

**STATE BOARD OF FINANCE**  
**January 12, 2021 – 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 pm.

**Board members present:**

Governor Steve Sisolak – Carson City  
Treasurer Zach Conine – via telephone  
Controller Catherine Byrne – Carson City  
Teresa Courier – via telephone  
Brian Sagert – via telephone

**Others present:**

Tara Hagan:	Treasurer's Office
Brandee Mooneyhan:	Attorney General's Office
Lori Chatwood:	Treasurer's Office
Christi Fielding:	Churchill County School District
John Peterson:	JNL Consulting
Terry Reynolds:	Director, Business and Industry
Ryan Henry:	Sherman and Howard
Cornelius Nzume:	Eide Bailly
Brad Berls:	Eide Bailly

**Agenda Item 2 – Public Comment.**

No public comment in Carson City or Las Vegas. No written public comment.

**Agenda Item 3 – For discussion and possible action** – on the Board of Finance minutes from the meeting held on November 11, 2020.

**Controller Byrne moved to approve the minutes. Motion passed unanimously.**

**Agenda Item 4 – For 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 Churchill County School District, Nevada, General Obligation (Limited Tax) Refunding Bonds (PSF Guaranteed), Series 2021, in the aggregate principal amount not to exceed \$12,100,000.

Ms. Lori Chatwood presented this item. She confirmed the Guarantee Agreement requests an amount not to exceed \$12,100,000 for the issuance of the 2021 refunding bonds financed by the

Permanent School Fund Guarantee. She explained the refunding bonds are being issued to refund the District's bonds previously distributed in 2011 and 2019 for cost savings. The proceeds of the original bonds were utilized for District-wide capital improvements, such as a multiuse facility, remodeling at the high school, classroom upgrades, roof replacements, and technology upgrades. Refunding the previous issued bonds is estimated to result in a cash flow savings of approximately \$1,150,000 for the District over the life of the bonds. Approximately \$190,000 of these savings are attributable to the use of the Permanent School Fund Guarantee. The District anticipates the savings for the refunding will be used to fund improvement projects in its 5-year Capital Improvement Plan. She noted as of today, the District has \$21,575,000 of outstanding debt supported by the Program and should the Board approve this issuance, the District will be utilizing approximately \$28,750,666 of its \$40,000,000 capacity. Additionally, Ms. Chatwood explained with the approval of this issuance, the Program will be guaranteeing just over \$166,000,000 in bonds for State school districts, leaving approximately \$883,000,000 in capacity for future issuances.

Ms. Chatwood noted that the Executive Director of the Department of Taxation concluded Churchill County School District has the ability to make timely payments on the debt service and does not anticipate the need for the District to increase its current tax rate to ensure timely payments on the debt service. State Treasurer Zach Conine and Melanie Young (Executive Director of the Department of Taxation) respectfully request the Board's approval on the Permanent School Fund Guarantee Agreement.

Controller Byrne inquired about how far along the capital projects are and questioned if the bids have been completed and if the funding is contingent upon the projects.

The representative from the Churchill County School District, Comptroller Christi Fielding, confirmed the projects are completed.

Governor Sisolak further clarified the question by asking if projects that would be funded with this savings have been selected or funded.

Churchill County School District, Comptroller Christi Fielding explained there are three (3) major areas of concern that will be addressed with the savings that are generated from the bond refunding. The first is transportation needs. That would be both from an operational and a safety standpoint. She mentioned about 20% of bus vehicles are over 20 years old and other district vehicles are over 15 years old. They plan to use the savings to upgrade the buses and other School District transportation. Second is facility upkeep or unplanned maintenance issues. The third area they plan to focus the savings on is technology needs for modern learning. They are focused on one-to-one access given the schools are closed due to Covid-19. They have been replacing Chrome Books on a regular basis in large numbers because of their short life.

Controller Byrne thanked the representative. Governor Sisolak raised a question regarding the use of the bonds and questioned the District's ability to use these proceeds for operations versus capital improvement projects.

Ms. Lori Chatwood noted the revenue generated from the taxes is available to pay debt and that is where the savings will occur, therefore those taxes that do not have to be utilized to pay debt service could then be spent on other school needs, such as operational needs.

Governor Sisolak expressed his appreciation. There were no further comments or questions.

**Member Courier moved to approve Agenda Item 4. Motion passed unanimously.**

**Agenda Item 5 – Informational Item Regarding Issuance of Industrial Revenue Bonds for the Brightline/Xpress West High Speed, Inter-City Rail System Project**

Director Terry Reynolds from the Department of Business and Industry stated that in November of 2020, Brightline notified the Director's office that it would not be going forward with the sale of the industrial revenue bonds for Nevada and California. He stated shortly thereafter, the California Treasurer informed Brightline that the State would be reallocating the industrial revenue bonds previously slated for the Brightline project to bonds for affordable housing projects. California representatives noted that they do expect to revisit the project when market conditions are more favorable for the Brightline issuance. On December 8<sup>th</sup>, 2020, Nevada's private activity bond Advisory Committee recommended the \$200 million in previously issued private activity bonds be reallocated to Affordable Housing Division. Director Reynolds noted the motion that was carried during that meeting allocated \$183 million for multi-family housing projects and \$17 million to Nevada Rural Housing for its single-family mortgage assistance program. He stated the Advisory Committee extended the inducement letter for the project to December of 2021, leaving the door open to approve a similar request from Brightline in the future, should it apply again for industrial revenue bonds. Director Reynolds noted he is unsure whether Brightline will consider similar sales for the total amount or if the bonds will be sold in smaller tranches over two-years.

Treasurer Conine expressed his appreciation and thanked Director Reynolds, the rest of Business and Industry, and the Housing Division for their flexibility and willingness to continue looking for the highest and best use of the private activity bonds.

**This was not an action item and therefore did not require a vote of the members.**

**Agenda Item 6 – For discussion and possible action:** Review and approve the Fiscal Year 2020 Audited Financial Statement for the Local Government Investment Pool (LGIP) and approve its filing with the State Controller.

Chief Deputy Treasurer Tara Hagan requested that the Board review and approve Fiscal Year 2020 Audited Financial Statements for the LGIP. She stated the State Treasurer's investment policies require an independent outside audit each year which is currently under an audit contract with Eide Bailly, LLP. She mentioned the auditor issued an unqualified opinion which is the highest opinion and noted that the information provided by the Treasurer's Office was an accurate representation of the financial position of the LGIP.

Governor Sisolak asked if there is a limit on the amounts of the deposits.

Chief Deputy Treasurer Tara Hagan stated there is no limit as the Pool is meant to compete with a money market fund which without restrictions on monies in or out of the Fund. She noted there is no limit on the maximum amount LGIP members can invest in the Fund.

**Controller Byrne moved to approve Agenda Item 6. Motion passed unanimously.**

**Agenda Item 7 – For discussion and possible action:** (a) regarding the State Treasurer's quarterly investment report for the quarter ended September 30, 2020 and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

Chief Deputy Treasurer Tara Hagan presented the overview of the State Treasurer's quarterly investment report and referred to page 81 of the materials. She mentioned fixed income markets remained relatively unchanged from the prior quarter. She noted the Local Government Investment Pool (LGIP) as of September 30, 2020, had total assets under management of \$2.21 billion and the yield to maturity was 0.523% which is 38 basis points in excess of the benchmark yield of 0.14%. As of the same time period, the General Portfolio has assets under management of \$3.53 billion with the yield to maturity of 0.71% basis points. She stated that led to the ability to distribute interest in the amount of approximately \$12 million to State agencies for the first quarter of fiscal year 2021.

Treasurer Conine commented to congratulate his team for managing the investment needs given the circumstances during the pandemic. Governor Sisolak echoed the Treasurer's comment.

**Controller Byrne moved to approve Agenda Item 7. Motion passed unanimously.**

**Agenda Item 8 - Public Comment**

Treasurer Conine commented that Lori Chatwood, Deputy Treasurer - Debt Management is retiring after many years of State service. He expressed how grateful he is, and past State Treasurers have been, for her service to the State and the Office. He noted she has been a valuable asset for the State, and her expertise and dedication will be missed by all.

Public comment closed.

Meeting adjourned at 1:25 pm.