

Brian Sandoval
Governor



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Scott Sisco, Chair
NDOT
Carlos Romo, Vice Chair
Retired
Brian L. Davie
LCB
Karen Oliver
GCB
Steve C. Woodbury
DTCA

Shane Chesney
Senior Deputy Attorney General

Nevada Public Employees' Deferred Compensation Program

DEFERRED COMPENSATION COMMITTEE MEETING MINUTES FOR

September 20, 2012

The special meeting of the Nevada Deferred Compensation Committee was held on Thursday, September 20, 2012, at 1:00 p.m. in Room 2134 of the Legislature Building, 401 S. Carson St., Carson City, NV. The meeting was held by videoconference from the Nevada Legislature Building to the Grant Sawyer Building, 555 E. Washington Avenue, Suite 4412E, Las Vegas, Nevada. Other attendees participated in person or by conference call.

A copy of this set of meeting minutes, including the agenda, the audio recording and other substantive exhibits, is available on the Nevada Deferred Compensation (NDC) website at: http://defcomp.state.nv.us/NDC_MinutesMeetings.htm. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775.684.6835).

BOARD MEMBERS:

Brian Davie (by videoconference)
Karen Oliver
Steve Woodbury
Vice Chair Carlos Romo
Chair Scott Sisco

OTHERS PRESENT:

Bill Abramowicz, The Hartford
Stephanie Allen, Kaempfer Crowell
Lyra Ambrose, ING (by phone)
Bishop Bastien, ING
Jim Berkes
Dana Carvin, DHHS
Shane Chesney, Senior Deputy Attorney General
Jack Crawford
James Crawford
Lauren Davis
Kent Ervin, UNR
Michael Hackett, Hartford
John Higgins
Brian Merrick, ING
Carrie Parker, Deputy Attorney General
Mike Pavlakis
Frank Picarelli, Segal Rogerscasey (by phone)
Steve Platt, ING

Micah Salerno, NDC Admin Assistant
Ben Sharit
Rose Stone, DHHS
Robert Trenerry, The Hartford
Tom Verducci, Great West
Steve Watson
Charles R. Zeh

I. Committee

A. Call to Order/Roll Call

Chair Scott Sisco called the meeting of the Nevada Deferred Compensation to order at 1:11 p.m., on Thursday, September 20, 2012. All members were in attendance so a quorum was present.

B. Public Comment

Dr. Kent Ervin with UNR stated that he suspended his contributions to the Plan until the Committee could get things in order. He was alarmed to see items II B & II C on the agenda because the current recordkeeping contracts were ending in 100 days. Dr. Ervin hoped the interviewees would be asked about their experience and knowledge in retirement plans so they could provide communication and training to participants.

C. Meeting Dates

Mr. Davie and Mr. Picarelli had a conflict with the date of the November meeting and asked if it could be changed to the week of November 26-30.

Chair Sisco suggested they change the date from November 15 to November 27.

The Committee discussed scheduling the February 2013 meeting and selected Friday, February 15, 2013.

Motion made by Vice Chair Carlos Romo to change the November meeting date to the 27th and approve the February 15, 2013 meeting date, seconded by Mr. Davie. Motion passed unanimously.

D. Member Items/Announcements and Correspondence

Committee may present emergent items. No action may be taken by the Committee. Any item requiring Committee action may be scheduled on a future Committee agenda. The Committee will review and may discuss correspondence sent or received by the Committee since the last regular meeting and may provide copies for the exhibit file.

Ms. Oliver noted the Committee held a legal meeting prior to the open meeting and she had requested the legal meeting be held in public so everyone would be informed.

Mr. Shane Chesney, Senior Deputy Attorney General (DAG) stated that the open meeting law provided for a non-meeting to discuss legal issues and pending litigation so they were in compliance. He advised the Committee not to discuss that information and waive the attorney-

client privilege in public, but if the Committee chose to do so it would require a full vote of the Committee.

Ms. Oliver asked if they could discuss the recommendations from DAG Chesney and DAG Carrie Parker.

Chair Sisco commented they would get to those items later on the agenda.

- E. Approval of the minutes from the meeting on June 21, 2012.

Chair Sisco referencing the bottom of page 4, item II B regarding the non-spousal beneficiary distribution that he wanted to add "A discussion ensued regarding the time frame on which the complaint was received and ultimately acted on by The Hartford. Concern was expressed regarding the need to give sufficient time to vendors to respond accordingly."

Mr. Davie commented that the change should be subject to the audio recording. Ms. Micah Salerno, Administrative Assistant, should listen to the recording and make sure that was an accurate reflection of what was said.

Chair Sisco changed his request and asked Ms. Salerno to do that section as verbatim minutes.

Motion made by Vice Chair Carlos Romo to approve the Deferred Compensation minutes from June 21, 2012. Seconded by Ms. Karen Oliver, motion carried unanimously.

- F. Approval of the minutes from the meeting on July 3, 2012.

Chair Sisco questioned why the motion on page 5 was struck through.

Ms. Salerno noted that motion was amended on page 6 and the Chair had ruled the previous motion removed.

Vice Chair Romo commented that Mr. Ervin was actually Dr. Ervin.

Motion made by Vice Chair Carlos Romo to approve the July 3, 2012 Deferred Compensation minutes, seconded by Mr. Brian Davie. Motion carried unanimously.

II. Administration

- A. Interview and possible job offer to candidates for NDC Program Coordinator position.

Chair Sisco noted that he had requested the Department of Personnel to coordinate and facilitate the interview.

Ms. Dana Carvin with Department of Human Resource Management described the recruitment procedure and stated there were four qualified candidates to be interviewed. She explained how the interview process would be handled commenting that each Committee member would ask one question and if a second round was needed then members would ask a second question.

Chair Sisco clarified that each Committee member would ask one question and if they had a second round of interviews they could ask a second question. He reminded the Committee that they were hiring an operations manager which was an administrative level position.

Ms. Carvin stated they would go in alphabetical order and the candidates were waiting in a sequestered room without any form of communication.

Ms. Oliver asked how they should handle the scoring.

Ms. Carvin answered that it was up to the Committee how they scored each candidate.

Chair Sisco remarked that the candidates had already answered eight questions and the Committee had those written responses.

During the question and answer period the minutes will be verbatim.

Chair Sisco: Welcome, please take a seat. If you don't mind we are going to start off kind of formal. If you would introduce yourself and spell your last name for the record, we would appreciate that.

Ms. Reba Coombs: Thank you Mr. Chair, my name is Reba Coombs.

Chair Sisco: Ms. Carvin did you explain to them out there how this process was going to work?

Ms. Carvin: Yes I did.

Chair Sisco: Is there any statement you would like to make or anything you would like to say before we start the questions?

Ms. Coombs: I hope you would consider me for the position I am very interested in it. Thank you.

Chair Sisco: The only thing I will mention to you is we do have your answers to the eight questions that we started with and in addition each Committee member has one question for the first round and if we proceed to a second round we have an additional question. If you don't mind, normally I do ladies first but I would like to do Mr. Davie first because I keep forgetting him down there. So I will start with Mr. Davie.

Mr. Davie: Thank you Mr. Chair but I would not let you forget me. Hello Reba, good to see you. My question is as follows: The person in this position is required to exercise fiduciary responsibility over the Program. Please explain what this means to you.

Ms. Coombs: To me fiduciary responsibility means that you have to be cognizant of the financial side of the program, the fact that you are dealing with other people's money that it needs to be invested wisely, that you need to be able to take care of things that are not yours, of a monetary value.

Chair Sisco: Just for clarification, we can ask qualifying questions based on their response. We cannot go off another direction but if Mr. Davie wants to ask any qualifying questions or anybody else.

Ms. Carvin: Correct

Chair Sisco: Anything Mr. Davie?

Mr. Davie: No thank you Mr. Chair.

Mr. Woodbury: I just want to clarify, they have provided information on their resumes would it be appropriate to ask specific individual questions from what they have indicated on their resume or just to responses to questions today. Does that make sense?

Ms. Carvin: I would think in order to keep with your timelines that you will want to be kind of careful there. I would probably start with the questions and depending on the time limit, go from there. We have given them four minutes for each question, so again, clarifying would be fine.

Chair Sisco: Okay then I am going to move on to ladies first. Mrs. Oliver.

Ms. Oliver: Thank you. My name is Karen Oliver and my question is: Our relationship among the participants, recordkeepers, the consultant and the Committee must be stellar. Do you think you can satisfy the needs of the participants, which can sometimes be complex and demanding, and still maintain solid relationships with our recordkeepers, while reporting and being held accountable to a Committee of five? Can you talk to us about that?

Ms. Coombs: Thank you. I do believe that is something I could do very well. The last five years I have been working in the State Treasurer's Office and I have been responsible for the Millennium Scholarship Program, which you can imagine there are a lot of students and parents who have questions about the Millennium Scholarship and there are some disgruntled participants, so I have had to work very carefully with them. In addition I have also worked very closely with our Board of Trustees for the College Savings Plans of Nevada and as part of my duties I was responsible for all the administration for board meetings. So I worked with our investment consultants, the various college savings plans, the Board of Trustees themselves, took care of all the minutes, and did all those things. I am a very organized, logical person and I do not have any problems balancing all that, I rather enjoy it actually.

Chair Sisco: Any follow up question? Mr. Woodbury.

Mr. Woodbury: Could you just tell us why you want to leave your current position, and what really interests you in this position?

Ms. Coombs: Currently I am a clerk in the gift shop downstairs in the Legislative Counsel Bureau. Even though I am enjoying the position, it is not monetarily where I want to be in my life right now and I am looking for something where I could utilize my management skills. I have been through the Certified Public Management Program and I gained a great deal of knowledge and information about management and leadership styles and I would really like to exercise that a little bit more. Mr. Woodbury, thank you.

Mr. Woodbury: What specifically interests you in this position?

Ms. Coombs: I think a lot of it is because, number one I am a big fan of the Deferred Comp program and I have been involved with it for a number of years. I think it provides state workers with a wonderful opportunity to be able to save for their retirement. It gives them a little different avenue to pursue rather than just the regular state retirement or in some cases their social security and I just think it is a wonderful program and I would really like to be able to work with it. The financial side of it interests me because after working with the College Savings Board

and with all our financial advisors and whatnot, I'm becoming very interested in that field, I find it very interesting.

Chair Sisco: Any follow up questions? If not, Carlos.

Vice Chair Romo: Good afternoon Ms. Coombs, Carlos Romo, good to have you here. Knowing what you know about Nevada Deferred Compensation (NDC), what, in your view, is the most important goal of the NDC?

Ms. Coombs: I think primarily the most important goal would be to see the state workers who are investing in it are seeing that their savings are invested wisely, conservatively, and they get a fair return on the money that they have invested. I believe the Committee and particularly this person would be responsible for encouraging people to join the Deferred Comp Program, I just think it is a great benefit that state workers can participate in so I would envision a lot of not only being responsible for those funds, but also outreach to employees coming in to the system who do not know very much about it.

Vice Chair Romo: Follow up Mr. Chairman. In those state employees do you include retirees?

Ms. Coombs: Yes, I am sorry that is actually a portion of the group I did not even think about but yes the retirees because after all they are now the ones reaping the benefits of their deferred compensation.

Chair Sisco: Any additional follow up questions. My turn, if appointed to this position, you will have to work very independently from your supervisors. Please tell the Committee how you will determine which decisions fall within your authority, or is it a decision that will have to ultimately be made by the Committee.

Ms. Coombs: Thank you Mr. Chairman. I have been used to working independently for the last five years. As director of the Millennium Program I was responsible for going out and working with college students, with the different colleges and universities, PTA groups, college fairs, all that kind of thing, so I am used to operating independently. I base a lot of the decisions that I make on whatever is written in the policies of that particular program, what the statutes say and if there are things that I find that maybe fall outside of that then I would either go to our legal counsel or to the board for advice. I would not be arbitrarily making decisions unless I could make a decision that I had a firm standing on why I made the decision in the way that I did.

Chair Sisco: Any follow up questions? Ms. Carvin how are we doing on time?

Ms. Carvin: You are doing very good Mr. Chairman; you have actually gone about 12 minutes.

Chair Sisco: Would it be inappropriate or appropriate at this time if somebody wanted to ask, I think Mr. Woodbury had a question about something that was in her resume or application.

Ms. Carvin: I think that would be fine. Let me correct that, you have gone about 6 minutes so you have more than enough time to ask some follow up questions.

Mr. Woodbury: Actually my question was just in general for any of the applicants if it would be appropriate to ask questions on their resumes. I do not have anything specific for Ms. Coombs.

Vice Chair Romo: Ms. Coombs what exactly does the Certified Public Managers Program do and what kind of a background skill development does it give you?

Ms. Coombs: The Certified Public Managers Program (CPMP) was one I became familiar with in a previous position I held at the Governor's office where I was able to help with the Chiefs' of Staff when they were participating in the CPMP because of policy issues. When I had an opportunity to participate in the program, our division chief, when I was in the Treasurer's Office, nominated me as a person who could benefit from the program. It is my understanding that there is a certain allotment for each division and for the constitutional offices that are allowed to recommend folks that might appreciate and be able to benefit from the program. It is approximately eighteen months long; it is very intense, seven levels where you go through all sorts of leadership and management styles, policy development, legislative process, budget development. It was a fascinating program and I got a great deal out of it.

Vice Chair Romo: Thank you

Ms. Oliver: Ms. Coombs you were recommended for that?

Ms. Coombs: Yes

Chair Sisco: Any additional follow up questions? Mr. Davie?

Mr. Davie: I had one question, on your application it indicates you left your previous position due to differing management styles. I am not really interested in that particular situation but could you maybe explain what kind of management style you would have a problem with.

Ms. Coombs: Thank you Mr. Davie, I thought that might come up. As I said earlier I tend to work very independently. One of the reasons I did leave the Treasurer's Office was because my immediate supervisor who had been on board for about several months decided that micromanaging was really the way she was going to operate the office. So after being the director of a program for five years I was required to provide her with every single email that I sent out to every person that contacted me concerning the College Savings or Millennium Scholarship Programs and that was sort of the proverbial straw. I do not appreciate people that micromanage, I think that if you are going to hire someone, then you hire the right person to do the job and have confidence and faith that they will do the work that you would like them to do.

Vice Chair Romo: Do you see any similarities between the Millennium Scholarship Program and the Nevada Deferred Comp Program and what would they be.

Ms. Coombs: Similar in that I think both of them provide benefit to our state citizens that they would not otherwise have. I just think that they are both very good programs. I was a major fan of the Millennium Scholarship and I still am; I think it has given people opportunities that they would never have had otherwise. I think with the Deferred Comp that also provides opportunities to state workers because it allows them to be able to get their retirement to go a little bit further. They will be able to enjoy their retirement years more and I don't think that cost-wise it is prohibitive for even state workers that have just started. I think there is a lot of benefit to that and I enjoy working in programs where I have a lot of faith in the goodness of them towards the people that are in the program.

Chair Sisco: Just for clarification for me, in the Millennium Scholarship Program did you act as the go-between between the participants and vendors that provided investments?

Ms. Coombs: That was actually with the College Savings Programs. The Millennium Scholarship is actually a separate trust fund so the vendors I worked with were with the College Savings Board. Even though I did not have an official position with the Board I stepped in and acted as the

administrator for the last five years in working as the liaison between the Board and the vendors. We had quite a bit of turnover for the person who was representing the Board in our office.

Chair Sisco: Thank you, anybody else? Thank you very much we appreciate it. They are going to take you back out and sequester you again and bring in the next candidate.

Ms. Coombs: Thank you very much.

Chair Sisco: Good afternoon, take a seat there if you will. It is Mr. Grisham right? If you would go ahead and state your name and spell your last name for the record.

Mr. Kevin Grisham: For the record, Kevin Grisham.

Chair Sisco: Mr. Grisham just to share with you, we have your questions that you have already answered, that's part of our evaluation and then each Committee member at this round has a question for you. Dana, remind me what else was I supposed to say?

Ms. Carvin: You did let them know that you are taking into consideration the questions that they answered as part of the announcement and that you will have one question per Committee member and that they will be given approximately four minutes per each question.

Chair Sisco: I am going to start with Mr. Davie down in Las Vegas.

Mr. Davie: Thank you Mr. Chairman. Hello Mr. Grisham. My question is as follows: The person in this position is required to exercise fiduciary responsibility over the Program. Please explain what this means to you.

Mr. Grisham: Thank you for your question and hopefully I can answer it to your liking. I believe we need to be, as a Committee and this role for this person, needs to be looking for the best interest of the plan participants; that is the mission. The goals of the plan is for us to do that and make sure that we are providing the best investment options for the participants at the same time trying to minimize the cost of those plans. That means to me that I should do everything I can to help the Committee, help the investment consultants, and the provider, keep the best interest in the plan participants.

Chair Sisco: Any follow up? If not, Ms. Oliver.

Ms. Oliver: Our relationship among the participants, recordkeepers, the consultant and the Committee must be stellar. Do you think you can satisfy the needs of the participants, which can sometimes be complex and demanding, and still maintain solid relationships with our recordkeepers, while reporting and being held accountable to a Committee of five?

Mr. Grisham: Thank you Ms. Oliver. I believe I can and the reason I can is again we go back to the mission. The mission is for the best interest of the participants but at the same time we have to protect those participants and that goes with coordinating with the providers, the investment consultants, and making sure that we have the most stable investment options available and making sure that they are being fair on the cost of those plans. In some of my answering other questions that were presented to me and doing my research I found that the average age of a participant is 48 years old. I do not know if that is alarming to you guys, it is to me because we are in very volatile markets right now. I can imagine these participants are very scared; they are scared because they know that retirement is looking down and they want to have some money available to live. I think it is our responsibility as a Committee, as a Program Coordinator, to work

with the investment consultant to look over the investment options to make sure it is a win-win for both the provider and the participants. In my previous experience working with finance companies it is a lot of weighted to the investment vehicles and it is not all the time in the best interest of the plan or the participants. It is what products they are pushing and I think as a Program Coordinator and as my previous experience with negotiating contracts, I can push back a little bit and I have the confidence to push back a little bit and get the investment plans available.

Chair Sisco: Any follow up? Mr. Woodbury.

Mr. Woodbury: Good afternoon Mr. Grisham. Could you just tell us why you want to leave your current position, and what really interests you in this position?

Mr. Grisham: Thank you Steve. What interests me the most is finance. It is something that consumes my life; I think about it almost every second of the day, I am almost addicted to it. I get up very early, I read constantly about finance. I will not be leaving my position, I co-founded a non-profit called Saving Our State Parks of America and over the last year and half we have set up systems in place to remove me out of that position and allow volunteers to take over and campaign for that non-profit. It is going to allow savings to the non-profit and allow me to get back into something that I truly enjoy and that is finance.

Chair Sisco: Thank you Mr. Woodbury. Carlos.

Vice Chair Romo: Good afternoon Mr. Grisham, Carlos Romo. Knowing what you know about Nevada Deferred Compensation Program (NDC), what, in your view, is the most important goal of the NDC?

Mr. Grisham: Thank you Dr. Romo. I think right now the most important thing that the Committee needs to do, if I am offered the job or not, is to reassure the participants that you guys do have the best interest in mind. I know they are hearing a lot of things out there whether they are true or not true, they do not know. As Program Coordinator I am ready to start putting in place a newsletter to go out to them as soon as possible. Other goals would be sitting down with the investment consultant, the newly selected investment consultant that will be on board through the remaining of the year. We need to do performance reviews, we need to get into detail to see how those investment options are performing, if they are not performing up to par we need to ditch those and negotiate other investment options. We need to start working on the RFP for the new year and we need to get ready for the transition of going to one single provider.

Chair Sisco: Before I give my question I am going to go ahead and give a follow up question to Dr. Romo's question. We pay our investment consultant a sizeable amount of money in order to do what I am hearing a lot of what you want to do. How are you going to manage that relationship?

Mr. Grisham: Thank you, I think the biggest asset I can provide to the Committee is my broad experience. Early in my career I was in human resource management and when I initially applied for this position I thought it was a benefits specialist position and when I got in to understanding what the requirements of the position required I understood that it will need someone who has good employee-vendor relations. You are going to need someone that can handle large educational and financial trainings, and I think I can work with the investment consultant knowing my knowledge of finance, knowing my knowledge of employee relations, I think I can help assist the Committee.

Chair Sisco: My official question: If appointed to this position, you will have to work very independently from your supervisors. Please tell the Committee how you will determine which decisions fall within your authority, or is it a decision that will have to ultimately be made by the Committee.

Mr. Grisham: Thank you. I believe that it is our goal and our responsibility as a team to make those decisions. I am going to work my very best at communicating with the participants, with the Committee, with the investment consultant, with the providers, to provide the Committee with the best information and knowledge of what is currently going on. I think as far as make hands-on decisions if I ever have a doubt, I am going to come to you guys and ask for guidance because you are appointed and you are duly responsible for this program.

Chair Sisco: Any follow up questions or questions anybody would like to ask of his application or resume on this round?

Mr. Woodbury: You kind of talked about this a little bit. You have a lot of your resume, your cover letter; there is a lot of focus on human resources. Just wondering in your career, in five years or ten years, you mentioned a love of finance and your interest in this position because of finance, where do you see yourself long term in light of most of your experience being in human resources?

Mr. Grisham: Thank you Steve. Long term, hopefully we have got close to a billion dollars of assets in this plan, hopefully we have close to 13,000 participants. It is my goal to grow this, this is my dream job. Ever since I left Ginger Mae Financial Services it has been a rocky road for me because I have been doing things that are my passion but finance is truly my passion and hopefully I can sit here in ten and fifteen years still with the program, still here representing the plan and helping the Nevada employees grow their retirements.

Vice Chair Romo: You have a lot of experience, rather extensive in human resources as you indicated, in marketing, real estate and anything else. Are any of the skills that you obtained there transferrable to the kind of work that the NDC does relative to investments, financial analysis and everything that goes with that in order to be efficient?

Mr. Grisham: Thank you Dr. Romo. Yes going back to 2004 I started with Ginger Mae Financial Services where we bought and sold seventy to one hundred million dollars worth of securities every month. That carried on to when I moved out here to Nevada and I worked for Wyman Development Corporation. They are a large real estate corporation in Lake Tahoe, Nevada and we handled investments there. But furthermore, I have been around financial planning and investing dating back to when I was a small kid. My family is heavily into real estate investing and I started working when I was 12 years old just picking up around spec homes. We did commercial real estate investing that led us into developing and managing RV parks and mobile home parks. We took those assets and we followed the waves going back to the S & L crisis. A lot of people think investing is hard, it is not, you just have to know when to buy things when they are cheap and you sell them when they are expensive. I have been very successful with managing my family's money and I think I can help the Committee understand that and move forward.

Chair Sisco: Mr. Davie did you have anything?

Mr. Davie: Kind of a quick question, I noticed on your application and resume your previous jobs seemed to last two to three years. Is that kind of a pattern or could you explain some of the changes in your career path?

Mr. Grisham: Thank you Mr. Davie. It is not a pattern; I started working straight out of college. I actually was hired on six months before I graduated; I worked for a professional staffing company and was promoted three times before I left that position. I left to follow my passion for finance. I was given an unbelievable opportunity and I jumped at the chance to get into something that I loved. I worked that up until the financial crisis, myself along with thirty-three other directors of the company of GMFS was let go when the financial crisis hit. That allowed me to move out here and I got into private commercial lending when I first got here. I put together a deal for Wyman Development Corporation that led me to work both positions at the same time. I could still have time to do private lending and also business development with Wyman Development Corp. I left that to help the state parks across America. A lot of people do not know but I will give you a good example; in California on July 1st seventy state parks were closed and it is due to state budget shortfalls. I got into understanding this because I invested into thirty-nine commercial acres on a lake here in Nevada and found out that that is the first state park that is on the chopping block. So it is in my best interest and it is my passion, I love the outdoors, so I founded that non-profit to try to get that going. Now I want to get back into finance and I hope I have that opportunity here today.

Chair Sisco: Any final questions. Dr. Romo.

Vice Chair Romo: You have indicated you do not have direct experience with Request for Proposals (RFPs) however you indicated you wrote contracts with high-end clientele and third party providers. How do you relate the two or are they related and do they have some similarities?

Mr. Grisham: Thank you. They are very related. I have actually had a little bit of experience with Saving Our State Parks on writing Request for Proposals. I am trying to work with the Nevada State Parks Department to put together a private-public partnership so I was involved with that a lot in the last eight months. But going back, with Wyman Development he worked on projects anywhere from two million dollars to ten million dollars at a time. I negotiated and wrote those contracts and generally my experience has been around working with attorneys, knowing what they are looking for, knowing what they are trying to protect our clients from. Taking that knowledge, applying it myself I would write the contracts, I would get in front of the president for the presidential review and then we would go back to the legal team have them review it to make sure that it was fully protecting our company and then I would negotiate that contract. With me doing that we saved our company hundreds of thousands of dollars in the years I was with Wyman Development.

Chair Sisco: Thank you very much. They are going to take you back and re-sequester you and perhaps we will see you again.

Mr. Grisham: I would like to say one more thing. I want to thank everyone here today for giving me this opportunity. Hopefully we can work together soon. I know there are a lot of things that are in the middle of being transitioned to. I think I have the experience, I have the tools to help you guys do that and I look forward to working with you. Thank you.

Chair Sisco: Welcome sir if you would please take a seat there in the middle and if you would for the record introduce yourself and spell your last name.

Mr. John Higgins: My name is John Higgins.

Chair Sisco: Welcome Mr. Higgins. Real quick here today I just wanted to let you know we have the eight questions that you answered as part of your application which are also going to be part

of our evaluation process. We are going to go through one or more rounds and each of the Committee members has a question for you in each round. What did I miss Dana?

Ms. Carvin: Each Committee member is going to ask one question. The first round will be five questions and you will be given up to four minutes to answer each question.

Chair Sisco: Is there anything you would like to say before we start?

Mr. Higgins: Thank you for inviting me, I appreciate it very much.

Chair Sisco: We are going to start with Mr. Davie our Las Vegas member.

Mr. Davie: Hello Mr. Higgins, my question is as follows: The person in this position is required to exercise fiduciary responsibility over the Program. Please explain what this means to you.

Mr. Higgins: This would mean that I would be someone who would use reasonable prudence in all dealings that I would have to take action that any prudent person would.

Mr. Davie: Reasonable prudence in reference to what?

Mr. Higgins: Reasonable prudence in reference to any financial dealings I was involved in. I would assume that I would be taking care of the responsibility of other people's money and fiduciary responsibility is such that I need to be reasonable, prudent and act as one would if it was his own money.

Chair Sisco: Ms. Oliver

Ms. Oliver: Our relationship among the participants, recordkeepers, the consultant and the Committee must be stellar. Do you think you can satisfy the needs of the participants, which can sometimes be complex and demanding, and still maintain solid relationships with our recordkeepers, while reporting and being held accountable to a Committee of five?

Mr. Higgins: Yes I certainly think I can. I am a facilitator and I work with a variety of individuals. I am a detail oriented person. I believe that would be something I could do quite well.

Ms. Oliver: Do you recall a difficult situation, something similar to what I have discussed, that maybe you could explain how you handled it. What skills or background you have or experience to attest to that.

Chair Sisco: Real fast I just want to make sure with Personnel we are okay with that.

Ms. Carvin: That is fine.

Mr. Higgins: Could you be a little more specific with that question.

Ms. Oliver: I would like to know what skills you have and some examples. Maybe you could dwell on a little background or experience. Just elaborate a little more as to how your approach and your style on handling these matters.

Mr. Higgins: Okay, when I was with my last employer I was in charge of the 401k plan and a fiduciary and loan trustee and administrator. I had to make sure that all of the 401k compliance information got to the right places every six months. It generally caused a little bit of an issue

between our bookkeeper, Principal Financial, myself and the office manager because they were fairly complex, but I managed to work together with all of those people to get that job done.

Chair Sisco: Mr. Woodbury

Mr. Woodbury: Welcome Mr. Higgins. I should disclose that Mr. Higgins used to live down the street from me and I have eaten a lot of food in his restaurant but I do not think that will influence my decision. If you could just explain a little bit why you want to leave your current position, and what really interests you in this position?

Mr. Higgins: Well as far as my current position I do have an interest in one restaurant still, I have had several over the years, but I am not as actively involved in it as I was at one time. From a personal standpoint the restaurant business has some limitations as far as hours, early mornings, late nights, weekends etcetera. My wife has recently gone back to school, gotten her RN and works ridiculously long hours, four days on and two days off. So it works much better for my family situation to have more of a business schedule such as Monday through Friday due to daycare situations. As far as this particular position it is an area that I did in two of my restaurant operations. It was a small part of that as operations manager or as owner but during the time I was doing it I enjoyed it very much. I felt that in educating our employees in a retirement plan was giving back to them because many of them did not have the background financially to get more than paycheck to paycheck. If you sit down and actually explain to them what value this is to them and that yes they can afford it then they take it much more seriously and it kind of gave me a good feeling giving back to people who did so much to help me out.

Chair Sisco: Mr. Romo

Vice Chair Romo: Hi Mr. Higgins, thank you for being here. Knowing what you know about Nevada Deferred Compensation Program (NDC), what, in your view, is the most important goal of the NDC?

Mr. Higgins: To provide a supplemental income to state employees who have chosen to be part of the Program. If the Committee would like the Program expanded I can certainly do that, if it needs to just be maintained I can do that as well. I have watched and listened to quite a few minutes of the last four Committee meetings that you have had and I know there was some question as to the direction it is going. I would like very much to be part of that; I believe I can help you.

Vice Chair Romo: As a follow up Mr. Higgins, are the participants that are either starting or rather new to the Nevada Deferred Compensation any different than the retirees and if so how would you talk about them, one relatively new person in the Deferred Comp versus one that is a retiree.

Mr. Higgins: I feel they are both are very important. The individual who is just starting probably wants to be in a different mix of investments and the retiree is going to be in other investments, but they are equally important, they deserve to get a return on their investment dollar.

Chair Sisco: If appointed to this position, you will have to work very independently from your supervisors. Please tell the Committee how you will determine which decisions fall within your authority, or is it a decision that will have to ultimately be made by the Committee.

Mr. Higgins: I believe the Committees responsibilities are fairly well laid out in your plan that I have read in detail and I will follow that. I am a person who has worked independently for a lot of years and I am very comfortable doing that. When there is a situation that the Committee

needs to be involved in I will certainly bring it to your attention; that would be my job as a coordinator.

Chair Sisco: Any follow up questions from anybody.

Vice Chair Romo: Thank you Mr. Higgins. You talked about budgeting as a vice president for the condo association, can you talk to us a little bit about what that involved.

Mr. Higgins: On a homeowners association there are requirements that you have to have a reserve budget as well as an operating budget and we would have to look at all of the reserve study that also had to be done for mandate to determine what needed to be done over the course of a thirty year period and allocate a certain degree of everyone's homeowners association to that. In addition there had to be a certain amount of ongoing expenses. We would look at last year's actual and determine what we could shave, what we need to expand etcetera. It was a process that generally took at least two months every year because you only had monthly meetings and you were putting together a few meetings in between times just to hammer it out, it takes some time and then it has to be ratified by the homeowners' membership.

Vice Chair Romo: You have indicated that you are currently in a computer preparation program can you tell us your level of literacy, where you are and what are you operating.

Mr. Higgins: What I am doing right now I am working with ProNet Reno which is a division or JOIN for the state and it is a group of individuals, executive type, who are looking to change careers or get back in to the workforce and in that process I have asked and been allowed to take Microsoft Suite which is like a Windows 7, three levels of Word, three levels of Excel, three levels of PowerPoint, and Office Outlook. So far I have gone through four of those classes and I have another seven to go. I had basic knowledge of all of those but to be quite honest I have gotten a little bit rusty because we do what we need to do and so while I can prepare a letter just fine I do not necessarily need to do some of the other things and so I am sharpening my skills.

Chair Sisco: We are going to take you back and sequester you and perhaps we will be seeing you again.

Mr. Grisham: Thank you very much.

Chair Sisco: Welcome sir, please take the middle seat there if you will and pressing the microphone button if you will state your name and spell your last name.

Mr. Rick Hutchison

Chair Sisco: Thank you. Real quick here to tell you how this is going to work, we have the eight questions that you have already provided answers to which will be part of our decision. Each Committee member will ask you one additional question in this round anyway and our timekeeper will let me know if we surpass four minutes or so per question. Is there anything you would like to say before we start the questions?

Mr. Hutchison: Hello to everyone and thanks for the opportunity, I am glad to be here.

Chair Sisco: We are going to start with our member down in Las Vegas, Mr. Davie.

Mr. Davie: Thank you Mr. Chairman. Hello Mr. Hutchison my question goes as follows: The person in this position is required to exercise fiduciary responsibility over the Program. Please explain what this means to you.

Mr. Hutchison: Fiduciary responsibility is such that you take on the responsibility, in this case the State Deferred Compensation Program, and you are liable for what goes on, being accurate, being responsible and not doing anything that is outside your legal boundaries. Basically abiding by the laws, state and federal, that are set forth for this type of position.

Mr. Davie: Thank you Mr. Chair.

Chair Sisco: Ms. Oliver

Ms. Oliver: Mr. Hutchison our relationships among the participants, recordkeepers, the consultant and the Committee must be stellar. Do you think you can satisfy the needs of the participants, which can sometimes be complex and demanding, and still maintain solid relationships with our recordkeepers, while reporting and being held accountable to a Committee of five?

Mr. Hutchison: Good question Karen. I do believe I can maintain those relationships and stay on good terms with all parties involved. I have successfully been in a business handling clients and participants for the last four years and in those years I have taken care of many of their needs and concerns and having empathy in hearing their complaints and providing solutions really to maintain relationships and a lot of building new relationships and growing those as well.

Chair Sisco: Mr. Woodbury

Mr. Woodbury: Good afternoon Mr. Hutchison. Can you explain to us why you want to leave your current position, and what really interests you in this position?

Mr. Hutchison: I am looking for a career not a job and so I have several interests in this position. Along the road I am always looking for a good solid career and something that interests me and that has the foundations to expand laterally as well as vertically and provides challenges in assisting people and helping people and meeting my goals as well as other people's goals. This position excites me to coordinate this Deferred Compensation Program and provide for people in our community, many which are my buddies and colleagues as well as yours, I am sure. So I am just excited in many aspects.

Mr. Woodbury: You sort of alluded to this, you have had a wide range of work experience and training, could you address that a little bit and tell us where you see yourself in five or ten years. What is your long term goal and what has brought you to this point where you had quite a wide variety to where you are at now?

Mr. Hutchison: Providing and paying for my undergraduate and graduate school has brought me among many different careers and different experiences and exposures not just in northern Nevada but California when I attended some graduate school there so I have taken on many different jobs in the service industry as well as health care. Health care and finance are the top two that I have been into the last ten years many which go hand in hand if you were to work in the administration of a hospital or something of that magnitude where you need both finance and healthcare. So I have always loved finance and obviously being in Carson City and northern Nevada growing up here, the state is a great employer and opportunity, a great career in many career choices in the system. That is why I am here today and as I finish my MBA in finance this May I am basically in a great position to be part of this Program.

Vice Chair Romo: Good afternoon Mr. Hutchison, thank you for being here. Knowing what you know about Nevada Deferred Compensation Program (NDC), what, in your view, is the most important goal of the NDC?

Mr. Hutchison: There would be several important things. I would classify some of the most important, the top most important would be to make sure that this Program stays intact and functions at a high level. I think there are many ways you could look at what is most important, I do not know if that would be risk mitigation at this level having come out of a financial crisis like we saw in 2009 but absolutely it would be to improve the Program and make sure it functions at a high level to provide for all of the employees of the state of Nevada which are a tremendous amount of people. Make sure everybody's wealth is intact and secure and provides for the future.

Vice Chair Romo: As you may know part of the participants, a good number of them, are retirees. Do you act any differently towards the retirees that are in the Plan versus the active members?

Mr. Hutchison: Those individual people, everyone has different preferences and risk levels and tolerances, so everyone is different in that aspect. But yes sometimes my retirees are a completely different risk tolerance from younger folks who are active members still working and contributing so those types of issues come up and you have to protect people's wealth. Some of my retiree members in this community, risk averse folks, they are not entering back into the workforce so they cannot maybe absorb some of the volatility that some of the working participants can weather the storm as they have many more years of work upon them. It is different for everyone I guess.

Chair Sisco: If appointed to this position, you will have to work very independently from your supervisors, five of us. Please tell the Committee how you will determine which decisions fall within your authority, or is it a decision that will have to ultimately be made by the Committee.

Mr. Hutchison: There are definitely going to be guidelines and parameters I would imagine on topics that I would be comfortable taking care of myself as well as getting guidance and getting members thoughts on certain issues. You have to work in tandem and communicate well via email, phone calls, conferencing and all the other means we have to make sure we do make the right decisions when they are presented.

Chair Sisco: Any follow up questions. Mr. Romo.

Vice Chair Romo: We have all the information about your resume and everything else. You have been a doctor of chiropractic medicine, a broker/dealer for Edward Jones and Wells Fargo currently; you have also gotten the Securities Series 7 and 6.6 with the Securities Commission. Which of those jobs have you enjoyed the most and why?

Mr. Hutchison: I would say that I have enjoyed them all because you are working with people in the community. I am working with everybody in Carson City and northern Nevada. I grew up in northern Nevada and attended the University of Nevada Reno so this is my community so I think working with people has best served my interests in all that. Obviously there are some fiduciary responsibilities through all that and that can be a little more stressful at times, but mostly the people make things enjoyable or not.

Vice Chair Romo: Would you kind of look at it from your doctor of chiropractic medicine, I think in my view, it is a lot different from someone that is in investments, working with the banks and working with securities. Is there one preference I mean those are two distinct although they

have abilities and skills one from the other, but a little bit more about which one you think you would prefer?

Mr. Hutchison: Absolutely. I enjoy finance more I think, that is why I am getting my MBA in finance and putting in some strenuous hours and efforts towards that and costs as well. But you would be surprised in the sense that any of those it is just listening to people's concerns and issues and solving that need and providing for them and helping people in different ways in those two careers. But in essence you are helping people.

Chair Sisco: Any additional follow up questions? Seeing none is there any final quoting remarks you would like to make to us in this round?

Mr. Hutchison: I am just excited to be here and I really appreciate the opportunity and would love to be part of this.

Chair Sisco: They are going to take you back, re-sequester you and perhaps we will see you again.

Question and answer period complete so back to regular format.

Ms. Carvin stated it was up to the Committee as to whether or not they wanted to bring back one or two of the candidates to help make their decision.

Chair Sisco clarified they should find out who each member's top two candidates were and go from there.

Ms. Carvin verified that was the correct way to proceed.

Chair Sisco asked Mr. Davie to start with his top two candidates.

Mr. Davie noted his top candidates were Reba Coombs and Kevin Grisham. He felt there were good and bad points with all the applicants but liked that Reba had some good state and legislative experience and her writing looked solid and that she would benefit the program in a marketing field. He had some concerns with Mr. Grisham with his financial emphasis on real estate but was impressed that he did his homework and seemed to know the most about the Program and what was going on.

Chair Sisco confirmed that Mr. Davie's number one choice was Reba and number two Kevin.

Mr. Davie agreed those were his rankings.

Ms. Oliver was impressed with Ms. Coombs level of experience and enthusiasm and felt she would do a good job so she was her top choice. Her second choice was Mr. Hutchison.

Mr. Woodbury stated his top two choices were Reba Coombs and Kevin Grisham. He felt Ms. Coombs resume and application were a little bit stronger and she did well in the interview.

Vice Chair Romo noted his preference was for number one Ms. Coombs and second Mr. Grisham. He found Ms. Coombs knowledgeable of the type of program similar to theirs with her Millennium Scholarship experience and he was impressed with her background experience in Legislative Counsel, state programs, and budget. Mr. Grisham impressed him with his abilities in financial planning and financial knowledge.

Chair Sisco remarked that he also chose Ms. Coombs for first and struggled with his second choice. When he reviewed the applications Mr. Hutchison was most relevant in experience, but Mr. Grisham came across well in his interview. Because the agency is only one full time person it would help them immensely to have some state experience.

Chair Sisco stated that all the Committee members chose Reba Coombs as their number one choice so he did not see a need to go on to a second round of questions.

The Committee was in agreement.

Chair Sisco proposed they offer a starting salary of \$55,000 to give them room to watch work performance and move forward as she got adapted to her position.

Vice Chair Romo agreed that was a good starting point and was above entry level.

Mr. Davie questioned what the grade and step for the pay would be.

Chair Sisco stated there were no grades or steps because it was an unclassified position. They modeled the position after a Management Analyst II to get the level of skill set, experience, and educational background and they set it at that salary range but it was not a classified position.

Mr. Davie inquired if that was under the employer/employee paid retirement.

Ms. Carvin noted that when an employee comes from classified to unclassified they go straight across but they would look into it.

Ms. Amy Davie with Division of Human Resource Management stated they would be processing the paperwork for whatever offer was made to the candidate. They would get as close to the amount offered but due to varying factors with the retirement program it may not be exact.

Mr. Woodbury commented on Ms. Coombs previous salary and wanted to increase the number offered because of her experience.

Chair Sisco asked for someone to suggest another salary but cautioned them to leave room to advance the salary later.

Mr. Woodbury suggested \$60,000 based on her long term experience and salary history.

Chair Sisco noted they would need a motion to offer her the position at that salary range.

Motion made by Mr. Steve Woodbury to offer the position with a starting salary range of \$60,000, seconded by Ms. Karen Oliver.

Mr. Davie remarked he was more comfortable with the middle range and did not want to base her pay on her previous job. He felt she would have to prove herself and the higher offer did not leave much room to advance her pay as she gained experience in this position.

Chair Sisco questioned if the maker of the motion would be willing to split the difference and go with \$57,500.

Original motion and second were withdrawn.

Motion made by Mr. Steve Woodbury to offer the position with a starting salary range of \$57,500, seconded by Ms. Karen Oliver.

Mr. Davie agreed to that compromise and noted that Ms. Coombs did not have a degree which was not a qualification but it did show up in job performance in some situations.

Vice Chair Romo felt Ms. Coombs had learned through a lot of experience and was an active participant of Nevada Deferred Compensation so she had a personal as well as professional investment with NDC.

Vote carried unanimously.

Ms. Carvin commented that she would release the bottom two candidates and keep the top two in case Ms. Coombs did not accept the offer.

Chair Sisco welcomed Ms. Coombs back and stated the Committee was very interested in her and offered her the position with a pay scale of \$57,500 with the employer/employee paid retirement and asked if that offer was acceptable to her.

Mr. Coombs accepted the offer and appreciated the confidence they had in her.

Chair Sisco noted he would draft an offer letter and they set her start date for October 8, 2012.

Chair thanked Division of Human Resource Management for all their work on the hiring process and stated the Committee greatly appreciated them.

Ms. Carvin noted she would send thank you letters to the other applicants.

- B. Discussion of current status of 2013-2017 Record Keeper contract negotiations with the Hartford, including reconsideration of the intent to award the contract to the Hartford, and possible withdrawal of the RFP.

DAG Chesney gave an update regarding the Advisory Opinion from Purchasing that stated that NRS 333.335 required the highest scorer should get the contract (or intent to award the contract). The Attorney General's office concurred with the Opinion from Purchasing and they held an attorney-client privileged meeting prior to this open meeting where they discussed potential liabilities to the State as a result of going forward, not going forward, or modifying their decision in some way. Based on those discussions and the letter from Purchasing the Committee was advised by counsel and would make a decision on the way they wanted to go.

Chair Sisco added that it was his understanding it was a little more complicated because just changing the decision did not change the fact that the RFP still had conflicts and issues.

DAG Chesney stated there were problematic areas of the RFP and it was in the discretion of the Committee to withdraw the RFP if they chose and issue a new one correcting the concerns they had.

Ms. Oliver believed by reading the Advisory Opinion that it was just an opinion and it did not direct them so it still lay in the hands of the Committee. With reference to the highest score she disagreed because they were given advice and a letter was sent to all four bidders that the Committee may not necessarily choose the finalist based on the highest score.

Vice Chair Romo stated he was relatively new to the process and relied on others input and opinion but the most import thing was to keep in mind what was best for the participants.

Ms. Oliver stated she made her decision based on the best interest of the participants. If they withdrew the RFP then the participants stood to lose out because of the good pricing they would get with the new contract. They spent a lot of time and money on this process and she felt strongly as a Committee member that she made a good decision in the best interest of the participants.

Vice Chair Romo agreed with what Ms. Oliver to the extent of what was more beneficial, going down the path they were on then or coming to some kind of conclusion that would benefit the participants in the long run. He believed the deeper they got into it the more detrimental it could be to participants.

Ms. Oliver questioned why the contract was not on its way to being complete and did not see any need to stop the process.

Chair Sisco commented the investment consultant just started September 11th and would be working on the contract. For the circumstances they were in at the time they took the vote he felt they did the right thing by selecting the company that was the best fit for the participants, in their best interest and had the best price, unfortunately there were sometimes technicalities that were unrecoverable.

Mr. Woodbury noted he had worked on a lot of RFPs and appreciated the group that worked on it but it was problematic and if they proceeded they would be opening the state up to liabilities, so in the long run in the best interest of the participants and the state, it would be best to clean it up and move forward.

Mr. Davie stated there were no problems with RFP and his opinion was the problems were in the interpretation of the RFP and decisions made by the Committee rather than the RFP itself. He believed they had a good RFP process and although some Committee members did not like how the scores turned out he thought they should have gone with his original motion for the company with the highest score because that was in the best interest of the participants. Revoking the RFP was not the best choice because it left their participants with the worst possible outcome by going back to the old provisions.

A discussion ensued regarding the sale of The Hartford and the IPO for ING.

Chair Sisco asked Mr. Picarelli for his opinion and to update the Committee on the sale of The Hartford.

Mr. Picarelli stated Mass Mutual was acquiring The Hartford to compliment their business and expand their role in the defined contrition arena. The way the acquisition would be was Mass Mutual was going to buy The Hartford's recordkeeping business where the infrastructure, the staff of the current Hartford, and the recordkeeping system would be intact. So the branding would be a new company with Mass Mutual and they were purchasing the whole way of business rather than just parts.

Chair Sisco again noted there were problems with the RFP and how their vote complied so he considered the best way to deal with that was to get out of it.

Ms. Oliver commented that all four bidding companies were subject to the same rules and RFP process. She acknowledged that Mr. Sisco knew a lot about RFPs but still felt the Committee made their way through process and made a good decision.

Discussion continued regarding the IPO for ING.

Chair Sisco opened up for public discussion.

Dr. Ervin commented on the letter from Purchasing and the Committee's decision on awarding the contract.

Vice Chair Romo noted that Dr. Ervin had been consistent with his analysis and information he provided and he appreciated that, but his decision was made not just on the highest score, there were many other factors and he requested Dr. Ervin to consider that as well.

Mr. Bill Abramowicz with The Hartford remarked they were excited to continue their relationship with Nevada and were privileged to serve the participants. Their number one focus had always been the employees and they would always do what was right for the Plan.

Ms. Allen, attorney for ING, commented they believed it was in the best interest of the state to award the contract to ING and requested the Committee to follow the recommendations from Purchasing.

Chair Sisco questioned if the Committee decided to go with an extension of the current contracts if ING would be willing to do that.

Mr. Bastien stated they would abide by the Committee's decision.

The Committee and representatives from The Hartford and ING continued their discussion.

Motion made by Vice Chair Carlos Romo to withdraw the RFP and withdraw the intent to award the contract to The Hartford, seconded by Mr. Steve Woodbury.

Mr. Woodbury noted both providers mentioned doing what was best for the participants and the only drawback to this motion was that the better rates would not be available but it was the right thing to do.

Ms. Oliver questioned if the lawsuits and protests would go away by withdrawing the RFP.

DAG Chesney noted there was no guarantee but he did not anticipate a lawsuit from the providers or participants.

The Committee continued to discuss the motion.

Vote taken and passed 3-2 with Mr. Davie and Ms. Oliver voting no.

- C. Consideration of extension of current contract(s) with ING and/or the Hartford.

Motion made by Vice Chair Carlos Romo to extend the current recordkeeper contracts with ING and The Hartford, seconded by Mr. Steve Woodbury.

DAG Chesney stated the Committee should give direction to the investment consultant for negotiating.

Mr. Picarelli noted the critical thing in extending the contract was the term involved.

Vote taken and motion passed 4-1 with Ms. Oliver voting no.

- D. Discussion of need to begin RFP process for 2013 and beyond Investment Consultant Contract.

Chair Sisco and Mr. Davie commented on previous issues with investment consultant qualifications.

Motion made by Mr. Brian Davie to initiate the RFP process for the Investment Consultant using the current document with updated numbers, seconded by Chair Scott Sisco. Motion carried unanimously.

Mr. Davie questioned if they were going to follow NRS 333.

Chair Sisco stated they should look at the RFP and make sure they had maximum flexibility to choose the person the Committee would be most comfortable with.

- E. Designation of person(s) to work with staff to prepare RFP, as appropriate.

Motion made by Chair Scott Sisco to have Mr. Woodbury work with the new staff member to get the RFP for Investment Consultant out, seconded by Vice Chair Carlos Romo. Motion passed unanimously.

- F. Discussion and possible action or direction by the Committee to the Chairman (or staff) regarding receipt of Arnerich Massena invoice in the amount of \$75,000 for services related to issuance of Record Keeper RFP and contract negotiations.

Chair Sisco explained why this item was on the agenda.

DAG Parker commented that she could contact Arnerich Massena or another option would be to have staff work on it.

Vice Chair Romo inquired if this fee was in addition to the regular \$90,000 contract.

Chair Sisco confirmed it was a separate fee.

Motion made by Mr. Steve Woodbury to have staff work with Arnerich Massena to pro-rate the bill, seconded by Vice Chair Romo. Motion passed unanimously.

- G. Discussion and possible action regarding planned participation in Financial Education Days event (October 23, 24, and 25).

Mr. Davie did not think it would be possible to participate in Financial Education Days this year but he wanted to see it continue in the future and noted it was held in October to coincide with National Save for Retirement week promoted by a resolution from Congress.

Motion made by Mr. Brian Davie to postpone Financial Education Days this year, seconded by Vice Chair Carlos Romo. Motion carried unanimously.

- H. Discussion and possible action or direction by the Committee regarding need for the Hartford to access records of ING in relation to preparing for successful transition on January 1, 2013.

Mr. Steve Platt with ING stated they did not need a letter from the Committee and they would give Mr. Picarelli whatever information he needed.

- I. Discussion and possible action related to investigation requested by the Committee relative to participant complaint regarding payment of non-spousal benefits.

Ms. Oliver gave an update on the issue and noted The Hartford was continuing to help the beneficiary.

Mr. Trenerry verified they were following up on this and there was a call set up for the next day with the beneficiary and her attorney.

- J. Discussion and possible action related to possible RFP and contract for auditing transaction and internal control functions of Record Keepers (may be delayed to later meeting).

Chair Sisco stated he felt this auditing was overboard and wanted to give staff time to report at the next Committee meeting with a comparison from other states.

III. Comments/Updates

A. Contractors/Record Keepers

Mr. Bastien with ING acknowledged it had been a painful process for all parties involved and he gave his commitment on behalf of ING to work on behalf of the participants and the betterment of the Plan.

Mr. Picarelli stated he would be in contact with ING and The Hartford to begin the process of extending the current contracts.

B. Deputy Attorney General

DAG Parker had an informational flier for the Committee concerning a training offered by the Attorney General's office for board and commission members.

DAG Chesney thanked the Chair and Committee for having him at the meeting.

C. Committee Members

Vice Chair Romo remarked that the participants needed to know what was happening with the Plan and they should get that information out as soon as possible.

Chair Sisco noted staff should post an update on the NDC website about the withdrawal of the RFP and intent to award to The Hartford as well as extending the current contracts. They would urge Ms. Coombs that getting a newsletter out should be a priority.

Mr. Davie thanked Dr. Ervin for his research and diligence in presenting to the Committee. He apologized for not attending the meeting in person and asked Mr. Picarelli to keep the committee advised about the transition with The Hartford and Mass Mutual.

Chair Sisco commended Mr. Davie for his time as Chairman noting all the work that was required.

Vice Chair Romo questioned what to do with the RFPs.

DAG Parker noted to send it to staff and she would look into what should be done with it.

D. Staff

No comment.

IV. Public Comment

Dr. Ervin thanked Mr. Davie for his comments and stated he appreciated all the work the Committee had done to get through the process. He also questioned The Hartford about what would happen to the General Account when the sale took place.

V. Adjournment

Meeting was adjourned at 4:37 p.m.

Respectfully Submitted:

Micah Salerno

Administrative Assistant