

**THE BOARD OF TRUSTEES OF THE NEVADA EMPLOYEE SAVINGS
TRUST (NEST)**

TRANSCRIPT OF THE BOARD MEETING

May 21, 2025, 10:00am

Location:

Via videoconference at the following locations and on Teams

Old Assembly Chambers

Capitol Building

101 N. Carson Street, 2nd Floor

Carson City, NV 89701

Governor's Office Conference Room

Office of the Governor

1 Nevada Way, 4th Floor

Las Vegas, NV 89119

Board Members Present:

Chairman, Treasurer Zach Conine – Las Vegas

Lt. Governor Stavros Anthony – Carson City

Joe Caldera – Remote via Teams

Andy Kao – Las Vegas

William H. Palmer III – Carson City

Mary Beth Sewald – Remote via Teams

Others Present:

Lesley Mohlenkamp – Deputy Treasurer, State Treasurer's Office – Las Vegas

Nicole Ting – Deputy Attorney General, Nevada Attorney General's Office – Remote via Teams

Hunter Railey – Colorado Secure Savings Program – Remote via Teams

Courtney Eccles – Vestwell – Remote via Teams

Kay Cesarani – Meketa Investment Group – Remote via Teams

Paola Nealon – Meketa Investment Group – Remote via Teams

Mika Malone – Meketa Investment Group – Remote via Teams

Andrea Feirstein – AKF Consulting – Remote via Teams

Mark Chapleau – AKF Consulting – Remote via Teams

Michael Pelham – State Treasurer's Office – Las Vegas

Evelyn Castro – State Treasurer’s Office – Remote via Teams
Itzel Fausto – State Treasurer’s Office – Remote via Teams
Veronica Kilgore - State Treasurer’s Office – Remote via Teams
Kayla Slaughter – State Treasurer’s Office – Las Vegas
Travis Fosse – State Treasurer’s Office – Las Vegas
Caitlin Shea – Member of the Public – Remote via Teams

Treasurer Conine

Good morning everyone and welcome to this meeting of the Board of Trustees of the Nevada Employee Savings Trust for May 21st.
We will start with roll call.

Deputy Mohlenkamp

Treasure Conine?

Treasurer Conine

Good morning.

Deputy Mohlenkamp

Lieutenant Governor Anthony?
Mark as absent.

Deputy Mohlenkamp

Member Caldera?
Mark as absent.

Deputy Mohlenkamp

Member Kao?

Member Kao

Here.

Deputy Mohlenkamp

Member Palmer?

Member Palmer

Here.

Deputy Mohlenkamp

Member Sewald?

Member Sewald

Present.

Deputy Mohlenkamp

Ok, great, Treasurer, we do have a quorum.

Treasurer Conine

Thank you so much. We'll close roll call and move on to agenda number 2, public comment.

Comments from the public are invited at this time.

Do we have any Members of the public who would like to make a comment here in Las Vegas?

Hearing none.

Any Members of the public in Carson City would like to make public comment, Member Palmer?

Member Palmer

No other people here present other than staff.

Treasurer Conine

Alright, and any Members of the public online who would like to make public comment?

Ok, we will close our first period for public comment.

Move on to agenda item number 3 for discussion possible action Board review and approval of the minutes of the Board of trustees for the Nevada Employee Savings Trust meeting held on April 23rd, 2025.

Any comments from Board Members on the minutes?

Otherwise, we will take a motion to approve.

Member Sewald

Motion to approve the minutes.

Treasurer Conine

Thank you, Member Sewald.

Do we have any discussion on the motion?

Hearing none, all in favor, say Aye.

Member Sewald

Aye.

Member Kao

Aye.

Member Palmer

Aye.

Treasurer Conine

Aye.

Motion passes unanimously, thank you.

I'll move on to Agenda Item Number 4 for discussion.

Nevada Employee Savings Trust operations update with our special guest Courtney from

Vestwell State Savings.

And Member Caldera, are you, have you joined us online?

Member Caldera

Yeah, I am here, but my camera's not working.

Treasurer Conine

That is quite alright.

We will mark you as present.

Thank you so much Mr. Caldera, alright.

Deputy.

Deputy Mohlenkamp

Good morning Treasurer Conine and Members of the Board.

Lesley Mohlenkamp, Deputy Treasurer, the Financial Literacy and Security Division for the record.

I'm here today for Agenda Item Number 4 to provide a brief program update before we turn it over to Courtney.

Treasurer Conine

I'm so sorry.

I see a hand up, Heidi?

Heidi Sterner

Sorry, I clicked the wrong thing.

No questions at this time.

Thanks, sorry.

Treasurer Conine

Oh, you're good, alright, perfect.

Lesley, keep going.

Deputy Mohlenkamp

No problem.

Treasurer Conine

I was so excited we might have a public comment.

Alright, keep going.

Deputy Mohlenkamp

Very important.

So, I'm here today for Agenda Item Number 4 to provide a brief program update before we turn it over to Courtney Eccles from Vestwell to walk us through the Employee Portal experience and to give a few more updates on the progress Vestwell has been making with the program launch.

So, on page 42 of the PDF version of your revised reading packet.

And it's basically the first attachment for Agenda Item Number four.
You'll see a copy of the communications timeline that we provided at the last meeting, and we have a few updates to that timeline.
You're going to see in red, we have made a few updates based on current projected target dates.

Treasurer Conine

Hold on Members, we're going to get that up on the screen for everybody if we can.

Deputy Mohlenkamp

See if we can.

Michael Pelham

We're having mouse problems today.
Kayla, can you pull up...

Kayla Slaughter

Yeah.

Treasurer Conine

Take a one-minute recess just to get this IT thing sorted.
Sorry about that, one moment.
Alright, well, it's on page 42 of your PDF; so, we're having some technical issues right here.
But, if you can pull up the PDF, we're on page 42.
Deputy?

Deputy Mohlenkamp

Yes, yes.

Treasurer Conine

Ok.
Please continue, we're back in.

Deputy Mohlenkamp

So, you're gonna see on, that we provided a copy of the same communications timeline that we provided at the last meeting; but, we do have a couple updates.
You're gonna see that in red, on that page, we have made a few updates to the timeline based on you know, current projections.
So, the most important thing that we'd like to note on the changes here, is that the projected date for the website and portal to open, we want to point out that we had previously listed Thursday, June 5th as the target date and that has been adjusted just slightly to the following Monday, June, 9th.
Just to reflect a Monday start date and to allow a couple more days to ensure the website materials are in place.
So, it's just a slight adjustment; but, we wanted to point out because that's a very important date,

obviously.

We've also noted here that the Employer Registration Period will span from June 9th, to September 1st.

This is the period in which employers are required to register with the program and because the number of employers is at a manageable level to reach out to everybody at once, we will not have a second batch or a second registration period.

And that was originally reflected as an option in the last communication timeline that we provided.

So again, we are only going to have one period and that is from June 9th through September 1st, and that will be the period that's open for required Employer Registration.

So, because of this you will see that the employer and employee direct e-mail and letter notifications have been ingested on this timeline as well and before I hand it over to Courtney for her presentation because she's going to provide a little bit more details and updates on that, I am happy to answer any questions related to this revised communications timeline.

Treasurer Conine

Thank you Deputy.

Any questions on those minor adjustments or the communications timeline in general?

Nothing to approve there...

Deputy Mohlenkamp

Yep.

Treasurer Conine

Just wanted to make sure everybody was up to speed.

Deputy Mohlenkamp

Absolutely.

And, so, thank you.

We will now turn it over to Courtney Eccles from Vestwell for her update and presentation.

Courtney Eccles

Thank you Lesley.

Thank you Treasurer, Members of the Board.

So, hopefully, we'll get, we won't have any tech issues on my end.

I think I'm connected well enough to the internet.

So, let me pull up a couple of things for you.

So, the first, let's see...

Ok, sorry, you're about to see for a quick second, me sharing this screen.

But I'm gonna just hop over.

Can everybody see the slide deck?

Wonderful.

So, before I jump into just a quick demo of the saver experience, I know a few meetings ago ran

through the employer registration process and so today I wanted to give you all a sense of what a saver will see when they go into kind of, claim or set up their account online.

But, before that, I wanted to just touch on some of the high level points that I think build on what Lesley shared in terms of updates.

We are weeks away and have been working really closely with the Vestwell team alongside the treasurer's team and staff to really finalize all components of program implementation and prepare for launch.

So, some high level notes here I think, key is have worked with the team here at the Treasurer's Office alongside all the decisions you as a Board have made to finalize program design features, make sure we're reflecting those accurately on the website in the Employer Portal in the Save Portal and on all of the materials that are being prepared...the fact sheets, the registration checklist, the forms, all of those things.

We are in the process of moving forward on employer and saver communications so those have been finalized approved and are now in production so developing the letters the emails and the other notices that will be going out, as Lesley mentioned, in just a matter of weeks, to employers first and then obviously once an employer takes the action of registering and adds their employees, we begin the Saver Communications that are automatically sent out on behalf of the program.

And again, finalizing fact sheets for use by the state as well as materials that are going to be available on the website.

So, checklist and then a really robust Health Center that is available for employers all through the program website.

So, I think we mentioned June 9th, right.

So, keep your eyes out; it's going to be an exciting day in my mind.

That's one of the things that really brings the program to life in a way that's different and reflects all of the work that you all have done.

So, touching then right away on program website and portals, we are in the process of creating that core content, working alongside the Treasurer's Office Staff to make sure we've got the right reflection of Nevada specific program information, alongside the core content that we put together to ensure that employers and savers know what the program is, how it works, the timing for that registration window and then all of the different resources that are available to them.

And so, I have here a note we're going to run through the saver experience in a second.

Just know, it is an Oregon Saves demo.

But what you'll get is a feel for what an individual employee will see as they're going through the process of, kind of cleaning their account so to speak.

Real quick and I think I don't want to spend too much time on this but I think Lesley already touched on it in terms of the timeline, but as we look ahead to the launch schedule...

So, what I have here is the week of June 16th; but, that's really because that's when we're sending the first communication to employers.

That website will go live the week prior, and it's kind of nice to have it live and up so that we

make sure everything's good to go and ready and then those program open communications will go out the that first, the week of June 16th.

Excuse me.

After that, there's a cadence of communications that are going to be sent to employers prior to the close of that registration window on September 1st.

So, you can see they're kind of laid out there.

It's roughly, you know a month and a half, a month and about a week in advance of that date.

And we really use that, to sort of overall...the work we've done with states kind of see this as a cadence of employers get those early communications the ones who are excited take action, the ones who are like, oh great, I still have time.

We'll really start to see that employer activity closer to those notices that are maybe a week before the registration window closes and then there are two communications that come after September 1st, and I think we should expect to see a fair bit of employer engagement during that period, right after the registration window.

And it's just the reality of it, folks are going to see those, and say, yes, now it is finally time for me to take action, so, I think we should expect a lot of movement from the employer community here in the state, kind of the back half of August and the first half of September.

Last item I wanted to touch on before I jump into the quick demo is, employer data.

So, that's obviously key to our work to make sure that we're communicating with the appropriate population.

Working really closely with Michael on...we have a good data source from the state, doing some cleanup, comparing that and making sure we try to eliminate as many employers as possible that we know are already offering a qualified plan; but, we are very much on schedule to ingest the different employer records, create a record and a unique access code for those employers and then use that information for those first notices that will go out midway through June.

Treasurer Conine

Courtney, could you talk a little bit about the...or, maybe Michael, the entire employer pool who is exempt based on the information we have...kind of take the Board, if you will, through that process?

Michael Pelham

Sure, thank you.

Michael Pelham for the record.

So, I have been tasked with paring down our list of potential employers that are going to qualify for NEST.

You know, it's looking like employers that are you know, one thousand or more employees are going to be mostly exempt.

There's only a couple of those employers that land on our list.

And, yeah, we're working down, we're eliminating government agencies; local governments have landed on our list.

So, we're cleaning that...a lot of times, these large corporations will have different EINs for different portions of their business.

Perhaps their payroll department has an EIN, and maybe their employer, their employees are under another EIN.

So, so that's something that we're looking and cleaning the data to ensure that we're not going to reach out to somebody that, that we don't need to.

You know, that could potentially, send some red flags to people, that you know that, why are we contacting them when we don't need to; so, we don't want to do that.

But yeah, right now we're cleaning the data.

It's looking like we've got over 14,325 employee, employers, that are gonna qualify for NEST, and we're looking at nearly 500,000 employees that will qualify for NEST.

Treasurer Conine

Great, ok, I know that was a question that we'd had before Members; so, I wanted, now that we knew, I wanted to share it.

Any questions before Courtney continues?

Member Caldera

Yes, this is Member Caldera, for the record.

Can we clarify the registration window close on September 1st, and when does it reopen, if it closes?

And then just elaborate on the 1st and 2nd post registration notices on the 8th and 29th.

Courtney Eccles

Sure, I'm happy to take a stab at that.

This is Courtney Eccles for the record.

So, the focus really on that registration window and the point in time that we would like employers to take action is really based on the fact that, there's a requirement for participation if an employer isn't already offering a qualified plan.

And what we have seen across all of these state auto IRA programs, is that having that clear point of action and that clear, hey, the program is open...this is the period of time that you have to take action, register all of those things; that's what really drives the employer movement and the employer engagement.

So, it does not mean that after September 1st, the system shuts down and an employer is locked out for registering; what it means is that that is kind of that defining line of, this is what you need to do and this is the action you need to take prior to the close of the registration window in order to be compliant with the state requirement.

As I mentioned, right, and I'll talk about those two post registration notices...we see plenty of employers engage and take that action after the window closes and that's fine, right, at the end of the day I think what we all are looking for is employers to participate and do the right thing.

But you kind of need that point in time to give to give direction; so, those 2 communications that come after September 1st, they're really focused.

The message is, hey you missed the registration window, but it's not too late, take action now, get yourself signed up, add your employees and make sure you're in compliance with Nevada Law. And the second communication as you can see, one is about a week after the registration window, the registration period, and one is about a month after, and so both of those are really time that, you missed this...you need to make sure you're in compliance with state law; but, it's not too late to take action now.

Member Caldera

Wonderful, thank you for that clarification.

Courtney Eccles

Of course.

Treasurer Conine

Of course.

Member Kao.

Member Kao

This is Member Kao.

I have a question for your parties; so, September 1st this year is a Monday, it's Labor Day; will Vestwell's offices be open on that day if employers have questions?

Courtney Eccles

That's a great question.

We are not open on Labor Day, which is why we timed to have all the communications go in advance.

So, you'll see that these are not exactly one week prior to the deadline, in part, because we want to encourage employers to take action and do that work in the week prior.

So, we're aware that it's a holiday.

Sometimes, you know, end of month, or first day of the month also fall on a weekend, which you know, call centers are not open on Saturdays and Sundays for example.

All that being said, what it means for us is that we'll be prepared, for you know, higher volume in bleeding into that weekend for employers who are calling in and we'll also be prepared for high call volume starting, you know, Tuesday and the other thing I would say is, a lot of what we try to drive participants towards is use of the help center videos, tools, chat bot resources that we offer, all of which are live even if the call center is not open on Labor Day.

Member Kao

Thank you.

Treasurer Conine

Thank you Member.

Any additional questions from Members?

Courtney, please continue.

Courtney Eccles

Alright, so let me just switch over a tab here.

Hopefully that worked seamlessly for all of you.

So, what I'm showing you now is going to be the process of an employee, hopefully soon to be a saver, right, who is coming, who got their communication from the program that their employer has added them to the NEST Program and they're thinking, great, I want to, I'm not gonna wait to be, you know, auto-enrolled later, I want to kind of claim my account, set it up, and add my beneficiary, all that good stuff.

So, I'm gonna walk through this demo and am happy to answer questions along the way.

Being somewhat limited, because it's not a live QA environment, but, I think this is gonna really show you the flow of what it looks like.

So, you come to this welcome page, you can click that either right from the email, or right from the website depending on where a person has come, and the first thing they're gonna do is add the access code that they were given in their communication, just like employers, savers have a unique access code that is theirs.

Obviously, if you don't have a code, there's a different way that we can help find the account, but here, we happen to have it.

So, this just shows the four steps, right.

We're gonna retrieve the account for the individual.

They'll create their login to verify their identity and then set up their account preferences.

So, this first part, and I'll show you, usually put the last 4 digits, your birthday, go to next.

Great, I work at a tire store, we have found my generic employer for the day, and the reason I point this out is, for anybody who is also coming to the program site as an employee who wants to opt out, this is how they do it.

So, they don't have to go through a lot of work, I just wanted to call that out because I think it's important to understand there are going to be folks who opt out for any number of reasons.

So that, you know, they would just click this little opt out button here and go ahead; but for me, I want to set up my account; so, I'm going to hit next.

Great, we have identified in the system this employee account tied to an employer that added them.

So, the next thing I'm going to do is add my e-mail address.

This always makes me smile because our product team I think must really like Parks and Rec.

But anyway, I'll click, get started.

So that's the e-mail I'll be using to log in, and then I'm going to put in you know a password that I wanna use that obviously meets the pretty strong requirements we have which is really just about data security, and ensuring you know, that individuals have safe accounts.

So, I've added that in; I'll create my login.

And we do that first in part because that way if for some reason, the person kind of stops along the way, as they're going the rest of the enrollment they've already got a login.

So, when they come back they can just put in their password or their e-mail and password and

pick up right where they left off; so, that's why we do that set-up first.

Next, we're gonna verify identity, and this is because we run the, Know Your Customer process at a certain period of time; but, if someone is coming to claim their account, we actually have our Know Your Customer process through Plaid that can run in real time, which means if for some reason, an employer added inaccurate information by accident, or mistyped, you know, Social Security number or something like that, by an individual taking this action right here if we needed to, we could say, hey, we can't match you, take a picture of your driver's license or something like that and they get it all fixed in real time and don't have to follow up later.

It's a pretty slick system actually.

So, we'll do verify me, I fill out this information, right.

And then this is where we say hey, we're verifying your identity as part of our Federal requirements for Know Your Customer to open an IRA.

I'm going to go ahead put my phone number in, grab myself a verification code, while I'm doing that, I put in my birth date that matches a government issued ID.

Let's say I get my access code on my phone.

I type that in, click continue.

Name matching my government ID and then address, and again all of this is happening in real time to verify an identity.

So even if, the way our process works, you know, even if there's something that might be slightly misaligned, at the end of the day, the system is using all of the information, and if it's confident that we have the person here who they say they are, you are able to be matched, and you're verified right.

And again, as I mentioned, if for some reason something isn't aligned, it's a really nice system where as they're going through it you can upload an image or a photo or something in real time, so that you don't have to come back or fax information and things like that.

Alright, I have been verified, so now we get to the point where I'm going to set up my account.

So, you can see I'm pending right now; I'm probably still in my thirty day window, I'm at a 5% opt out rate.

I can change that, or I can go to next.

Oh, and here, we're going to look at my investment options, so, as you can see this is the default across all of the all the programs that are part of the partnership.

So, it's a current, the capital preservation fund for thirty days and then we say future, because that's sort of a way we found to really help folks understand, you got that thirty days in the Cat Pres (Capital Preservation Fund) and then it's gonna go into your target retirement option right.

And I can click change strategy and I can go in and I modify my percentages, I can modify them currently or for future, I can add another fund, right.

And you can pick funds here, or you just go back in a and cancel, back.

And then what I'm gonna do is just click next; because, I want to keep it as I have the default.

So, you can go in and do all of those things, or you don't have to and you just stay with the defaults that are part of the program.

In this case, we are offering up right off the bat for someone to add their beneficiaries, so much better I think as you all know, running other programs as well that having that beneficiary information right up top.

So, watching magically fill in the entire form in front of your eyes, but I've added that and you know you can always add another beneficiary or you can just go ahead down to next because you've got one.

This is where I've got access to the Program Description and Custodial Agreement that I know are coming up later on the agenda.

So, if I am not engaging in the system, those are automatically sent to me if I stay in the program on that thirty day when I'm officially enrolled and my IRA is open.

If I'm coming in to the Saver Portal and opening my account, I can just acknowledge, you know, receipt of these documents right here, and I can open them up, look at them, download them, all that good stuff.

And they're always available in my account, should I want to look at them later.

Alright, so this is kind of a review of where I'm at, my five percent.

I maintain the default savings options, I've added my beneficiary.

I didn't have any contingent beneficiaries, so I'm just gonna go ahead and finish my account setup and so then, this is the page that employees will see when they log-in, right, so you can see right now I don't have a balance, but when I do, that'll obviously be updated and reflected, they get to see their funds, they can see which employers they're connected to.

So, something that I think is kind of nice, is you know, as you know, I might be someone who's working multiple part time jobs, and I can be saving from one or both of those employers and I can see all of that in my account and then of course we've got activities, investments, transfers, all of those different things.

So, that was a lot, but hopefully, it just kind of hits at a high level of that flow and process that someone goes through when they're claiming their account.

Treasurer Conine

Thank you Courtney.

So, any questions from Members?

I thought that was pretty thorough.

Member Kao.

Member Kao

This is Andy Kao.

I have a question for you.

The scenario where the employer is assisting their employee in setting this up, how does that work for that verification process?

And secondly, you know, there's a sub-set of employees that don't have emails or phone numbers, how does that process work in that scenario?

Courtney Eccles

So, let me tackle the first one first, just to make sure I'm understanding.

So, an employer is going to add their list of eligible employees as part of their registration and then after that, the communications are going to be sent directly to employees.

I think in reality, there are probably cases where you may have an employer who sort of proactively says, hey you got this communication don't forget to sign up or engage but ultimately it will always be the individual who would set up their own individual account?

So, there isn't really a there isn't some sort of defined process for an employer to set up a savers account on that employee 's behalf, does that make sense?

Member Kao

It does, I think that's the technical answer, right, and then there's the reality answer where I'm gonna have a group of employees that, they don't know how to use the computer and it's, you know, as an employer, we're gonna help them through this process and make it work.

Courtney Eccles

Sure, so on that note actually, one thing that might be helpful because to your point, not everybody has a computer at home, right, but, the vast majority of people do have a cell phone and so for the Saver Experience in particular, I mean, all of the sites, the website, the Saver Portal and the Employer Portal are all mobile responsive.

But, this registration is something an individual employee could actually do on their phone and you know, you could take a picture on your phone if you needed to upload a picture of your driver's license, those sorts of things.

So, if an employer is giving their employee access, I don't think it would change anything about the experience.

It's just that if their employee may use the computer at the office to go through this enrollment. Ultimately, it's still the employee who will have to provide the information.

An employer frankly shouldn't be setting up, to this level, shouldn't be setting up an account on behalf of their of their worker, but I think the other thing to remember is, if you've got a situation where folks are a little less engaged, there's a reason it's an auto-enrollment program with defaults.

So those folks still will have the opportunity to save if they want to and have to do this in order to begin that process.

And then I guess, sorry, I don't wanna lose track of your second question which is we do ask for an employer to provide either an e-mail address or a phone number?

There are circumstances to your point where somebody may not have either of those and then usually what we say is, how do you as an employer communicate with your employees?

Right, if it's not the ability to text or call and it's also not the ability to email them, if it's you know, a hard copy, make sure we've got their address, because then we will send communications through hard copy letter.

Member Kao

So, they won't be able to go through that verification process without either e-mail or phone.

Courtney Eccles

We ask for that information and again in rare circumstances employers don't have something for either, most of the time we're seeing that employer has either an e-mail address or a phone number.

The verification we take into consideration a whole host of pieces of information about an individual, what, you know specifically, we have to have Social Security number, birthday, name, right and then address, phone number, email, those are all bits of information that the system can use to help try to verify an individual.

Member Kao

Got it.

So, sounds like it will work in some format.

Courtney Eccles

Yeah and if and if someone doesn't pass the Know Your Customer process, they'll get a communications that says, we need more information to verify who you are before we can open an IRA on your behalf, and then there's a whole set of information that can be provided.

And some of this is just under Federal Law, we have to ensure that we are doing our best before opening an IRA that we aren't have to opening it for the person who is being represented.

So, it's a kind of a process of using different data points.

Member Kao

Got it, thank you.

Courtney Eccles

Of course.

Oh yes, sorry, a question came in, I think from the chat about whether or not there is an app.

So, we do have an app, that is common for account holders to log into.

So, you can use that app, but it is an app that is intended to be used after you have created an account, right.

So, for Retirement Program, once an individual has gone through this process and created an account, yep, one hundred percent, they can download the Vestwell app that we have that allows them to log in and access their account at any point on their phone, but you would need to you would need to set up the account, right, you have to log in with that username and password.

Treasurer Conine

Of course.

And just as a reminder if I could, this is Zach Conine for the record.

Under meeting law and just general meeting things, if there are questions, generally from Members, let's answer them.

If there are questions in the chat, let's answer them offhand, or, if any Members would like to ask a question that is asked in the chat, please feel free to do that as well, just so we don't run afoul of anything unintentionally.

Member Caldera

Yeah. I just want to clarify for the record, obviously the employers are gonna be responsible for uploading the payment to the system.

I know on that slide you, it shows where the employee can actually link a bank account.

Will that link dissipate or will not be there in the event that we already have a bank on file?

Courtney Eccles

Oh, great question.

So, no.

In the Employee Portal, they always will have the ability to connect their own bank account to their IRA in addition to any contributions that might come through payroll deposit.

So, this particular setup and access that a saver has is to say, you know, yes I have 5% coming in from the restaurant that I work at but I'm really excited about this IRA and I would also like to contribute \$50.00 every month; so, I'm connecting my bank account and could set up a reoccurring payment.

Or, I've added my bank account so that should I ever take a withdrawal, I have a bank account on file that allows me to receive that withdrawal directly into my account as opposed to through paper check.

Those are the two reasons you'd have a, bank account access, yep.

Member Caldera

Thank you.

Treasurer Conine

Thank you Member Caldera.

Any additional questions from Members?

Member Palmer?

Member Palmer

Yeah, I have a question about the employers logging in and submitting information.

In Nevada, we have a lot of bartenders and wait staff that work multiple jobs that may qualify for the 120 days.

How is the information in the system and being seen on the website?

Let's say they have 3 different bars they work at or restaurants and that's all being put in.

How is that seen by both the employer and the employee?

Courtney Eccles

Sure, this is Courtney Eccles for the record.

So, let me try to tackle that and make sure I'm answering the question you're asking; so, stop me

if I go off on a on a different thread.

So, the way that this works if you've got an individual who is working multiple jobs, is they will always have a single account in the program.

I actually think that's one of the really nice advantages of this type of state administered IRA.

I may have contributions coming in from a variety of sources and I cannot keep track of an account that is tied to my, multiple employers.

So, for the employee side, once they've set up their account, when they actually log in they'll see each of their employer connections and can look and make sure, like hey, I've you know, the first restaurant I do want to contribute from that particular employer.

The second one, for whatever reason, I don't want to, so, I'm turning that to zero percent where I'm opting out from that employer perspective, and they can make those decisions for however many employers they're connected to, and that is continuous or, if I happen to move from one workplace to another, right, it doesn't change, I will always have that same account.

Touching on your question about 120 days and from and what an employer sees, my understanding and please correct me if I'm wrong, is that, that 120 day component is looking at each individual employer.

So, from the employer side, I may not know if my employee is also saving through some other avenue and that's fine, I don't need to know that in order to facilitate and make sure I'm filling my role as an employer.

So, I will look at, you know, my employees period of time with me and add them and make sure that I, you know, have everybody who's been there for at least 120 days and working, that I will add them when I add my employees as part of my either initial registration or my ongoing, you know, adding new hires as they become eligible.

Member Palmer

So, when they, the new employer has an eligible employee, when they log in, they're gonna enter the system as if they're completely unaware of any other employer.

It's like a brand new login and the system will automatically combine them?

Courtney Eccles

Yep.

Member Palmer

Is that the correct understanding?

Thank you?

Courtney Eccles

Yep.

That is...you said it much more succinctly than I did.

Treasurer Conine

Thank you Member Palmer.

If things don't work out for you in your shockingly successful private career, maybe Vestwell, a little backup?

Courtney Eccles

That's right.

Treasurer Conine

The...any other questions for Members?

Alright.

Please continue.

Courtney Eccles

That was actually everything I had.

I think, so, happy to send it right back to you Treasurer.

Treasurer Conine

Perfect.

Thank you Courtney.

Appreciate that.

One of the things that's been such a pleasure throughout this process is just seeing hopefully how seamless it seems for both employers and employees and then of course as we know once this thing gets out there, we're going to hear from hundreds of employers and probably thousands of employees on slight ways we can change it to make it better, as is always the case when you go live something like this; but, I appreciate everyone's diligence to the state.

With that I'll close Agenda Item Number 4 which was just for discussion and move on to Agenda Item Number 5, Board review and approval of the Nevada Employee Savings Trust program documents.

We'll start with the program agreement, then move into Custodial Agreement.

One kind of lead off before we get to Lesley; obviously, these are load bearing as we get closer to go live.

Appreciate everyone's diligence and work to date and hopefully we can continue moving forward so that we can hit all our timelines.

Deputy Mohlenkamp.

Deputy Mohlenkamp

OK.

Thank you.

Lesley Mohlenkamp, Deputy Treasurer, Financial Literacy and Security Division for the record.

Before you today is part of Agenda Item Number 5 is the program description and Custodial Agreement documents that are required to be in place prior to the NEST Program's launch.

As demonstrated by Courtney, they are absolutely part of the employee registering at that point. These documents are the standard, what I'm calling fine print documents that are given to an account holder upon being enrolled in the program.

With the launch of the program just weeks away, we have these documents here today for your ratification, as these are needed before the program can officially go live.

So, due to the short time frame to finalize the documents and more importantly to provide the expertise needed to ensure the documents are aligned with the NEST Program in Nevada Statute, we brought in AKF Consulting to review the program description, as this document incorporates many Nevada specific details.

And so we have here today, Mark Chapleau from AKF Consulting to provide an overview of the two documents, a very brief overview, and to go over the review that was conducted for those documents.

We also have Andrea Feirstein from AKF as well, for any additional questions, and so at this point in time, I will turn it over to mark to go over the documents.

Mark Chapleau

Thank you for the opportunity to join you today.

The Treasurer's office asked us if we could discuss the Program Description and Custodial Agreement; so, I'll start with the program description.

The program description is designed to provide participants with material information about the program required by the NEST Act and the Federal Securities Laws.

It's based on a format that's used in other state facilitated Retirement Plans.

And it covers key topics, that are that are common to the program.

The auto enrollment nature of the program, how to opt out, employee eligibility and enrollment, the default contribution rate, the default investment option, how to change the default rate and option, how to make contributions and withdrawals, account maintenance fees and expenses, the investment options, program and investment risks, and importantly, cross references to the Custodial Agreement and Disclosure Statement.

Are there any questions?

Treasurer Conine

Any questions on that layout from Mark?

Member Caldera

This is a Member Caldera.

I did want to just clarify and maybe Lesley, if you want to table this to maybe later in the meeting, because I did submit some questions that I'm hoping that we can get answers to in regards to, first of all the automatic enrollment.

In the agreement, it does specify that if you're hired after your, after the employer's registered in the program, the employer will enroll you no later than 120 days following your hire date, and I just want it to just get clarity on the actual, when to, when will that automatic enrollment take place if the employee doesn't do, doesn't register, or you don't log-in to make an election?

Deputy Mohlenkamp

Lesley Mohlenkamp for the record.

I think, I may actually have Courtney speak to this a little bit more just simply because it is part of the way that the system and the workflow goes.

But, as in terms of the 120 day period, that is a maximum, right, so, anytime before that, an employee can elect to you know become part of the program.

So, I think Courtney, I'm gonna go ahead and have her describe it a little bit.

We have been in discussion to clarify that matter.

Courtney Eccles

Sure, happy to.

This is Courtney Eccles for the record.

So, I guess two pieces, right.

There's the when employer adds an employee, and that 120 day period, and then there's the when does the employee get these materials?

And so, for the 120 days, this is actually a language that a number of states have as part of their Statute.

And in practice, what I think states have tried to do is strike the balance of appreciating that, that 120 day language that that employee that isn't eligible or doesn't have to be added by an employer until they've worked there for a period of time.

The intent is to ensure that employer might have, you know, seasonal employees or short term folks or high turnover, isn't constantly adding people who are only there for fifteen days or thirty days or only working two months of the summer.

And then what we see in practice is, that is absolutely the case for many employers.

But, what we also see is employers who say, why hire this individual, they're gonna be here a while, do I have to, can I only add them after 120 days?

And, so, this kind of allows them, this allows employers the flexibility to say, if somebody has worked 120 days, then I clearly do need to add them, if I have an onBoarding period for my workers and after that thirty day period, great, they're in, I would like to add them then, they can do so.

If an employer says, you know, what works best and my schedule is each time I come in and I submit my contribution file, I just wanna go ahead and add the new the new employee who

started this week, they can do that as well.

So, I think it's really trying to strike the right balance of giving employers that full 120 days to take, to wait before adding an employee, but, acknowledging that employers in their practice may actually find it easier to add someone prior to that time.

So, hopefully that addresses the first part of your question and then if the second part is related to when they get these documents, that comes once an employer has added that individual, we have then, that employee record, and that's what starts that cadence of communications to employees, so that at the latest, they will automatically get their Program Description and Custodial Document when they are auto enrolled after the thirty day opt out window, or, they'll go through the process that I just went through, you know, whatever day it is that they decide they want to go in and engage online, and that's when they would be able to confirm, yes, I'm receiving this PDB and this Custodial Document.

Thanks a lot.

I hope that touched on your question.

Member Caldera

Well, I want like to be a little clear.

So, let's say the employer adds me on the 100th day, so, before 120 days, at what point as the employee, will I see this auto deduction take place?

What's the timeline for that auto deduction to take place?

Courtney Eccles

Sure.

So, I think the way to view it is in 2 different steps.

I as an employer have up to 120 days to add you.

In your example, I've added this employee on day 100 of their employment.

When that employee is added is what starts the 30 day clock.

So, I have added that employee, then they get their day one, hey, you've been added to communication and that kicks off the thirty day window where they can choose to opt out, make changes, any of those sorts of things and then on day 30 of that window, if they've taken no action, they will get these documents and thereafter, they, in the system, are eligible to receive their payroll contributions and the first dollars will come in whenever that employer runs their next payroll based on that employer 's payroll schedule.

Treasurer Conine

So, thirty days, plus a payroll schedule from when the employer does something.

Courtney Eccles

Correct.

Treasurer Conine

Ok.

Member Caldera

Great, thank you so much.

Treasurer Conine

Yeah, great question Member Caldera.

We'll go to Member Kao and then Member Palmer.

Member Kao

I have a follow up on the same segment for automatic enrollment.

So, our state defines Covered Employee as someone who is employed by a Covered Employer for not less than 120 days.

So, they don't become a cover employee until after 120 days.

So, in this scenario, like what Member Caldera said, but, if they were added on day eighty, and it triggers a thirty day window, that brings it up to 110 days.

Does that start their deduction process?

Because, they're not a Covered Employee yet, at 110 days.

Deputy Mohlenkamp

Lesley Mohlenkamp for the record.

I might be able to clarify that.

An employee, any employee in the entire state, can actually join this program at any point in time.

So, it doesn't preclude them if they join on day two, or five, or, you know, 110.

So, there's no issues with that.

It's really when the program starts to pursue compliance and mandates, is really where we hit the 120 day mark.

So, in that case, if an employee actually started before that 120 days, it's absolutely Ok by law.

Member Kao

Got it.

Ok.

Thank you.

Deputy Mohlenkamp

Yeah.

Member Caldera

Yeah, Member Kao.

I just want to, because I don't wanna create confusion, the way that it reads on this agreement is that the employer will enroll, no later than 120 days.

So, to Lesley's point, is that, I think that, that's the 120 days is something that, is sort of the, it's not that they're a Covered Employee at 120 days; it's no later than 120 days.

Treasurer Conine

And I think Member Kao was reading from the Statute, originally.

Yeah, that was statutory language.

So we're just getting the clarification there between what the program does and what the Statute requires, right.

Obviously the program can do more than the Statute requires, as long as it doesn't require it.

That was Zach Conine, just for, I think we'll be alright.

Member Palmer.

Member Palmer

I had the same question, but anyway we can change the definition of Covered Employee in that first key definition to match what it's saying an eligible employee?

Because it's contradictory.

Treasurer Conine

And I'm sorry Member, you're in the program description, the definitions at the front.

Member Palmer

Yeah, it says Key Definitions, Employees Covered means any individual, 18 years or older who's employed for not less than 120 days, if you go two pages over to Eligible Employees saying if you are a Covered Employee, and then it goes into that subject, it creates a contradiction.

Courtney Eccles

I guess the thing I would say sort of comes back to, sorry...

Courtney Eccles for the record.

It sort of goes back to trying to strike that balance of having the 120 day BM marker where they have to be added by that point, because at that point, they are a Covered Employee.

But, what Lesley shared, is that they can be added sooner, they can participate earlier than that and I think to me, I guess, maybe the best way to say it is, this sort of the difference between ensuring you're aligned with Statute, but providing that operational flexibility where you can, because I will say that if the requirement for an employer is that they are, they can only track at 120 days or later, that's just one more thing that an employer has to come and track and do; so, by giving that flexibility of, the employee can be added up to, you know, anytime prior to, but must be added when they are that Covered Employee, I think that's what tries to create the flexibility.

Member Palmer

Can we avoid ambiguity and get that in writing?

Deputy Mohlenkamp

Lesley Mohlenkamp for the record.

We could absolutely do that as a follow up after the meeting, yes.

And have that as part of the record.

Treasurer Conine

Member Palmer.

Member Palmer

I'm fine with that.

Treasurer Conine

Feel alright there.

Want more?

You good?

Thank you Member Palmer.

And please, for the record, if we could add that Lieutenant Governor has joined us prior to this item, welcome LG.

Any additional questions from Members or Mark, additional notes you want to give on the first of the two documents?

Mark Chapleau

No, that's what I had, but go ahead.

Treasurer Conine

Ok, Member Caldera, Member Palmer.

Go, start talking.

Let's go with Member Palmer first this time, shake it up a little bit.

Member Palmer

Yeah, I have eleven pages of discrepancies.

Treasurer Conine

Ok.

Member Palmer

In this document.

Should I do that now or should we table that?

Treasurer Conine

I think probably for, why, I guess the question is, Member and maybe we need to go through those; but, are the, when you say discrepancies, is that just, obviously the lawyers in the room didn't have eleven pages of discrepancies.

Is that discrepancy between the program description and the Statute discrepancies between... Help me understand what discrepancies are and that way we can make a path here.

Member Palmer

Sure, I got one where opening an account instead of doing \$500.00, they can do \$5.00, but, it doesn't say how long and if they're being charged \$6.50 a quarter it doesn't state when that \$6.50 will be charged.

So, theoretically they could do \$10.00 and set up reoccurring and canceling it.

There's no mention of that.

We don't cover work visas.

We have some parts where it specifically says IRAs and contributions and then it's not defined on contributions versus eligible deductions.

What happens, multiple employers over 10%.

Rollovers are subject to a \$5.00 fee, a \$50.00 fee but if they just send it to their bank account they can do a sixty day rollover and avoid that \$50.00; so, that needs to be addressed.

According with the \$10.00 annual statement and the \$10.00 Quarterly statements; which one is it?

Is it \$20.00 in total?

Why no midcap?

Paper statements, why age 65 and not 67 which is Social Security age, such and so forth.

Treasurer Conine

Ok, thank you Member Palmer.

That is helpful and I think with those we are going to have to deal with those, prior to taking action on this item.

That was all on the program description, correct?

Deputy Mohlenkamp

Yes.

Mark Chapleau

Correct.

Member Palmer

Yeah, the first section of the NEST document under Section 5 and then also when...

Are we covering the part of account opening yet or is that later?

Treasurer Conine

We have not gotten into the Custodial Agreement.

Member Palmer

Ok, then I'll wait.

Treasurer Conine

Ok, but I guess, let me ask that question then, because we are in Agenda Item Number 5 and look, the Custodial Agreement, are your comments of a similar nature?

Member Palmer

Yeah, for the first part in Section 5 that says NEST Nevada Employee Savings Trust Program, I was referring to that document.

Treasurer Conine

Ok.

Give me just one second.

Let's take a brief one minute recess here.

Do we have a Deputy Attorney General on the line?

Deputy Attorney General Ting

Yes, you do.

Hi, treasurer.

How are you?

Treasurer Conine

Hi, DAG Ting.

How are you?

Deputy Attorney General Ting

I'm doing good.

Treasurer Conine

You look like a tranquil lake, which I think is necessary right now.

So I think we've got some, it's more of a mechanical open meeting law question.

I think we've got some relatively substantive questions that we need to answer.

I Don't know that we can answer all of those, in real time, with the most effective thing here to be tabling 5 and 6 and then picking this up in an emergency meeting in a week or 2; or, is there a better way here that could be helpful?

Deputy Attorney General Ting

I think your suggestion is right on point here.

I think that we can, you know, I don't want to, kind of, like off the fly here, make some sort of decision.

Treasurer Conine

Yep, Ok.

Deputy Attorney General Ting

So, I'd like to look into it further.

I think an emergency meeting as long as we have a quorum there, then I think we can dig into these deeper and have a better answer.

Treasurer Conine

Ok, I think that would be useful.

Can I ask, Deputy Attorney General Ting, keep me out of jail here, would it be Ok if all of the Members submitted their questions?

It sounds like Member Palmer got some pretty extensive notes, which I appreciate Member Palmer.

Could they all submit those, we add those to the record for this meeting and then address them in a subsequent meeting?

Deputy Attorney General Ting

Yes, yes, I think that works, yes.

Treasurer Conine

Ok, perfect alright.

So, with that, let's thank you Members if you could, get those any questions in writing to staff as soon as humanly possible and we'll work to schedule a meeting.

With that table agenda at number 5 for now.

On agenda item number 6, for discussion in public life, I know we also have some questions here; but, we also have Meketa; so, I'd like Meketa if they could please to present as they were planning to on the investment policy side and then to the extent that we have questions, that they can answer in the room, great, to the extent we have questions they can't answer in the room, let us please, we will take those in the same fashion and then deal with them in the same next meeting.

Kay, if you could introduce yourself and take it away.

Kay Cesarani

Great. Thank you.

It's nice to be here today and I'm actually gonna hand it off to Mika, but just to get started, I'm Kay Cesarani and I work at Meketa Investment Group.

For the last 18 years and have been in the business for about thirty and two of my colleagues are here with me today and we're excited to be here, so I'll hand it off to you, Mika.

Mika Malone

Great, thanks so much.

Mika Malone, for the record also with Meketa.

I'm based out of Portland along with Kay and Paula Nealon.

And, just as a by way of brief introduction, and Kay will pull up our document here in a moment; in terms of the ask here, staff drafted an investment policy statement.

This is one of the items that you need in order to move forward with your new program.

Meketa was asked to review that document, provide recommended edits and changes.

To provide a little bit of context, we do work with several other auto IRA programs in the US, so with Cal Savers with Maine, we've seen a lot of these documents.

We tried to provide some feedback around that.

In our opinion, and just as a reminder to the group, the investment policy statement is intended to provide you the ability and the framework to govern this program from an investment perspective over time.

So it outlines a number of sections.

I'll walk through those in a moment.

But importantly, and what you see at the bottom of this introductory slide here, an investment policy statement is a dynamic document that is intended to be adopted and then modified as needed over time.

So, what I would encourage the group to think about as you look to move forward today is to potentially move forward with adoption to understand that six months from now, maybe it's three months from now, or maybe it's every year when you review this formally, you should expect that small or in some cases more meaningful changes will be needed to reflect the nature of the governance of this program over time.

So, I just wanted to lay that out because there is a lot up in the air.

You've already had a lot of conversation today around what this program will look like, what the partnership looks like between Nevada, Colorado and the other partners within this program.

So, this document, tries to address as much of what we know today, but again, I would encourage the group to remember that that doesn't necessarily mean we won't learn new things tomorrow that you'll want to incorporate into this living document.

A couple of things, in terms of the framework...

Thank you, Kay.

We've divided the investment policy statement into twelve sections.

So, some of these sections I think are very straightforward; they lay out the authority for the program, the description of what the program is, what the purpose of the policy is, and then we

move into some of the sections that my colleague Paola will walk through in more detail in just a moment or two, which are around things like the objectives, roles and responsibilities, and what those investment options are.

I wanted to make a couple of comments though, at the outset here, which is when we're thinking about the investments of this program, you are, because you're part of a partnership where the investment lineup has already been determined, and is out there on offer, when you move into this program, that consolidated simple lineup of investment options is what will be available. So we focus this document in how you will monitor and manage the inclusion of those investments.

Again, that doesn't mean that at some point in the future those investment options would not be adjusted and there is a process for that as well.

So, thinking about what that looks like and Kay, if you just kind of flip to the next slide here, thank you.

We have a section related to reviewing the funds that are in the partner program, the process by which this group can bring potential questions or potential additions or deletions from that investment line up.

But, I will make just one broad comment and the scope here is pretty narrow with Meketa assisting in this investment policy review, but, given our knowledge of other programs, I will note, that the goals of these programs across the country that we have seen, knowing what we know about investor behavior, is to have a very small and simple lineup, right, where costs are really taken into account, where you have a limited number of options.

And so I just wanted to provide a little bit of comfort that your lineup looks like what we consider a best in class program would, which is keeping things relatively simple. And then outlining your policy to monitor those.

The last sections of the IPS, Conflicts of Interest and Statutory and Regulatory Requirements. These are again just meant to ensure that all of the appropriate parties are involved, where they need to be.

But with that intro, perhaps I'll turn it over to Paola to just highlight a couple of these sections in a little bit more detail.

Paola Nealon

Great, thank you, Mika.

Good morning Board Members.

For the record, Paula Nealon with Meketa investment.

Kay, maybe we can we can jump to page two of the IPS?

Essentially, this sort of the table of content kind of covers and outlines the twelve covered sections, as well as the Appendix.

Appendix one is the, will be the identified option line up as it exists today.

But a few sections we thought worth highlighting, if we could jump to Section five, which is the roles and responsibilities found on page four of the IPS document.

And essentially it's a couple of pages, but what this what this section really lays out are the duties applicable to not just the Board Members, but program staff as well as investment consultants, it retained the initial PDR lead state and the program manager.

Some responsibilities are specific to only the Board.

So, in the case of establishment of the partnership program or the IPS that we're looking to adopt today, that is something coming from the Board, that is a Board decision, but then there are other elements that have overlapping responsibilities, particularly with program staff and an investment consultant, if one were retained, and that has to do with things like monitoring the selection of the funds and then reviewing the performance of the options.

So again, each of these groups have a fiduciary duty with certain bullet points outlined.

These are, you know, these are the critical components, but certainly the document allows for flexibility, as Mika said to make changes moving forward.

I am going to take a pause right there as it relates to the roles and responsibilities.

My goal, just kind of given the time constraint and the document set forth, I wasn't going to go line item by line item, but I am happy to address any questions as it relates to this section and if not, I'm happy to move on.

Treasurer Conine

Thank you.

Members, any questions as it relates to that section?

Member Caldera

Yes, this is Member Caldera.

In regards to the roles and responsibilities of the Board, one of the task's is to monitor the specific funds.

And I understand that obviously we're part of a group of other states than which there might be this PDR lead state or state lead, if you will.

We haven't, I guess if we were to move forward with this IP, I wanted to better understand the mechanism in which that our Board, the NEST Board will be able to receive some type of quarterly report in terms of fulfilling the duties, responsibilities of monitoring these specific funds.

And I assume, and maybe Lesley, you can help.

I know we had a conversation about this.

Were we able to get some clarity in regards to that?

Deputy Treasurer Mohlenkamp

Yes, this is Lesley Mohlenkamp for the record.

So really, today's intention is to obviously look at the investment policy statement so that it creates the framework, you know to manage that, but in as far as moving forward, it will be a Board decision whether or not it brings on an investment consultant.

Contracts for an annual basis or on project by project basis, so we will have access to be able to utilize any consultant that the Board would feel is appropriate.

Or, also maximize the partnership that we're in, because there is an investment consultant that is part of the lead state and we would also be able to do that same type of setup with that particular consultant as well.

So, in terms of the performance, obviously there's gonna be no activity until after the program launches in July.

So, if we were looking at the very first quarter, that would happen in September and October, so that would allow for the time to be able to have that Board decision made likely in July.

Member Caldera

Yeah, I serve as a 338 fiduciary on the investment monitoring and other capacities, and I think it'd be helpful to and this is just my opinion, to work with the lead state if there is an investment consultant, I don't think, and we're all in the same investments across multiple states.

I would recommend that we would just utilize that investment consultant, so that the Board can stay consistent.

Ultimately, we're not selecting the investments individually, 'cause we're part of a group that Vestwell has provided for us, but I think as a voice and in terms of recommending certain things, certain investments going forward, I think it'd be, maybe we'll get more clarity as we work with this investment consultant and the Board will have the ability to carry out its duties through this, and follow this IPS.

That was my main concern.

Was that, we're able to adhere to the IPS.

Deputy Treasurer Mohlenkamp

Lesley Mohlenkamp for the record.

Yes, the IPS would account for whatever scenario on investment consultant that the Board chose to pursue.

Member Caldera

Thank you.

Treasurer Conine

Thank you Member.

Any additional questions on this section?

Hearing on...

Member Caldera

Member Palmer...I do.

Treasurer Conine

Member Palmer, please.

Member Palmer

Two things for clarifying under the roles; the second one, could we, so we are in compliance with the IPS to establishing, modifying and maintaining, that way in our IPS it states that we are able to modify this IPS and can we also add an additional power to the Board by giving us the ability to advocate for changes as shown in Section 8, so that way the powers of the Board are defined?

Deputy Treasurer Mohlenkamp

Lesley Mohlenkamp for the record.

Yes, I think and in terms of the Board motion, you know, if the Board were to approve this today, it could approve it with any adjustments that were made today, I believe, as part of the motion. So, certainly we could include that if this gets moved to a different meeting and again I would you know defer to the Attorney General 's Office.

But, if my understanding is if we move to an additional meeting, that would actually be part of the changes you would see.

Member Palmer

Thank you.

Treasurer Conine

So, one way or another Member Palmer, we will get there.

Any additional comments from the Board now?

Otherwise, I'll turn it back to Paola.

Paola Nealon

Great, thank you.

So, moving another section that is worth highlighting is Section Six, which is the investment options and it's really sections six, seven, eight and nine that I really wanted to draw your attention.

That starts on page six and essentially what the, what this section takes into account is it provides the detail of the default investment option, and then the mechanics behind it.

So again, this is where we are hoping that the bulk of assets will reside in the default investment option, and as you know, this really just lays out the mechanisms in terms of, once the contribution is received by the saver or participant, the first thirty days will go into a capital

preservation fund.

In this case, it's a State Street money market fund.

After thirty days is when it goes into the target date fund most aligned with your retirement age. That's of course, if the participant chooses not to do anything, the participant is allowed to make changes accordingly and other investment options are offered and detailed in the document.

But again, the, if we move on to Section Seven, so you know, I know the Board and everyone is aware that the options as they are laid out today, is, you know, is what will be accepted and be used for the state of Nevada if the IPS gets approved, but in the future there will be opportunities to make future changes.

Section Seven just really kind of focuses on how the funds are reviewed initially.

And then Section Eight really goes over the criteria used in the evaluation of these fund options, both from a qualitative standpoint as well as quantitative.

And then finally, the last section that I wanted to point out is Section Nine, which lays out how the Board goes about making changes to the existing lineup.

So, the Board may determine that a that a replacement option is warranted, or maybe feels that an additional option might be beneficial to the savers, and there is a process in place to effect that.

So, the Board would have an opportunity to present its findings to the Chair of the partnership program.

I think it's important to note that, you know, the partners do have a voice as we move forward.

Mika Malone

And Paola, may I make one additional comment at this juncture?

I just, and I should have made this comment at the outset for the full Board.

Treasurer Conine

Sorry please identify yourself for the record, thank you.

Mika Malone

Sorry, thank you.

This is Mika Malone with Meketa for the record.

What I wanted to add here was just that this document in its creation, there are some requirements that it aligns with the structure of the investment policy statement that was created by Colorado as the original lead state.

And I just wanted to highlight that in terms of structure and inclusion, so a variety of policy statements were reviewed by your staff and by Meketa to ensure consistency with that lead state.

So, I did want to provide that additional context as well.

Treasurer Conine

Thank you.

Member Caldera

Treasurer.

Treasurer Conine

Please go ahead Member Caldera.

Member Caldera

Well, I wanted to get clarity because in this IPS, it does limit the, a maximum of no more than three investments and I wasn't clear as to why that is in this IP?

Paola Nealon

So that is a great question.

It is my understanding that that is a Colorado Statute and as Mika just mentioned, you know one of the conditions in joining the partnership program is that this IPS looked very similar in nature. Obviously not, you know, and respecting any kind of Nevada regulations.

But, I will turn it over maybe to staff if they have any kind of additional comments that they might want to respond to.

Deputy Treasurer Mohlenkamp

Yes, Lesley Mohlenkamp for the record.

That is correct.

This models the requirements in our Interstate adherence agreement, the state of Nevada in joining the partnership or I'm sorry the NEST program, in joining the partnership is required to have a similar substantially similar investment policy statement that also includes those investment line up.

What you're seeing right here reflects what the partnership currently has in place; however, as part of the Interstate adherence agreement in joining that partnership, the Board does have a say in making changes to that lineup in the future.

So, as part of this review, Meketa Investment Consultants took a look at the existing lineup and then you know provided the input that this is a sufficient lineup, you know, in terms of that review.

But again, this just simply mirrors the lead states investment selection.

Member Caldera

Yeah, Member Caldera here.

I'm not questioning the lineup, I'm just questioning if that language, specifically, no more than three investments.

Managers as investment options, if that can be eliminated or are we saying that the investment policy statement is not gonna allow more than three investment managers as opposed to that the participant, you know, is not able, they can select all five if they wanted to.

But, let me just read this.

The program enables NEST participants to direct plan account balances among one or more investment options, but limited to no more than three investment managers.

So, in the way I read that, is that if we have six investment, you know, options, I could only as an employee, only select three.

If that's the case, I would like to see if that can be removed just to avoid confusion, you know, down the road.

Treasurer Conine

Miss Malone?

Mika Malone

Thank you.

This is Mika Malone for the record.

I believe that, as Paola highlighted, that restriction is part of Colorado's Statute and the origin of the program.

However, we have some questions around the language with manager, as you noted from my read, there is just two managers that are currently utilized in the program, State Street and BlackRock.

So, if you think of them in terms of investment managers, there aren't more than three to have to worry about.

If it's investment options, which I believe is where the restriction is that; so, I couldn't say as an individual, invest in a target date 2040 fund and a target date 2050 fund and also more than one other additional option, I believe that is the restriction that's in place.

I think that in order to change that.

The state of Nevada, the NEST program would need to use that language we have in another section of this IPS to propose to Colorado a potential change be considered.

So, I don't know if we can remove that language today.

But we have flagged this for Hunter over at Colorado.

I'm not sure if he is on the line as well, but it is something for maybe potential future discussion.

Treasurer Conine

Yes.

It looks like hunter 's about to chime in.

So hunter, I'm gonna pass it to you in just a second.

But, on behalf of myself, the Lieutenant Governor and the other 3.2 or so million people in the

state, it is Ne-vah-dah.

Please, please, Nevada, ah, ah, not ahh.

Thank you.

Hunter, from the great state of Colorado.

Hunter Railey

Thank you, Mr. Treasurer.

Hunter Rayley, for the record.

So, just to provide a little bit of clarity, on the Colorado Statute as it was written.

And I'm trying to find the section, but, it allows for the program to enter into contracts with up to three investment managers, private financial institutions and other service providers.

So, to the point of the discussion here, if a saver wants to diversify their investments across four different asset classes, they're allowed to.

We're just reading the reading that, as you know, State Street and BlackRock as two investment managers, we could add a third if we wanted to, but there are no limits in Colorado's Statute that would preclude Colorado savers or Nevada savers from making the right investments for them within our existing line.

Member Caldera

Ok, this is Member Caldera.

Treasurer Conine

Thanks for the clarification.

Go ahead Member.

Member Caldera

Yeah, then I think we need to then make that a little clearer.

Because I think what you describe is that the program is allowing in up to three investment managers of which we have two.

But I think this language is suggesting that the participant may only select up to three.

And that's how I read it.

So, I don't know if that just needs to be clarified, because I understand now that it's, the IPS will allow up to three managers, but not to include or exclude a participant from selecting only three.

Treasurer Conine

Great, Ok.

So, Member, what we'll do there is on the follow up list; we'll tighten it up so that it is crystal.

Paola Nealon

And if I could jump in this for the record...Paola Nealon.

The discussion, Kay, if you want to just jump, it's on page three of the IPS at the introduction when it describes the program itself.

And Member Caldera, I do agree that the language can be tightened a little bit to allow for better clarity, but it is in the it's in the second, the second paragraph of the, of Section 1.

So, it says to direct plan account balances among one or more investment options, and in this case there's five to choose from for the savers, but limited to no more than three investment managers.

Certainly there's a little bit of room for clarification.

Treasurer Conine

Great.

Additional questions from Members?

Member Kao?

Member Kao

This is Andy Kao for the record.

I have a question for Nikita, to lean on your expertise.

In appendix A, the target date retirement fund that is managed by State Street, that one is noted to be benchmarked against looks like itself.

Is that typical where a fund benchmarks against you know its own corporation or its own managers?

Mika Malone

This is...

Paola Nealon

I'm happy to jump in on, I'm happy to take that one, and then Mika.

Certainly add for the record Paula Nealon.

It is, I mean, essentially what you're doing because these are passive funds and you're trying to track the underlying exposures.

That benchmark really aligns with the weighting schemes of those underlying asset classes.

And again, it is the expectation that the performance will align.

Relatively closely with the underlying allocations of that benchmark.

So, short answer is yes.

And that is page twelve, yeah.

Member Kao

So, it wouldn't be that they would target against say BlackRock also has a 2065 fund versus the State Street 2065 fund, it wouldn't do that as a real benchmark?

Paola Nealon

Correct, because you're sort of comparing apples with oranges.

Everyone has, you know, their definition of what a diversified asset class is, along with the weighting schemes reflective of kind of your, your sort of your risk appetite based on your age. So, so yes, it's the tracking is really with State Street and not with other competing firms.

Mika Malone

And Mika Malone here for the record.

Just adding here that for your future reporting and something that I would argue this group should consider in addition to the benchmarks that you utilize in your appendix and that each fund is publicly stating as its goal to meet or exceed, most consultants will also use what we consider a peer benchmark and that, I think speaks to Member Kao's question where you can look at the 2045 fund compared to all other 2045 funds managed by other groups and see how this fund is doing.

We consider that a secondary or additional data point.

I don't think it has a place here in your investment policy statement, but rather from a reporting standpoint and a monitoring standpoint at the Board level can definitely add value just to be aware of what those other funds as Paula mentioned are doing in the marketplace.

Member Kao

Thank you for the insight.

Paola Nealon

Great.

And unless there are no other comments, I did want to just leave it here with, I wanted to just highlight it to the Board Members, the Appendix One.

And again, this reflects the options in existence today.

So, with the approval of the IPS, the monies, that the contributions that we start receiving would go into one of one of these noted options.

And with that, that does conclude my prepared comments.

But, I am happy to address any questions.

Treasurer Conine

Excellent!

Members, any additional questions on the investment policy statement.

Member Palmer I'm so sorry, we're pretty zoomed out down there you and Lieutenant Governor have any questions?

Lieutenant Governor Anthony

Not up here.

Treasurer Conine

Alright, thank you.

I.T., don't know if there's a better way to zoom in just so I'm not trying to see Member Palmer waving against the void there.

Ok.

Member Caldera, Member Kao, Member Sewald, any additional questions on the IPS?

Member Caldera

Chairman Conine, I do have a clarification that's not on the agenda related to some, something that I think will be helpful to clarify for our audience.

Treasurer Conine

Go ahead Sir.

Member Caldera

There's quite a bit of confusion.

There are some payroll providers that are suggesting that our NEST program is going to have a staggered enrollment for different sizes of businesses.

Can we for the record, just clarify that we don't have any stagger that all businesses of all sizes would be eligible to participate starting on the, June 16th, or June 9th?

Deputy Treasurer Mohlenkamp

Yes, Lesley Mohlenkamp for the record.

I appreciate you bringing that up for the record here today, Member Caldera.

What we have seen as part of the program is that there is some information out there.

We are trying to hunt down the source of it to figure out where, you know, this information has come from.

But, certainly very erroneous information related to registering with 1000 employees at a certain point; 500 at a certain point.

That is correct; it is not going to be a tiered approach; there is one open registration period; it starts June 9th through September first and that is it.

All employers who are going to be part of this program that have been identified as eligible are going to be receiving notice from the program and that is their registration period.

Treasurer Conine

And this is Zach Conine for the record.

One of the things that did come up during the legislative process this bill took a number of years to get through and had a couple of different iterations and one of the original bill drafts, I don't know, four years before the bill went through, we included a staggered roll out, which I think is probably where some of this is coming from.

California also included a staggered roll-out.
Member Sewald.

Member Sewald

Yes, Sir.

Thank you, Mr. Treasurer.

For the record, Marybeth Sewald.

Something I would point out, I hadn't heard that, Joe, so thanks for bringing that up.

But, that could be important for us to emphasize tomorrow during the Vegas Chamber's situation report educational webinar, which both of you will be part of.

So, we can definitely get that on the list and help clarify that misinformation.

Treasurer Conine

Thank you Member caldera and thank you Member Sewald.

I expect as is the nature of programs like this, we will hear about all sorts of new features and functions of the program over the next couple of weeks that we've never talked about.

Ok.

With that on the investment policy statement and the changes that we've discussed in concept, making those changes, I would accept a motion to accept the investment policy statement with those changes and also giving staff leeway to make any other additional technical or clarifying changes that we think could make the document more effective without changing its substance greatly.

Motion...

Member Palmer

Member Palmer.

I'll make the motion to accept it with changes and allowing us to change it, yes.

Treasurer Conine

Thank you, Member Palmer.

Any discussion on that motion?

Ok, all in favor say aye.

Member Sewald

Aye.

Member kao

Aye.

Member Caldera

Aye.

Lieutenant Governor Anthony

Aye.

Member Palmer

Aye.

Treasurer Conine

Aye.

All opposed?

Motion passes unanimously, thank you.

I'll cross that one off the list.

And with that we'll move on to public comment.

Comments from the public are invited at this time.

Are there any Members of the public in Carson City, Member Palmer, Lieutenant Governor?

Lieutenant Governor Anthony

No public comment up here.

Treasurer Conine

Thank you LG.

Any members of the public online?

Alright.

And any Members of the public here in Las Vegas?

Let me just take a moment as a Member of public to let the Board know that we'll obviously need to have a special pick up meeting sometime relatively soon.

We will get back to you later today with some potential dates and find a time where we can get a quorum, as well as a reminder to Board Members, if you could please send in any questions that you've got about the program description or the Custodial Agreement, so that we can get some time with the attorneys and chomp through those so that we can hopefully put those to bed during our emergency meeting.

Alright, with that, thank you all very much.

I'll close the second period for public comments, move on to agenda item eight.

We are adjourned.

Have a great day everybody, thank you!