

STATE BOARD OF FINANCE
September 13, 2023 – 10:30 am
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	

Treasurer Conine called the meeting to order at 10:30 am.

Board members present:

Governor Joe Lombardo – Las Vegas
Treasurer Zach Conine – Las Vegas
Controller Andy Matthews – Las Vegas
David R. Navarro – Virtual
Benjamin Edwards – Las Vegas

Others present:

Lori Hoover:	Treasurer's Office
Jeff Landerfelt:	Treasurer's Office
Cari Eaton:	Treasurer's Office
Jean Oliver:	Treasurer's Office
Emily Nagel:	Treasurer's Office
Itzel Fausto:	Treasurer's Office
Kevin Doty:	Attorney General's Office
Aaron Evans:	Parole & Probation
Tamrah Jackson:	Parole & Probation
Benjamin Miller:	NDCP
Daniel Marlow:	DOA ASD
Steffi Paschke:	DOA ASD
Nate Mann:	DOA ASD
Brandon Bishop:	DCNR
James Settlemeyer:	DCNR
Brenda Erdoes:	LCB
Asher Killian:	LCB
Judy Wytock:	LCB
Daniel Rushin:	LCB
Jon Vietti:	LCB

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 August 17, 2023.

Treasurer Conine moved to approve the minutes and a second by Member Edwards. Motion passed unanimously.

Agenda Item 4 – For possible action: State of Nevada Fall 2023 General Obligation Bond Issuances.

Deputy Treasurer Cari Eaton provided a high-level overview of this agenda item. She began with page 7 of the materials. She highlighted that the Nevada Legislature authorizes certain projects and funding mechanisms for projects. The State Treasurer's Office, in cooperation with other state agencies which have authority to implement those projects, coordinates the timing, rating agency presentations, and professional services necessary to issue securities on behalf of the State. She explained that prior to the issuance of securities by the State Treasurer, a resolution describing the authority to issue securities must be approved by the State Board of Finance. She noted that the division of bonds into different series is determined by the State's bond counsel based upon whether the debt is subject to or exempt from the State's debt limit, which is the debt's revenue stream utilized to pay the debt, and the nature of the projects to be financed. All of the proposed bond series are authorized by law and conform to the parameters of the State's Constitutional Debt Limit and the General Obligation Debt Capacity and Affordability Report for the 2023-2025 Biennium. Mrs. Eaton reviewed that the State Constitution in Article 9 limits the outstanding amount of general obligation debt, with certain exceptions, to two percent of the state's assessed property valuation which currently equates to about \$3.8 billion. Currently, about \$900 million of the state's outstanding general obligation debt is subject to the constitutional debt limit, meaning about 24% of the state's constitutional debt capacity is being utilized. The Fall 2023 bond issuance is comprised of four series for a total of \$507 million. She stated that the tentative schedule for the sale is approval by the Board of Finance today, the bond sale on October 25, 2023; and the bond closing and receipt of proceeds on November 16, 2023. Approval of the resolutions must be voted on separately, as agenda sub-items.

- a. **For possible action:** Discussion and possible action on a resolution designated the "2023A Capital Improvement Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Capital Improvement Bonds, Series 2023A, in the aggregate principal amount not to exceed \$455,530,000; providing the purpose for which such bonds are issued, the form, terms, and conditions of such bonds and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment A for approval and Attachment A-1 for DMV bond supporting information.

Ms. Eaton provided a brief overview of item 4(a) the first portion is not to exceed \$62.21 million and is the third tranche of the \$280.68 million authorized by AB492 of the 2021 Legislative session for various public works CIP projects. The State Public Works Division has received two prior tranches of bond proceeds for the 2021 CIP authorization that must be spent which is approximately \$47 million prior to spending the proceeds from this issuance. She reviewed that a listing of remaining CIP proceeds is listed in Appendix 1 on page 11 of the meeting materials.

She discussed that the second portion is not to exceed \$261.28 million and is the first tranche of the \$533.7 million authorized by AB1 of the 2023 34th Special Legislative session for various public works CIP projects. The State Public Works Division may spend these proceeds

concurrently with prior years' issuances. She reviewed the third portion is not to exceed \$32.05 million and is the first tranche of the \$111.3 million authorized by AB1 for various DMV CIP projects.

The final portion of this series is the LCB portion not to exceed \$100 million for LCB capital improvement projects authorized by AB1. She explained it the first time that LCB has utilized the General Obligation bond process to fund a portion of its capital improvement projects which are typically funded through appropriations. She noted all four components of this series are paid with property taxes and subject to the constitutional debt limit. The board will be approving Attachment A (page 13) to approve this series.

Motion to approve agenda item 4(a) from Member Edwards and a second from Controller Matthews. Motion passed unanimously.

- b. **For possible action:** Discussion and possible action on a resolution designated the "2023B Natural Resources and Open Space Bond Resolution"; approving the issuance and sale of the State of Nevada, General Obligation (Limited Tax) Natural Resources and Open Space Bonds, Series 2023B, in the aggregate principal amount not to exceed \$14,500,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment B for approval.

Ms. Eaton continued with item 4(b) noting it as the first Natural Resources portion which is not to exceed \$12.3 million and is the first tranche of the \$43.31 million authorized by AB1 for various Open Space projects specified in AB84 of the 2019 Legislative Session. The Department of Conservation and Natural Resources has approximately \$7.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance. She provided a listing of remaining Open Space proceeds which is listed in Appendix 1 on page 12 of the materials.

She reviewed that the second Natural Resources portion is not to exceed \$2.2 million and is the first tranche of the \$13 million authorized by AB1 for Environmental Improvement Program projects for the Lake Tahoe Basin specified in AB424 of the 2023 Legislative Session. She noted that DCNR State Lands Division had approximately \$7.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance and stated the listing of remaining EIP Project proceeds is listed in Appendix 1 on page 12 of the materials. Both components of this series are paid with property taxes and exempt from the constitutional debt limit. The board will be approving Attachment B (page 52) to approve this series.

Motion to approve agenda item 4(b) from Controller Matthews and a second from Member Edwards. Motion passed unanimously.

- c. **For possible action:** Discussion and possible action on a resolution designated the "2023C Open Space, Parks and Natural Resources Bond Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Open Space, Parks and Natural

Resources, Series 2023C, in the aggregate principal amount not to exceed \$31,005,000; providing for the purpose for which such bonds are issued, the form, terms, and conditions of such bonds, and other details in connection therewith; providing for the levy and collection of annual general (ad valorem) taxes for the payment of such bonds; and providing other related matters. See Attachment C for approval.

Ms. Eaton reviewed that item 4(c) consists of the series not to exceed \$31.01 million and is the first tranche of the \$43.31 million authorized by AB1 for various natural resource projects specified in AB84 of the 2019 Legislative Session. The Department of Conservation and Natural Resources had approximately \$4.2 million remaining to spend from past issuances prior to spending the proceeds from this issuance. A listing of remaining Open Space proceeds is listed in Appendix 1 on page 12 of the materials. She noted this series is paid with property taxes and subject to the constitutional debt limit. The board will be approving Attachment C (page 87) to approve this series.

Motion to approve agenda item 4(c) from Member Edwards and a second from Treasurer Conine. Motion passed unanimously.

- d. **For possible action:** Discussion and possible action on a resolution designated the "2023D Safe Drinking Water Revolving Fund Matching Bonds Approval Resolution"; approving the issuance of the State of Nevada, General Obligation (Limited Tax) Safe Drinking Water Revolving Fund Matching Bonds, Series 2023D, in the aggregate principal amount not to exceed \$6,000,000. See Attachment D for approval and Attachment D-1 for supporting documentation.

Ms. Eaton concluded with the last series in item 4(d) noting that this is needed to provide State matching funds for an anticipated \$30 million federal grant. Per NRS 445A.290, the Treasurer may issue general obligation bonds to provide State matching funds for federal grants as required by the Safe Drinking Water Act when requested by the Administrator of the Nevada Division of Environmental Protection. She explained that the bonds in this series are self-supporting. The debt services are paid with principal and interest payments from loans made by the revolving fund. This debt is exempt from the constitutional debt limit and is not included in the affordability model. The board will be approving Attachment D (page 121) to approve this series.

Motion to approve agenda item 4(d) from Controller Matthews and a second from Member Edwards. Motion passed unanimously.

Agenda Item 5- **For discussion and possible action:** to request Nevada Department of Public Safety, Parole and Probation approval and authority to utilize an alternate credit card portal provider in its OTIS (Offender Tracking Information System) replacement/modernization system.

Chief Deputy Treasurer Lori Hoover presented this agenda item. She noted that the NRS 356, Section 1465 requires that the State Board of Finance to approve state agency requests to enter into a contract with issuers of credit cards or debit cards or operators of such systems that provide electronic transfer of monies to allow acceptance of credit or debit cards or electronic transfers of money by the agency. She noted that the Nevada Department of Public Safety, Parole and Probation Division is in the process of modernizing their Offender Tracking Information System known as (OTIS). This system does not allow for public facing website to access accounts and pay obligations online. She stated that the new vendor system does offer these functionalities, however, their

payment solution will no connect with the Wells Fargo Merchant Service Gateway which is the current service master agreement. She explained that the NCR Payment Solutions is already fully integrated into the new vendor system and provides the online site and acceptance of online payments at no cost of the agency. The NCR Payment Solutions will receive credit card transaction fees as part of the contract. They are requesting consideration and approval of the establishment of this agreement which will allow the Nevada Department of Public Safety, Parole and Probation Division to offer public facing website to access accounts and pay obligations online.

Motion to approve this agenda item from Treasurer Conine and a second by Member Edwards. Motion passed unanimously.

Agenda Item 6- Public Comment

No public comment in Carson City or Las Vegas.

Meeting adjourned at 10:47 am.