

**STATE BOARD OF FINANCE**

**June 14, 2022 – 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 – Las Vegas  
Treasurer Zach Conine – Las Vegas  
Controller Catherine Byrne – Carson City  
Teresa Courrier – via telephone  
Benjamin Edwards – excused

**Others present:**

Tara Hagan:	Treasurer’s Office
Ian Carr:	Attorney General’s Office
Steve Aichroth:	Nevada Housing Division
Michael Holliday:	Nevada Housing Division
Fred Eoff:	PFM

**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 May 10, 2022.

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

**Agenda Item 4 – For discussion and possible action:** on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$14,000,000 of Multi-Unit Housing Revenue Bonds (Rochelle Pines Apartments), for the purpose of the acquisition and rehabilitation of a 115-unit senior multifamily rental housing facility located in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Nevada H.A.N.D, Inc. and National Equity Fund, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Steven Aichroth presented the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$14,000,000 of Multi-Unit Housing Revenue Bonds for the Rochelle Pines Apartments. He noted these bonds will be used to provide for the acquisition and renovation of a currently affordable 115-unit senior property and noted Rochelle

Pines is in Central Las Vegas Valley. He noted all units in the complex are 2-bedroom, and 110 of them will serve the senior population at 50% area median income and under. Through this acquisition and renovation process, they can provide the same level of affordability for the next 30 years and provide increased energy conservation and improved quality of life for the residents.

Michael Holliday with the Housing Division discussed the financial structure. He explained it is a direct placement with Wells Fargo as the permanent lender and the tax credit equity is provided by the National Equity Fund. He noted that the issuance of \$14,000,000 in bond proceeds will generate \$9,480,000 in low-income federal housing tax credits. He noted this is the seventh project the developer has since 2015 and has created or preserved over 1,400 affordable units approved by the Board. He stated this project will create 65 construction jobs and employs 3 ½ full-time people at the project.

**Agenda Item 5 – 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.

Chief Deputy Tara Hagan presented the investment policy. She thanked Controller Bryne for pointing out non-material amendments. She noted that the amendments in the materials missed a strike out referenced on page 36 which is the removal of the reverse repurchase agreement under prohibited investments. She noted the primary purpose of the amendment is to modify the policy to prohibit investment in corporations that manufacture or sell assault-style weapons and to incorporate two changes from the 2021 Legislative session which are Assembly Bill 68 and Assembly Bill 338. She noted that Senate Bill 68 will allow an additional liquidity tool called the reverse repurchase agreement which is a simultaneous transaction in which the state will sell securities and obtain cash for a specified period of no more than 90 days. She noted Assembly Bill 338 allows a slight expansion in what can be purchased under the umbrella of foreign bonds and strikes the requirement to be publicly traded.

Treasurer Conine inquired about the changes in the foreign bond section which were modified to further mitigate risks in purchasing these securities which is more restrictive than statute.

Ms. Hagan referenced page 33 of the booklet noting the section reduces the aggregate par value from 10% of the portfolio down to 5% and decreases the issuer amount from 1% from 5%.

Governor Sisolak asked if they should put the definition of assault-style weapons in the language of the policy.

Treasurer Conine advised that they can add that language to the policy if needed.

Deputy Attorney General Ian Carr commented with regards to NRS 241. He stated this agenda item has been noticed as approval of an amended State Treasurer’s Investment Policy Statement and if the modification is suggested to incorporate a new definition may be a substantive change to the policy itself that may require this to be tabled and revisited at a later meeting.

General Counsel Kevin Benson with the Governor’s Office concurred with Mr. Carr’s opinion to ensure that there are no issues with the Open Meeting Law. He stated if the Board wants to revise the policy from what is being presented, they can revisit it at the next meeting. Alternatively, they can approve the policy and bring it back to add a definition to the amendment of the policy.

Governor Sisolak inquired what their opinion is on whether they should have a definition or not and noted the possibility of getting sued for not addressing how it is defined.

Mr. Benson stated he would defer to the Treasurer's counsel on the risk of a lawsuit or what the potential damages of that nature would be if assault-style weapon is not defined. He noted that the Treasurer mentioned he would interpret that as consistent with the 1990s assault weapon ban at the federal level. He stated he would be happy to work with counsel from the Treasurer's office in crafting a definition if the Board prefers to ensure the term is clear in the policy.

Mr. Carr concurred with Mr. Benson's comment to generate an acceptable definition to be re-noticed and agendaized for a future meeting. He noted a lack of a definition may expose the Board to liability.

Governor Sisolak advised this will become a more popular policy as several other states have done this and if a company says Nevada didn't define the term, then he prefers to define it in the policy.

Mr. Benson added that the conservative and safest approach would be to add a definition to the policy.

Controller Byrne agreed and noted that definitions are in the policy to prevent any ambiguity with other sections of the policy and would prefer to table the agenda item.

Governor Sisolak asked the Controller how she would feel about passing the item and bringing it back with a definition.

Controller Byrne stated she would prefer not to do that as she went over the policy with Ms. Hagan and determined more definitions need to be added to the list and consider acronyms.

Governor Sisolak asked staff to remove this item from the agenda and will put a hold on it to bring back for the next meeting. He inquired whether he needs a motion for this action.

Mr. Carr stated that no motion is necessary under NRS Chapter 241.

**Agenda Item 5 has been removed from the agenda and will be brought back at a later meeting.**

~~**Agenda Item 6- 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.~~

**Agenda Item 6 has been removed from the agenda and will be brought back at a later meeting.**

**Agenda Item 7- For discussion and possible action:** regarding the State Treasurer's quarterly investment report for the quarter ended March 31, 2022. Approval of the Board of Finance is required pursuant to NRS 355.045.

Ms. Hagan presented the investment report for the General Portfolio and the Local Government Investment Pool for the period ended March 31, 2022. She noted there was an increase in the federal

funds rate, and as of March 31, assets under management for LGIP were \$2.4 billion with a yield of 18 basis points. The General Portfolio assets under management were \$7.2 billion, and a yield at a little over 1%. She noted the interest that has been distributed for the first three quarters of the fiscal year that totaled \$27.6 million which is higher than the total from the fiscal year 2021.

Governor Sisolak commented what a great job and appreciated getting higher interest revenue returns for the State.

**Member Courier moved to approve Agenda Item 7. Motion passed unanimously.**

**Agenda Item 8- Public Comment**

No public comment in Carson City or Las Vegas.

Meeting adjourned at 1:17 pm.