

NEVADA CAPITAL INVESTMENT CORPORATION

MINUTES OF BOARD OF DIRECTORS MEETING

Thursday, July 27, 2017

Chair Dan Schwartz called the meeting of the Board of Directors of the Nevada Capital Investment Corporation (NCIC) to order at 10:01a.m., on Thursday, July 27, 2017. The meeting was held via teleconference and videoconference.

Board Members

Chair Dan Schwartz
Vice Chair Anand Nair - excused
Richard Bartholet - excused
Wayne Tew
Ash Mirchandani

Staff

Grant Hewitt,	Chief of Staff
Tara Hagan,	Chief Deputy Treasurer
Budd Milazzo,	Sr. Deputy Treasurer
Kim Arnett,	Deputy Treasurer - Investments
Wayne Howle,	Nevada Attorney General's Office

AGENDA

1) Call to order (Chair Schwartz)

The meeting was called to order at 10:01 a.m.

2) Roll Call (Budd Milazzo)

Board members Tew, Mirchandani and Chairman Schwartz were present via telephone representing a quorum. Staff indicated the meeting was properly noticed and that the agendas were posted in accordance with the Nevada Open Meeting Law.

3) Public Comment

There was no public comment in Carson City, Las Vegas or telephone.

4) For Possible Action: Approval of the May 4, 2017 meeting minutes.

Tara Hagan explained that on page 5 of the May 4, 2017 meeting minutes, that when the Board voted on the Accion item there was a little confusion due to a Board member having to leave the meeting and Chairman Schwartz calling for a vote. However, she noted that after listening to the minutes it's clear that a motion was effectively made by Chairman Schwartz with no second but the vote was unanimous and staff believes that the minutes accurately reflect this particular agenda item.

Tara Hagan commented on agenda item 6 of the meeting minutes regarding the presentation of the Silver State Opportunities Fund report which was noted as an action item but the Board did not take any action on that item. Staff believes that since Hamilton Lane has sole discretionary investment authority and the fund is fully committed it is recommended to move forward with having this particular agenda item for the quarterly report as an informational item and not an action item, however, the statutorily required annual report will remain an action item.

Mr. Tew motioned to approve the meeting minutes. Mr. Mirchandani seconded the motion. Motion passed unanimously.

5) For Possible Action: Board review and approve the reporting requirements for the Accion LLC Agreement and staff monitoring and due diligence related to the agreement.

Staff stated that the operating agreement with Accion LLC has been fully executed and that staff has been working with Accion to determine the type of reporting which will be necessary to monitor the financial health of Accion and monitor the monies that are earmarked for Nevada micro business loans. Staff will be reporting to the Board a quarterly financial statement from Accion showing the financial health, an annual audited statement, and K-1 filing on a quarterly basis. Staff noted that it is important to share with the Board the due diligence that was done by Hamilton Lane about 18 months ago, stating that Accion has never had a shortfall in its 20 years of existence and has never missed a single interest payment to its LLC partners or other lenders; in the last three years, Accion has substantially ramped up its lending activity and while Accion is not self-sufficient, they have been steadily improving their margin in recent history.

Chair Schwartz asked when the monies will be sent to Accion for the million dollars we are investing.

Tara Hagan stated she believes it will on or around August 1, 2017.

Mr. Mirchandani motioned to approve Agenda Item #5. Mr. Tew seconded the motion. Motion passed unanimously.

6) Information Item: Board to receive presentation of Silver State Opportunities Fund (SSOF) report ending March 31, 2017.

Miguel Luina with Hamilton Lane presented the SSOF report ending March 31, 2017 stating that the portfolio is continuing to mature and they are pleased with where all of their existing positions are today and the way they are growing in value. He stated that regarding the fund investments, all of the funds are in positive territory performing in line with expectations and generating 12.4%. In terms of the Nevada impact, which hasn't been updated since June 2016, Hamilton Lane has questionnaires out to the general partners and to the company chief financial officers to collect the data to be able to present the annual Fund report to the Board at its next meeting. Mr. Luina noted that the firm expects the performance to begin to perform meaningfully as the Fund and its investments begin to mature and begin to send substantial returns to the State Permanent School Fund.

No action by the Board.


7) Public Comment

There was no public comment in Carson City, Las Vegas or telephone.

Motion not needed.

The meeting was closed at 10:20 a.m.

Attest:



Budd Milazzo, Secretary to the Board

Tara B. Hagan