

Governor Steve Sisolak  
Chairman

Susan Brown  
Clerk of the Board



Attorney General Aaron D. Ford  
Member

Secretary of State Barbara K. Cegavske  
Member

## STATE OF NEVADA BOARD OF EXAMINERS

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298  
Phone: (775) 684-0222 / Fax: (775) 684-0260  
<http://budget.nv.gov/Meetings>

### MINUTES

**Date and Time:** July 14, 2020, 10:00 AM

**Location:**

*Pursuant to the Governor's Emergency Directive 006, as extended, there will be no physical location for this meeting. This meeting can be viewed on YouTube. The link will not go live until 10:00 am*

[https://www.youtube.com/channel/UCF8zpKli9VhMDNVq\\_GsEYuQ/live](https://www.youtube.com/channel/UCF8zpKli9VhMDNVq_GsEYuQ/live)

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**MEMBERS PRESENT:**

Governor Steve Sisolak  
Secretary of State Barbara Cegavske – on the phone  
Attorney General Ford – on the phone

**STAFF PRESENT:**

Susan Brown, Clerk of the Board  
Rosalie Bordelove, Board Counsel, Deputy Attorney General  
Dale Ann Luzzi, Board Secretary  
Scott Anderson, Chief Deputy, Secretary of State's Office

**OTHERS PRESENT:**

Zach Conine, Nevada State Treasurer  
Tara Hagan, Chief Deputy, State Treasurer's office  
Dennis Perea, Deputy Director, Department of Employment, Training and Rehabilitation  
Shelley Hendren, Administrator for the Rehabilitation Division, Department of Employment, Training and Rehabilitation

## 1. Call to Order / Roll Call

**Governor:** Good morning. I would like to call today's meeting for July 14, 2020, at 10:00 a.m. of the State of Nevada Board of Examiners to order. Could I ask the Board Secretary to take the role, please?

**Board Secretary:** Yes. Governor Sisolak?

**Governor:** Here.

**Board Secretary:** Secretary of State Cegavske?

**Secretary of State:** I'm here.

**Board Secretary:** Attorney General Ford?

**Attorney General:** Here.

**Board Secretary:** Let the record reflect, we do have a quorum.

**Governor:** We have a quorum. Thank you.

## 2. Public Comment (The first public comment is limited to comments on items on the agenda. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes).

**Governor:** Moving on to item number two, public comment. Do we have a call-in line or are there any written public comments?

**Board Secretary:** We do have a call-in line but we don't have anyone for public comment.

**Governor:** Do we have anybody on the phone for public comment? Do we have any written public comments to be entered into the record? Seeing none, we'll move on.

## 3. Approval of the June 9, 2020 Minutes (For possible action)

**Governor:** Agenda item three, approval of the June 9, 2020 minutes. Do we have a motion regarding the minutes?

**Attorney General:** So moved, Mr. Governor.

**Governor:** Thank you. We have a motion for approval. Any discussion? All in favor signify by saying aye. [ayes around] motion passes, item number three. Moving on to item number four, Authorization to Contract with a Current and/or Former State Employee. My understanding is we are pulling one of these items.

**4. Authorization to Contract with a Current and/or a Former State Employee** (For possible action)

Board action under this item only grants permission to the employing agency. Current and former employees are still subject to all ethical requirements of NRS Chapter 281A, specifically including subsection 550 which restricts certain former employees and state agencies.

**Department of Administration – Purchasing Division**

Pursuant to NRS 333.705, subsection 4, the Department of Administration, Purchasing Division seeks a favorable recommendation regarding the Division's determination to use the emergency provision to contract with former employee Brian Bracken to perform administrative duties through Master Service Agreement #18404 with HAT Limited Partnership, dba Manpower.

Pursuant to NRS 333.705, subsection 1, the Department of Administration, Purchasing Division requests authority to contract with former employee Don Soderberg to perform hearings duties through Master Service Agreement #18404 with HAT Limited Partnership, dba Manpower.

**Clerk of the Board** Good morning. Under item four we have, two requests here to contract with a current and/or former state employee. The first item is being withdrawn. That will be put forward at a future Board of Examiners meeting. The second item is for the Department of Administration Purchasing Division to contract with a former employee under NRS 333.705, subsection 1. This person will conduct hearings related to unemployment benefits and they will be employed through Master Service Agreement #18404 with HAT Limited Partnership, dba Manpower. Are there any questions on this item?

**Governor:** I think everyone understands the urgency of getting more people handling unemployment claims, so anything we can do to get more folks in there is greatly appreciated. The first request has been delayed. The second one for the Department of Employment, Training and Rehabilitation is being moved forward. Do we have any discussion on this item? Do we have a motion?

**Attorney General:** So moved. Move approval.

**Governor:** We have a motion for approval. Any discussion on the motion? Hearing and seeing none, all in favor signify by saying aye. [ayes around] Motion passes. Next item, Request for Designation of Bad Debts.

**5. Request for Designation of Bad Debts** (For possible action)

**Office of the State Controller**

Pursuant to NRS 353C.220, the Office of the State Controller requests the Board of Examiners to write-off bad debts deemed uncollectible on behalf of the following state departments:

<b>Department</b>	<b>Division</b>	<b>Number of Accounts</b>	<b>Total Amount</b>
1. Administration	Purchasing	1	\$114.82
2. Administration	Central Payroll	39	\$19,048.55
3. Attorney General	Administration	75	\$49,641.99
4. Attorney General	Private Investigator's Licensing Board	4	\$8,825.00
5. Agriculture	Agriculture	37	\$2,639.15
6. Business and Industry	Dairy Commission	1	\$3,824.75
7. Business and Industry	Insurance	52	\$16,500.00
8. Business and Industry	Transportation Authority	4	\$3,623.44
9. Conservation and Natural Resources	Environmental Protection	51	\$301,110.02
10. Conservation and Natural Resources	Forestry	8	\$28,562.09
11. Corrections	Corrections	4,971	\$336,209.83
12. Health and Human Services	Welfare and Supportive Services	36	\$10,213.90
13. Health and Human Services	Child and Family Services	4	\$97.67
14. Health and Human Services	Healthcare Finance and Policy	54	\$9,719.11
15. Health and Human Services	Public and Behavioral Health	89	\$1,856.65
16. Health and Human Services	Health Care Quality Compliance	3	\$92.00
17. Health and Human Services	Welfare and Supportive Services	166	\$185,180.26
18. Motor Vehicles	Motor Carrier	78	143,140.90
19. Motor Vehicles	Motor Vehicles	7,143	\$4,349,614.33
20. Motor Vehicles	Records	1	\$48.00
21. Governor's Office	Energy	6	\$11,869,080.00
22. Judicial Discipline Commission	Judicial Discipline Commission	1	\$10,845.87
23. Office of Veterans Services	Veteran's Home	1	\$15,883.71
24. Public Employees Benefit Program	Public Employees Benefit Program	194	\$117,792.89
25. Public Safety	Records, Communications and Compliance	8	\$2,070.69

26. Public Safety	Parole and Probation	1,810	\$584,394.75
27. Public Safety	Records and Technology	5	\$553.75
28. Public Safety	Fire Marshall	116	\$16,137.38
29. Public Utilities	Public Utilities Commission	1	\$1,000.00
30. Secretary of State	Secretary of State	292	\$33,161.81
31. Transportation	Transportation	8	\$23,931.10
32. Western Interstate Commission for Higher Education	Western Interstate Commission for Higher Education	30	\$791,603.85
33. Wildlife	Wildlife	1	\$44.98
Grand Total		15,290	\$18,936,563.24

**Clerk of the Board:** This item has been withdrawn. We are requesting additional information and it will be place back on the agenda when we have the information.

**Governor:** Thank you. Item number six, Approval of Proposed Leases.

**6. [Approval of Proposed Leases](#) (For possible action)**

**Clerk of the Board:** We have seven leases under agenda item six today for approval by the Board this morning. Are there any questions on any of these items?

**Governor:** No. I appreciate that you answered all my questions at my briefing. Do we have any questions on item number six? Do we have a motion?

**Attorney General:** Move approval.

**Governor:** We have a motion for approval. Any discussion on that motion? Hearing and seeing none, all in favor signify by saying aye. [ayes around] Motion passes. Item number seven, Approval of Proposed Contracts.

**7. [Approval of Proposed Contracts](#) (For possible action)**

**Clerk of the Board:** There are 25 contracts in agenda item seven for approval by the Board this morning. Are there any questions on any of these items?

**Governor:** I do have questions on this one. Who do we have from the Treasurer's office? Is Mr. Conine with us? Do we have anyone from the Treasures' Office?

**Attorney General:** I heard someone sign in.

**Chief Deputy Hagan:** Yes, Governor. This is Tara Hagan, Chief Deputy with the Treasurer's office.

**Governor:** Okay, Tara. I've got questions on two, three, four and five. They are for a little over two million dollars in consulting contracts. Are these all-new? Was a

Request for Proposal (RFP) done? Are these services that your office can't provide without these consultants?

**Chief Deputy Hagan:** Yes. So, let me start with FHN Financial which is a manager that we utilized to manage the Local Government Investment Pool (LGIP). That manager has been with us almost-I think this is the second time. I think with these contracts there are fees obviously that the state-that we receive from these and they are passed through to local governments. We have seen the expertise with FHN Financial increase the rate of return or yield for local government fairly substantially and a lot of that is through some additional investments in credit or corporate securities which, you know, candidly, we don't have the back-office expertise to really ensure that when we look at those corporate securities that we have the most up to date information or we don't have all the tools and resources that financial manager can utilize. As I've indicated, we have seen improved performance which means increased yield or interest distribution to local government since we've contracted with FHN Financial.

**Governor:** Okay. My concern is that my understanding is under NRS you are greatly limited as to the vehicles you can invest this money in. Am I correct?

**Chief Deputy Hagan:** You are correct, Governor, in terms of credit securities at an A or better and then treasuries, agencies. But it really is the expertise in the credit security that our small investment team and resources are really lacking. As you can imagine when you look at credit securities, today a lot of those larger A+ corporations do have a lot of debt on the books and so just ensuring that you have the most up to date information to know whether to buy those securities, maintain those securities and that's really the expertise that our, investment team, our small shop of four people is really missing for that.

**Treasurer Conine:** Governor, this is Zach Conine. I can answer any questions on here as well. Sorry, we've got a board of Finance meeting taking place at the same time.

**Governor:** The concern is, Zach, that we're looking at a half a million dollars a year, and my understanding is I know you invest a lot in treasuries and TIPs and very highly secured vehicles and while it's a pass-through, I get that. That's just taking money from the local jurisdictions where I worked for a long time and I know that there was always a complaint about the amount of money that's spent managing these funds. I just don't know why you couldn't hire somebody or two people at half a million dollars a year you're spending on outside consultants which are all out of town firms.

**Treasurer Conine:** Yeah and so to speak to that a little bit. On the LGIP side, specifically in Fiscal Year 20, we spent about \$155,000 on outside firms plus the state made about \$39,000. And that was to manage about 1.8 billion dollars and returned

about 28 million dollars in returns. So, from a cost to result standpoint, we feel pretty good about it. I think at some point we would love to pull LGIP back in-house and look at managing it internally, but frankly, sir, the staff does not have the capacity to manage the type of corporate investments we need to look at in order to get this kind of yield for the local communities at this point.

**Governor:** Was an RFP done or do you have a list you work off of? How are these selected?

**Treasurer Conine:** So, the FHN which is the LGIP, was the LGIP. We did a full RFP process through Purchasing. Tara probably has the number on how many, but north of 10, to look at historical results, types of reporting they provided and experience working in local government, etcetera.

**Governor:** Okay. What about the other three?

**Treasurer Conine:** The other three were also through the RFP process and that, of course, is at the discretion of the local communities who choose to join into the program, so that's basically us vetting the potential options for them to invest in. And also, worth mentioning that within that it is the decision just like LGIP, but instead of being pooled, it's an individual relationship that the Treasurer's office simply helps facilitate with the local governments. Because there is mechanically no way that those fees would be—that all three of those fees would be paid in their entirety. That's based on this—all of the assets moved into each account which is, uh, it can't be each of them, right? It's a triple counted number.

**Governor:** So, it's a common issue of an RFP in relationships?

**Treasurer Conine:** No. It's an RFP with the historical knowledge of having worked with, FHN since 2015 or so. But for our fee, we have companies from all over the country come in, big and small. FHN won of those on their experience, on their very low fee count and their relationships with the individual counties. So, with LGIP the state has an active role, but in some ways, it's hands-off. FHN handles all of the, or a vast portion of the client management pieces so they're answering questions from different counties who are party to it which saves us a lot of time and effort as well.

**Governor:** Okay, I'm fine with it, but once I get a few minutes I would like to go offline with you as it relates to these selections and get a better understanding of the process.

**Treasurer Conine:** I very much look forward to it, sir. You know I love talking about investments.

**Governor:** Thank you. Does anyone else have any questions on this item, item number seven, Approval of Proposed Contracts? Do we have a motion?

**Attorney General:** Move approval.

**Governor:** We have a motion for approval on item number 7. Any discussion? Hearing and seeing none, all in favor signify by saying aye. [ayes around] Motion passes. Thank you. Item number eight, Approval of Work Plan.

8. [Approval of Work Plan \(For possible action\)](#)

**Clerk of the Board:** There is one Work Plan under agenda item eight for approval by the Board this morning. Are there any questions on this item?

**Governor:** I have a question on the Colorado Center for the Blind.

**Clerk of the Board:** Governor, that's on the next agenda item.

**Governor:** Oh, the next one. I'm sorry. Then I don't have one on this one. Do we have any questions on item number eight? Do we have a motion on item number eight?

**Attorney General:** Move approval.

**Governor:** We have a motion for approval. Any discussion? All in favor, signify by saying aye. [ayes around] Do we get you in this, secretary? I think I heard Secretary Cegavske vote aye.

**Scott Anderson:** Just momentarily let me get her back on the line. Hold on just a moment.

**Governor:** I don't know if we will get the Secretary back. I'm pretty sure I heard her vote aye. Let's mark her as an aye and if that has to change, we'll come back to that item number eight. Moving on to item number nine. If we get Secretary Cegavske could you please speak up? Okay. Item nine.

9. [Approval of Proposed Master Service Agreements \(For possible action\)](#)

**Clerk of the Board:** There are four Master Service Agreements under agenda item nine for approval by the Board this morning and there is a question on the Colorado Center for the Blind and I believe they are available.

**Governor:** Secretary?

**Secretary of State:** Yes, I'm back on. I apologize. I was disconnected.

**Governor:** I thought I heard you vote aye on number eight. Is that correct?



**Secretary of State:** Yes.

**Governor:** Yes, so we're three eyes on that one. On item number nine, the Colorado Center for the Blind is the \$300,000 contract. And while I am supportive of the contract and being able to assist this demographic, I'm not totally understanding why the Nevada Center for the Blind can't handle this. So, do we have somebody from the Nevada Center on the phone?

**Shelley Hendren:** Governor, this is Shelley Hendren, Administrator for the Rehabilitation Division for Department of Employment, Training and Rehabilitation (DETR) with oversight of services to the blind.

**Governor:** Okay. Shelley, are these services not performed in Nevada?

**Shelley Hendren:** That's correct. This program is very unique. It's an immersive, comprehensive program of instruction that has a residential component and we do not have anything comparable in the State of Nevada, unfortunately.

**Governor:** Okay. I just hate to keep sending all of this out of state but if we don't have another option, we don't have a choice. Do I have any discussion? Did I hear a comment?

**Shelley Hendren:** I'm sorry, Governor. Shelley Hendren. Yes. I just wanted to let you know we are talking to Blind Connect which is in Las Vegas and we hope to have a program. It won't be the same because it's not as immersive, but we'll have a residential component and we're looking at 2022. So, certainly, we're trying to deliver as many services within Nevada as we can, but this program in Colorado is very unique to individuals who are losing their sight or are newly blind and need to learn independent living in order to move on to employment.

**Governor:** Okay. Well, I appreciate that explanation and hopefully, Nevada will be able to provide the same type of service in the state in the future. So, are there any questions on any of these other items? Do I have a motion on the other items?

**Attorney General:** I move approval.

**Governor:** We have a motion for approval. Any discussion on the motion. Hearing and seeing none, all in favor signify by saying aye. [ayes around] Motion passes. Item number 10, Information Item – Clerk of the Board of Contracts.

## **10. [Information Item – Clerk of the Board Contracts](#)**

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013

meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from May 19, 2020 through June 22, 2020.

**Clerk of the Board** There were 58 contracts under the \$50,000 threshold that were approved by the Clerk between May 19, 2020, and June 22, 2020. There has not been any additional information requested on these items by the Board members that I am aware of.

**Governor:** No. I received the information that I requested on these contracts. We had a question on contract 55 with McDonald Carano, LLP. Are they currently involved in any litigation with the state that you know?

**Rachel Anderson:** This is Rachel Anderson from the Office of the Attorney General. We have asked them to provide this information and they are doing a review of their office not only of anything current, but also checking to see if they have anything prospective, but we do not have the information in hand yet. And in part that is due to the fact that their computer system does not collect a prospective one, so they had to contact all of their attorneys to ensure that they give us full information and as soon as we have that in hand we will provide that to your office.

**Governor:** The problem I've got is I am getting the information subsequent to the approval of the contract.

**Attorney General:** Mr. Governor. This is Aaron Ford. Let me be clear. I know of at least one action in which an attorney at McDonald Carano is representing entities against the state if that's your question.

**Governor:** Okay. That's my question.

**Attorney General:** Okay. That said, Mr. Governor, there is no conflict per se from a legal perspective, we do screen and check for that to ensure that there is no ethical conflict or legal conflict that we need to be concerned about. But there is at least that one particular action, and just so you know, that may be the case with several of the vendors that we utilize outside. There are legal parameters that attorneys can engage in or can abide by and where it's allowed to take place. I just wanted to mention that out loud.

**Governor:** Is there a time sensitivity to this one?

**Clerk of the Board** This contract has already been approved.

**Governor:** It's what?

**Clerk of the Board** It's already been approved. This is an information item.

**Governor:** It's just information?

**Clerk of the Board** Yes.

**Governor:** If I can get more feedback on this one, I know they are one of the more powerful, large lobbying firms in the state. We'll work on this one offline too, okay? And it's under \$50,000. They come right under the threshold so they don't need approval which always raises my specter when these outside contractors do that.

**Attorney General:** Well, Mr., Mr. Governor, if I could just alert you to a future contract coming down the pike which we are also utilizing McDonald Carano in other matters where they're representing the state employees in DETR matters where my office is conflicted out. And those are substantially more than the \$46,800 so you will see additional contracting coming forward reflecting that, just for your information.

**Governor:** Okay. I will get with my legal folks and determine how we can move forward on that. It just raises my specter when they're suing you with one hand and we're paying them with the other hand to sue somebody else. That was for information. Do we have any further questions on item number 10? Okay. Item number 11 is the second time set aside for public comment. Do we have any other?

**11. Public Comment** (This public comment period is for any matter that is within the jurisdiction of the public body. No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item. The Chair of the Board will impose a time limit of three minutes.

Do we have any public comment on the phone? There's none in person that I can see in Las Vegas or in Carson. Or do we have any written public comments?

**Clerk of the Board:** We do not have any written public comment

**12. Adjournment** (For possible action)

**Governor:** We do not. Do I have a motion for adjournment?

**Attorney General:** So moved.

**Governor:** Do we have any discussion? Hearing and seeing none, all in favor signify by saying aye. [ayes around] We are adjourned. Thank you very much, appreciate it. Have a great day.