

Brian Sandoval  
Governor

Reba Coombs  
Program Coordinator



**Nevada Public Employees'  
Deferred Compensation Program**

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**DEFERRED COMPENSATION COMMITTEE  
NAC WORKSHOP MINUTES FOR**

**Tuesday, September 24, 2013**

The NAC Regulatory Update Workshop was held on Tuesday, September 24, 2013 at 9:00 a.m. in room 2135 of the Legislature Building, 401 S. Carson St., Carson City, Nevada. The meeting was held by videoconference from the Nevada Legislature Building to the Grant Sawyer Building, 555 E. Washington Ave., Suite 4412 E, Las Vegas, Nevada.

A copy of this set of meeting minutes, including the agenda, the audio recording and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at: <http://defcomp.nv.gov/Meetings>. 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](mailto:publications@lcb.state.nv.us); telephone: 775.684.6835).

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**Workshop Attendees**

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Stephanie Allen, Kaempfer Crowell  
Jim Barnes, Zeh Law Firm  
Bishop Bastien, ING  
Shane Chesney, Senior Deputy Attorney General  
Reba Coombs, NDC Program Coordinator  
Brian Davie, NDC Committee Member  
Kent Ervin, Participant  
Michael Hackett, MassMutual

Michael Hillerby, Kaempfer Crowell  
Karen Oliver, NDC Committee Member  
Steve Platt, ING  
Micah Salerno, NDC Admin Assistant  
Robert Trenerry, MassMutual  
Tom Verducci, Great West  
Steve Watson, Participant, RPEN

1. **Open Meeting**

Program Coordinator Reba Coombs opened the workshop at 9:00 a.m., on Tuesday, September 24, 2013, and explained that the purpose of the meeting was to read through the proposed regulation update for Nevada Administrative Code, Chapter 287, as it related to Nevada Public Employees' Deferred Compensation Program (NDC). She indicated the workshop had been properly noticed and posted and complied with the requirements for Nevada Open Meeting law. Draft language was submitted to the Legislative Counsel Bureau on August 16, 2013 and LCB File No. R066-13 was returned to the NDC office on September 17, 2013. After the draft regulations were received by the Committee, a few recommended adjustments had been made. There was not time to incorporate those changes into the draft regulations so there was a handout included with the packet of material for the meeting. ([NAC Meeting Material](#))

2. Introduction and Section 1

Ms. Coombs read through the introduction and Section 1 of the proposed regulations. She noted the additional changes from the Committee on Section 1, paragraph 2 was to change NAC 289.735 to NAC 287.735.

Ms. Coombs invited anyone from the public to comment on Section 1. No comments were made.

3. Section 2

Ms. Coombs read Section 2 and invited comments. No comments were made.

4. Section 3

Ms. Coombs read Section 3 and asked if anyone wanted to speak.

Dr. Kent Ervin, active participant, asked if it was necessary to mention the month (September) in Section 3, paragraph 2, because it might cause restrictions that were unnecessary. The statute did not say September but just said every five years.

Ms. Coombs remarked that although she was reading through the document one section at a time those who wanted to comment could do so during each section or at the end of the reading. She also clarified that her purpose in the workshop was to take information and testimony but not make a judgment or give commentary on any comments. She would present all the information from the workshop to the Committee at a meeting in November.

5. Section 4

Ms. Coombs read Section 4 and noted the Committee requested to have "and investment consultants" removed from this section since it was about the recordkeeper selection process not investment consultants. Additionally, they requested subsection 4 be changed to read "the ability of the recordkeeper to make available the investment options designated by the committee at the recommendation of the investment consultant." Since the new open architecture process would dictate which investment options recordkeepers were to provide, it was no longer about investment options offered by the recordkeepers.

Dr. Ervin noted he had comments that related to Sections 4, 5, and 7 but would wait until Ms. Coombs was finished reading through the proposed changes.

Mr. Bishop Bastien with ING noted they were concerned with the language on subsection 4 but thanked the Committee for the suggested change. They also indicated that the criteria set forth in subsection 1 ought to be NRS 333.335 instead of NAC 287.720. In the last sentence of the section, with regard to the majority vote of the Committee, he suggested striking the wording "who submits" and change it to "solely upon the basis of having submitted the least expensive proposal," which made it a little bit more clear.

6. Section 5

Ms. Coombs read Section 5 and no one came forward with comments.

7. Section 6

Ms. Coombs read Section 6 and there were no comments.

8. Section 7

Ms. Coombs read Section 7 and noted "or an investment consultant" in subsection 2 (c) was requested to be removed because that section was about selection of a recordkeeper. No one spoke on this section.

9. Section 8

Ms. Coombs read Section 8. No one came forward with comments.

10. Public Comment

Dr. Ervin: ([Public Comment](#))

"I have been an active contributor and participant in the Nevada Deferred Compensation (NDC) Program since 2007. A substantial portion of my retirement savings is invested in my NDC 457 plan account. As an NSHE employee with no PERS guaranteed retirement benefit, I have been pleased to have this opportunity to save for retirement in addition to our own defined contribution plans. However, I was distressed last year when the NDC's Request for Proposal process was withdrawn amid threatened litigation about the Committee's process. This resulted in higher fees and lower returns for participants, by about \$1 M to \$1.5 M for 2013 compared with the finalists proposals.

The proposed change of regulation NAC 287.715 to award recordkeeper contracts by simple majority vote of the NDC Committee unfortunately attempts to repeat that failed process. It is in conflict with state purchasing statutes and regulations. Going outside the well-established and tested state procurement procedures is not in the best interests of participants for achieving a fair, competitive and legally defensible selection process for recordkeepers.

The goal for the future should be to conduct an RFP process for recordkeepers that is legally defensible and that is both perceived to be and truly is competitive, fair and impartial. To that end it would be advantageous for the NDC to use the State Purchasing Division to lead and coordinate its recordkeeper RFP and selection process. As detailed in my full written comments (page 2 of submission) the NDC Committee clearly meets the definition of a "using agency" under NRS 333 and thus is required by the statute to use the State Purchasing Division to award contracts over \$100,000. To meet the special fiduciary duties of the Committee regarding the 457 Plan, however, it would be appropriate for the program to negotiate with the Purchasing Administrator to designate the NDC Committee as the evaluation committee under its rules and regulations and to employ the NDC's Investment Consultant as an expert to evaluate technical aspects of the recordkeeper proposals. This course of action is more likely to produce a new recordkeeper contract that is in the best interest of participants and not subject to litigation, as well as to protect Committee members from personal liability, than is repeating the disputed process attempted in 2012. For these reasons, the NAC 287 regulations should refer to NRS and NAC 333 procurement procedures for the recordkeeper selection process.

In addition, the regulations need to emphasize the statutory fiduciary duty of the Committee to make decisions solely in the best interests of participants as well as the Open Meeting Law requirement to conduct the process in public meetings,

except where closed meetings are specifically authorized by statute. The language should also allow flexibility to consider proprietary stable value funds, in addition to open-architecture funds.

Page two of my comments are just some background information where I detail the reasons why I believe that the Committee is required to follow NRS 333. I won't read all that but I'll skip to the bottom paragraph.

There is no conflict, in my view, between the Committee discharging its duties under its own statute and following the established procurement procedures of NRS 333. If the Committee instead rejects the applicability of NRS 333 for its recordkeeper search, the Committee will again open itself to litigation and potentially members' personal liability. On that point, it has been six years since an RFP process was carried out, or at least one that wasn't cancelled, and Mr. Chesney has said legally it did not occur. That means the provision that gives waiver of personal liability to Committee members is not in effect right now and that is a dangerous situation. Fortunately there hasn't been a lawsuit but if the Committee screws it up again I would think that would be a problem. Furthermore, it is highly questionable whether the Committee could still rely on the provisions of NRS 333, if you aren't using it, to close any meetings to evaluate confidential parts of proposals. Page three and four are my suggested revisions of the language and I won't read all of it since it is in the packet but I will point out some specific things.

On 287.715, I have put in the preamble the language from the statute that says the recordkeepers and the Committee will base its selection solely on the best interest of participants and that is from the statute. The fiduciary standard is that the Committee will act with the care, skill, prudence and diligence that, under the circumstances existing at the time of the decision, a prudent person who is familiar with similar deferred compensation programs would use while acting in a similar capacity. That is from the statute except I substituted deferred compensation programs instead of investments to make it more general for this purpose.

Section 2 I added the possibility that you would want to use your investment consultant to help you review the proposals because they can be very technical. The Committee is not expert in all these matters that is required by fiduciary standards to employ an expert.

In 4 and 5 I attempted to do some of the change that were already offered but to make clear that, in addition to the ability of the recordkeepers to make available the investment options that the Committee has chosen that are managed by third party investment companies (for example a Vanguard fund), adding a section 5 to say that they can also consider proprietary funds because I think it's still likely that the Committee would want to consider a stable value fund. Those tend to go with the recordkeepers rather than being completely open-architecture; although, you could do either.

Finally and perhaps the most important part of this is below section 6, it was 5 but I renumbered it 6. The bottom part that says 'the Committee will not select an

applicant based solely, to use the language that was just offered, because of the least expensive proposal. The language that was put here says "will better meet the overall needs of the program as determined by a majority vote of the committee" and there are two conflicts with statute on that; one the overall needs of the program are not defined here or in statute and the statute says the decision has to be based solely on the best interest of participants. Unless somewhere it's defined that the overall needs are the same as the best interest of the participants that doesn't work. Secondly, as determined by a majority vote of the committee, that conflicts with the standard rules and procedures of the statute of NRS 333. The process is very well defined for issuing state contracts and so I substitute that with the language "selection of other recordkeeper(s) is in the best interests of participants" which doesn't address the process but addresses the way the decision should be made.

In 287.720 I add "the criteria set forth in NRS 333.335" that language could go up above also but the point is to affirm that the Committee will use the standard state procedures.

In 287.730 I have made a number of suggestions which relate to how the Committee uses its statute along with NRS 333. If you affirm 333 and use State Purchasing to lead the process, some of this might be unnecessary. The whole section could be taken out, but if that is unclear then maybe some of these things ought to be included. At the top the preamble is to say that you are going to follow NRS 333 and NAC 333. I have suggested substituting Section 1 which says the chair can appoint a sub-committee to review the proposals. The Committee is only five members and this is clearly an important process so I think the whole Committee needs to be involved in this decision making process. To make it clear my section one says that the whole committee will serve as the evaluation committee under NRS 333.

Section 2 the only conflict I could potentially find between NRS 333 and NDC statute 287 was that 333 says the best interest of the State of Nevada are to be considered. This is just to say that the best interest of the participants really are the best interest of the State of Nevada to make that connection. I don't think that's a real problem but this just makes it clear.

Section 3 alters the general meetings to "open" general meetings. I think that is required anyway by the Open Meeting Law. It also adds that this is where the deliberation in open meeting will occur whether you want one recordkeeper or more than one recordkeeper. That the Committee members' scorings of proposals will be discussed in open session and the Committee members' should provide their explanations of the scores. I don't think that would require a big long explanation of every little detail but we have seen how RFP proposals say "I affirm what so-and-so said and here's my other issues I had." That just brings out in the open of why the decision was made. Finally, following NRS 333 as far as using the highest scores to award the contracts.

Section 4 allows for the confidentiality of proposals but I think this only works if you are using NRS 333. Part (b) tries to relieve the Committee of the ambiguity of what happens if a contract is not awarded at all, as far as the confidentiality of proposals. Number 5 indicates if you are following NRS 333 it might be appropriate to close a meeting for discussion of confidential parts of proposals during that process which I think is an unnecessary part of the process. Finally, I substituted the best interests of "participants" for the best interests of "the State of Nevada" at the bottom although I believe those are the same.

The rest of my packet was just some documentation of the points from page two about NDC being a public agency and being supported by public money and therefore falling under NRS 333. So with that I am respectfully submitting this conceptual language to implement the ideas that I have just outlined. Thank you for your consideration."

Ms. Coombs provided the opportunity for anyone to comment on Dr. Ervin's presentation. No one commented.

Mr. Bastien:

"First off, thank you very much for the opportunity to comment just in general on the process. Clearly it's a different point at which you see vendors engaging with you and the Committee itself. At the end of the day I think we as a vendor and you as a Committee all have the same intent in mind and that is to provide the best possible program for the employees. But what I think is a little bit different from the vendor community, if I can be so bold, as I mentioned on several past occasions that what we seek as vendors is clarity of the process. When we go out to bid and when we look at potential bids, what we are looking for is clarity of the process that is going to be carried out, clarity in the selection process and the features and benefits that you seek to provide to your employees, so that we can craft the best proposal possible. At the end of the day even some vendors may say "that's not a proposal or something that we want to chase, it goes into areas that we are not comfortable with, or it provides a benefit that we are not capable of providing." So without that clarity we are really at a loss and I think that the clarity of the process is what guides our efforts. The current language that you have in the regs and even some of the current language that is proposed begs the questions as to clarity and what is driving the process. Are we trying to provide a process that is clear and easy to follow or are we trying to provide a process that provides the ambiguity so that there is flexibility to do whatever, at the end of the day. I think what we like, as I said, is that clarity that gives us an understanding of what you desire. Also, we'd like you to provide clarity to us as to how the process might be carried out. Is it going to be carried out by the Committee, or is it going to be carried out by the Purchasing department or is it a combination of the two? So hopefully at the end of the day this process will provide that clarity. I would say that the current language and even the proposed language leaves us wondering at the end of the day what that intent is. So if we could get to that point at the end we would be most happy. We believe that the Committee has the authority to carry out the RFP process in any of the three fashions I just described already through NRS 333.335. It clearly states you can use Purchasing, you can use Purchasing and the Committee or the Committee itself as

part of the process, so again how are we providing more clarity through the process itself. With that in mind and in looking at NRS 333.335, we find ourselves wondering how you move forward with NAC 287.715, 287.720 and 287.730 as they are currently drafted. In NAC 287.715, as an example, really the criteria that is there in items 2, 3, 4, and 5, you are already given the flexibility to address those things through the statutes and it even gives you the ability to further define what those items are through the RFP itself. So why tie yourself to these discussions here and even again in NAC 287.720 where you could clearly identify each of those items as being present in items 3 (a), (b), (c), and (d) of NRS 333.335. Open to interpretation, but in its broadest sense, the statute does give you that authority and does provide clarity. All of us are going to look at the RFP at the end of the day, all of us are going to watch it, see what it entails and how it directs us and so we would say that that is the best approach. Taking NAC 287.715 as a starting point, our suggestion would be if you were just to amend it only to item 1 and indicate that the criteria is set forth in NRS 333.335 provides the flexibility to the Committee to go forward in a manner that allows you to make a determination as to whether or not you're going to use Purchasing, whether or not you are going to involve a sub-committee or the full Committee, etc. I don't want to belabor the point but I think you get the sense of where we are coming from. At the end of the day the issue that we have is really providing the best program and the best possible benefits to the employees of the state of Nevada. How you get there and what the process you go through is your determination. We will abide by what you carry out here in this process as you go through the workshop but we feel that those three sections in particular are a little bit redundant. Thank you."

Mr. Steve Watson:

"I just want to support the Committee in taking these actions to make the Legislative actions that are put into NAC as I think that was one of the issues that happened during the last RFP process. Also as an RPEN representative, I'm still supporting the two vendors even though it's not a mandate for two. Also, support the Committee using the State Purchasing plan."

Mr. Davie: ([Public Comment](#))

"Thank you madam chair. For the record, Brian Davie, member of the Nevada Deferred Compensation Committee. As an employee of the Legislative Counsel Bureau, I am prohibited from speaking in favor of, or opposition to, legislative issues. Since these regulations may come before the Legislative Commission, or its Subcommittee to Review Regulations, I would like to clarify that my testimony and statement before this workshop, and any other public meetings relating to these proposed regulations, are provided solely in my role as an appointed member of the Deferred Compensation Committee.

I am a long-time active contributor and participant in Nevada's Public Employees Deferred Compensation Program (NDC), and currently the longest serving member on the State's Deferred Compensation Committee, with over 10 years' experience, including four consecutive years as Chairman. I was appointed to this service by three successive governors. I have concerns and objections about the proposed regulation changes in R066-13 relating to their possible effect on legislative intent

and the fairness of the recordkeeper selection process. I believe the proposal also contains certain overly restrictive provisions.

To avoid duplication and repetitive testimony, I would like to express my complete agreement with the public comment submitted by Dr. Kent Ervin. Dr. Ervin has been a regular attendee at the Committee's public meetings throughout the previous 2012 RFP process and through the current meetings in 2013. He has consistently provided thoughtful and incisive public testimony concerning the Committee's activities and actions. I see no point in repeating his well-written submittal except to indicate that I have total agreement and respect for his arguments, analysis and recommendations concerning the Committee's proposed regulations.

In addition, I fully support and endorse the recommended changes and revisions by Dr. Ervin to the Committee's proposed regulations.

While I am not an attorney and it is not my intent to present any legal arguments, it is difficult to understand how the Committee's proposed regulations would not change the legislative intent in the plain language of its enabling statutes. NRS 287.330(1)(b) mandates that the Committee "Act in such a manner as to promote the collective best interests of the participants in the Program." NRS 287.330(3)(c) further protects the Committee and its individual members from liability for any investment decisions, if the Committee has, among other things, "Discharged its duties regarding the decision: (1) Solely in the interest of the participants in the Program."

The most controversial provision in the Committee's proposed regulations is found in the new language of NAC 287.715 which provides for the bases of selection of Recordkeeper(s). Subparagraph 5 establishes as a basis for selection "The projected costs submitted by each applicant." It goes on to specify that "The Committee will not select an applicant who submits the least expensive proposal if another applicant will better meet the overall needs of the program as determined by a majority of the Committee." In my view and based on the experience of this Committee's 2012 failed RFP process, this new provision would substitute a regulatory "determination by a majority (three members) of the Committee" for the statutory "collective best interests of the participants" in which the "overall needs of the program" are nowhere defined or even necessarily associated with the best interests of the participants.

This interpretation was verified by the current Committee Chairman when he indicated that the intent of the proposed regulations is to provide the Committee with "maximum flexibility," those were his terms, in its choice of a recordkeeper, regardless of the requirements of the State's purchasing laws or the basic standards of fairness and impartiality. That quote is found in the minutes and audio record of the Committee's August 15 meeting of this year.

The Committee's proposed regulations contain a few overly restrictive provisions, some of which are carried over from the existing language of the older regulations.



The old language in NAC 287.710 (2) specifies that the selection of a recordkeeper “. . . will be made as often as the Committee deems necessary, but not less frequently than in September of every fifth year.” The statute in NRS 287.330(3)(e) specifies the Committee and its individual members are not liable for any decision relating to investments if the Committee has, among other things, “solicited proposals from qualified providers of plans at least once every 5 years.”

The RFP process is dynamic and the regulations should not be tied to a specific month in the fifth year. Such an overly restrictive provision could be used to challenge and mitigate an otherwise fair and impartial RFP process.

Similarly, the proposed changes in NAC 287.725 (1) and (4) to increase the notification periods for an RFP process from 30 to 60 days are unexplained and not understandable in today’s electronic world. I won’t expand on that but we communicate a lot faster than we did back in the Pony Express days and I see no reason to extend those time frames. It appears to be another way to challenge or mitigate what might be an otherwise fair process.

I also believe a provision should be added to prohibit a Committee member from voting on a final RFP decision if he or she does not attend the finalists’ presentations.

The meeting for the finalists’ presentations is one of the most critical hearings for Committee members to attend, usually once every five years, because the finalists for the recordkeeper(s) contract present their “best and final” offers for the Program, and Committee members are allowed to adjust their scores of the finalists based on the bidders’ presentations and final offers. If a Committee member does not attend the finalists’ presentations, he or she would have no basis for casting an informed vote concerning the future of the Program.

When a recordkeeper is designated as a finalist in an RFP process, they believe they have a good chance of winning the bid and take significant time and expense to develop their presentations, and develop their best and final offers. I believe that a Committee member cannot make an informed and intelligent decision on a five-year contract unless he or she attends the finalists’ presentations at the end of the RFP process.

In conclusion, the members of the State’s Deferred Compensation Committee are fiduciaries responsible for the prudent management and oversight of more than \$600 million of other State and local government employees’ money, on which those employees are relying to supplement their retirements. The Committee and NDC Program should be professionally managed by Committee members who are fair, impartial and balanced in their approach. I believe the Committee’s proposed regulations do not encourage that approach and would shift the emphasis to recordkeepers who could get members appointed who are beholden to a particular company.

I would recommend that the Committee follow the existing laws in its procurement processes, and adopt the changes proposed by Dr. Ervin to provide for a truly fair, impartial and competitive bidding process for the sole benefit of the participants.

Thank you for your attention and consideration.”

Ms. Coombs gave an opportunity for anyone to comment on Mr. Davie’s testimony.

Mr. Robert Trenerry with MassMutual:

“I don’t have any direct comments on Mr. Davie’s presentation other than the fact that he did mention that in today’s environment of electronics regarding a Committee member attending. I’m attending this meeting today down here in Las Vegas and you are doing the meeting in Carson City so I would assume that if an individual can attend electronically that that is the exact same thing. I just thought I would throw that in there.

I wanted to just make a comment and again thank you for what you are doing today. I know how dedicated each and every one of the Committee members are and in the time that is spent on this program. Every one of you should be commended for that, specifically with the comments from the public as well. I think it just shows how important this is. I wanted to lend my support as well to the comments that were made by Bishop Bastien from ING. I thought he made some really great comments and rather than repeat all those I do want to say I think it is important for the Committee to remain and to have some flexibility. With being able to have the clarity, I think that’s extremely important to the providers. Keep in mind this is a very unique product. We are not looking at copying paper, toner, or whatever other example you want to use. This is a very unique animal and I think some of that needs to be taken into consideration. I don’t think you want to take all of the flexibility and clarity out of this. Those are my comments today and I appreciate your time.”

Dr. Ervin:

“I just would like to echo some of the comments the ability to use State Purchasing and the flexibility and how to deal with situations that come up during an RFP and I’ll tell a story about NSHE’s recent process. During the finalist interviews we discovered through questioning that our interpretation of pricing proposals and the vendor’s interpretation of pricing proposals were very different. It was just based on an ambiguity of the language in the RFP but it completely changed that part of the scoring and evaluation process. So it’s important that you can deal with such things. Suppose a Committee member had an emergency or family emergency and couldn’t come then I think you would want a procedure that allows you to deal with that. What NSHE had was during important parts of the process a Purchasing agent from our Purchasing was at the table, we could ask questions and she gave advice on how to deal with various things, what we were allowed to do, what we weren’t allowed to do, and I found that very helpful. So I’m sure these recordkeeper contracts aren’t widgets but the State of Nevada has very complex contracts and services, think of the Silver State Exchange, and the contracting procedures and procurement procedures are in place and I’m sure a representative of the Nevada

Purchasing department could give advice on how to handle various things that come up. I don't know that you need any of these things echoing the ING representatives in the regulation if you just refer to NRS 333 and solicit their help through this process because they are pricing almost everything. I would just put that out there that that gives you some flexibility with advice from a third party to get through things that might come up in a process. A very small point on the Notices, I noticed it said the publication would include the requirements. I wonder if you really want the whole minimum requirements or whole RFP to be published somewhere. Today, a link to website gets you to an RFP and it just seems unnecessary to leave that old 'newspaper days' regulation in there. Thank you."

Ms. Coombs thanked everyone for their comments. She offered the courtesy to Ms. Oliver, as a Committee member, if she had anything to add or wanted to join in the discussion. Ms. Oliver did not have anything to say at that time.

Mr. Davie:

"Some of the later comments have sparked a couple points that I thought might be important. There was a comment made about clarity versus flexibility, I'm not sure how those two go together. Obviously I think that would be quite a balancing act because if you grant flexibility then that does not necessarily provide clarity so I think that kind of defines one of the issues that this Committee is facing.

The other point I thought about making at the end of my presentation and I think might be relevant, is to request staff to contact our investment consultant. I don't know if he is even listening in to this. People say this is a unique product and all that but it is done all over the country by local governments, by state governments. The RFP process that is used for deferred compensation recordkeepers and investment consultants are all out there. We have seen them all and they have been around for years and they just get tweaked here and there with new things that come up, like open-architecture, they keep developing and improving. As far as the point about using State Purchasing, again this is a Committee not of experts in purchasing or procurement, so I again want to endorse Dr. Kent's point that we ought to be using them and they ought to be at the table when we go through this RFP process to help guide the Committee. The other suggestion I would like to make is that when we do look at this regulation at our next hearing, I would like to make a request that we contact our investment consultant, they work with jurisdictions across the country, other states, other local governments, and find out what are their processes. Obviously every state is probably different with their procurement processes but the NAGDCA folks that you just recently went to a conference with have put out a recent booklet I saw that goes over some best practices. Unfortunately it did not include best practices for an RFP process and I think they ought to work on that. But in the meantime I think we have a lot of expertise out there. We have an investment consultant that works in a lot of jurisdictions and I think it would be helpful if he could present a report to the Committee indicating how these other jurisdictions handle their RFP processes. Do they use state laws and procurement processes? Do they have special provisions in their regulations for flexibility or other circumstances? I think those are the things that would be helpful to know as we move toward a decision so that we don't end up, to put it bluntly, looking foolish or putting

something in our regs that may not be appropriate or acceptable in the deferred compensation world. It would be helpful to have that knowledge before we move forward on these regulations. So I just wanted to throw that out as a suggestion and again appreciate your consideration.”

Ms. Coombs encouraged anyone to come forward if they had any other comments. One of the things she was hearing loud and clear was that people were very interested in having the RFP process handled through the Purchasing statutory language, NRS 333. She asked for a show of hands to see if everyone agreed and noted it looked unanimous. She noted it was important and she would take that information back to the Chairman. The testimony presented was informative and she believed there were a lot of very good suggestions that came out of it. Ms. Coombs stated the information would be compiled and taken to the Committee. The hearing to pursue the regulatory updates would be held on November 14, 2013 prior to the quarterly meeting.

Mr. Shane Chesney noted it would be a good idea to take the comments from today and incorporate them in to a new document that could be circulated and get feedback on well before the next meetings.

Ms. Coombs agreed with Mr. Chesney and would circulate a new document with the comments from the meeting. Regulations needed to be updated before the RFP process and she thought it would provide better ground on which to build the RFP.

#### 11. Adjournment

Ms. Coombs adjourned the workshop at 9:57 a.m.

Respectfully submitted,

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Micah Salerno  
NDC Administrative Assistant