion and possible action regarding the State Treasurer's quarterly investment report for the quarter ended June 30, 2013 and investment policies for General Portfolio and Local Government Investment Pool (LGIP).**

Mark Mathers stated the General Portfolio and the Local Government Investment Pool yields have remained the same.

Dave Funk made a motion to approve the State Treasurer's Quarterly Investment Report ended on June 30, 2013 and investment policies for General Portfolio and Local Government Investment Pool. Controller Wallin seconded the motion. Motion passed 5-0.

**Agenda Item 6 – Discussion and possible action on the Nevada Housing Division's request to approve the Findings of Fact pertaining to the issuance of up to \$15,000,000 of Nevada Housing Division Multi-Unit Housing Revenue Bonds (Agate Avenue Apartments), Series 2013B for the purpose of financing a 182-unit affordable apartment senior rental project in Las Vegas, Nevada. Approval of the Board of Finance is required pursuant to NRS 319.270(4).**

David Heath stated the \$15,000,000 Nevada Division Multi-Unit Housing Bond was for an apartment complex for senior citizens. The bonds would finance a 182-unit affordable housing complex located in Las Vegas, NV. All units will be age restricted at age 55 or over and income restricted to 50% - 60% of HUD area medium income.

Treasurer Marshall stated it has been a pleasure working with David Heath and company.

Dave Funk stated the wrong city was listed in the paperwork. Fred Eoff of PFM stated the buildings would be in an unincorporated area of Clark County near the city of Henderson.

Steve Martin asked how this Senior Citizen housing project affects the other Senior Citizen housing projects in the area. Alan Molasky stated that there is a need for affordable senior citizen living in the Clark County area. Lori Murphy stated the company's first project has a waiting list of 250 senior citizens and the second project has a waiting list of 300 senior citizens.

Controller Wallin asked if there would be transportation for the senior citizens. Alan Molasky stated there is a bus right on Las Vegas Boulevard that is approximately a quarter of a mile from the location of the housing units. Lori Murphy stated van transportation will also be provided.

Dave Funk asked if the senior citizens on the waiting list at Molasky's two different projects would be moved to the new project. Alan Molasky stated that is a possibility.

Governor Sandoval asked if the company tracked tenants who came from Nevada and who came from out of state. Lori Murphy stated there is a zip code analysis. Governor Sandoval asked if the waiting list was on a "first come first serve" basis. Lori Murphy stated the tenants have to income qualified first and then the process is based a first come, first serve basis.

Treasurer Marshall made a motion to approve the Nevada Housing Division's request to approve the findings of Fact pertaining to the issuance of up to \$15,000,000 of Nevada Housing division Multi-Unit Housing Revenue Bonds with the amendment of the location wording change from

Henderson, Nevada to Clark County, Nevada. Controller Wallin seconded the motion. Motion passed 5-0.

**Agenda Item 7 – For 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 \$11,500,000 of Nevada Housing Division Multi-Unit Housing Revenue Bonds (Landsman Gardens Apartments), Series 2013C for the purpose of financing a 100-unit affordable family rental project in Henderson, Nevada. Approval of the Board of Finance is required pursuant to NRS 319.270(4).**

David Heath stated this project is to update rehabilitate the Landsman Gardens apartment complex.

Steve Martin asked how much upgrading the company has to complete. John Hill stated the building is being completely remodeled. Steve Martin asked why the income level was shown at 30%. John Hill stated the expected average is 30% of income. Eric Novak of Praxis stated the restricted income will be up to 60% of median income levels.

Governor Sandoval asked if there was any kind of Nevada resident preference. John Hill stated there is a very large wait list but Nevada residence will have preference.

Treasurer Marshall made a motion to approve the Nevada Housing Division’s request to approve the Findings of Fact pertaining to the issuance of up to \$11,500,000 of Nevada Housing Division Multi-Unit Housing Revenue Bonds. Controller Wallin seconded the motion. Motion passed 5-0.

**Agenda Item 8 – Public Comment**

There were no additional Board comments or public comment.

Controller Wallin made a motion to adjourn the meeting. Treasurer Marshall seconded the motion. The motion passed 5-0.

There being no further business, the meeting was adjourned at 9:49 AM.