

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Wednesday, February 16, 2011

The agenda for this meeting was mailed to every public employer, the news media, and other groups and individuals as requested.

February 16, 2011
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Vice Chairman Vincent at 10:20 a.m., February 16, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, James Green, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: None.

Due to a hardware recording failure, the meeting was recorded by a hand held device that was uploaded to the PERS' computer system for archiving purposes.

I. ADMINISTRATION

- A. Staff reviewed the constitutional, Federal, and State benefit limitations and requirements for public pension plans.

II. INVESTMENTS

- A. Staff reviewed the investment manager search process.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Chairman Stevens recessed the meeting at 11:45 a.m.

February 16, 2011
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 12:15 p.m., February 16, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, James Green, David Olsen, Bart Mangino, and Charles Silvestri. Members absent: None.

Due to a hardware recording failure, the meeting was recorded by a hand held device that was uploaded to the PERS' computer system for archiving purposes.

I. DISABILITIES

- A. On motion of Mark Vincent, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Robert Anderson, Beth Bates, Janece Brinlee, Lindajo Combrink, Robert Conner, Joan Dressler, Stephen Dunhill, Annette Durham, Lu Fox, Glen Gordon, Thomas Gray, Beth Hartman, Dennis Hill, Kathleen Ischo, Christine Jackson, Janette Kennedy, Katie Monjar, Robert Moreno, Cathy Rainville, Susana Reiger, Sandra Rials, Enrique Rios, Valerie Robles, Barbara Wagner, Clyde Weaver, and Susan Winman Bobiner.
 2. Approve reemployment requests by disability recipients: William Barrett, Jr., Kathleen Cannon, Donald MacMullen, Barbara Manning, Amy Peterson, Christopher Rossi, Joyce Williams, and Rita Wingate.
 3. Deny the reemployment request by disability recipients Jayne Lundberg and Amy Webb-Zamora.

II. INVESTMENTS

- A. Staff provided the 2nd quarter performance review for fiscal year 2011 for the Public Employees' Retirement System, the Legislators' Retirement System and the Judicial Retirement System. Janet Becker-Wold of Callan Associates presented her outlook for the investment markets going forward.
- B. Staff reviewed the investment manager search process for an active international stock manager. The pool of candidates was narrowed down to eight organizations to consider for possible interview. Staff is recommending the Board invite three candidates to the March meeting for interview. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to invite Franklin Templeton, JP Morgan, and MFS to the March 16, 2011, meeting to interview for an active international stock mandate. Bart Mangino was not available for this vote.
- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators' and Judicial funds.

III. BOARD

- A. On motion of James Green, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Board meeting held January 19, 2011, as submitted. Bart Mangino was not available for this vote.
- B. There were no recommended changes to the Retirement Board meeting dates.
- C. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to change the March administration education topic to a discussion of the Federal Thrift Savings Plan instead of the Retiree Ambassador Program. Bart Mangino was not available for this vote.

IV. ACCOUNTING

- A. Staff reviewed the budget variance report. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to accept the Budget Variance Report, as submitted. Bart Mangino was not available for this vote.
- B. Staff reviewed the contract renewal with Clifton Gunderson, LLP for audit services for fiscal year ending June 30, 2011. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to retain Clifton Gunderson LLP to provide audit services for PERS, LRS, and JRS for the fiscal year ending June 30, 2011, for a fee not to exceed \$137,000.00. Bart Mangino was not available for this vote.

V. LEGISLATION

- A. Staff reviewed and discussed the merits of Senate Bill 104 requested by Senator Settelmeyer to provide for a biennial transfer of a portion of the State surplus to the Public Employees' Retirement Fund and the Fund for the Public Employees' Benefits Program. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously of those present to adopt a neutral position on Senate Bill 104 with direction to staff to provide information to the Legislature on the pooled nature of the assets and liabilities of the System, and the monies transferred from the State General Fund are to the benefit of the trust as a whole and therefore all public employers and public employees; not just the State. Bart Mangino was not available for this vote.
- B. Staff provided an update on the Bill Draft Request list for the 2011 legislative session. Three BDRs have been added since the last report:

BDR #955 – Office of the Governor – Revises provisions governing the Public Employees' Retirement System.

BDR #964 – Speaker of the Assembly – Revises provisions governing the Public Employees' Retirement System.

BDR #1028 – Assembly Ways and Means Committee – Revises provisions governing the Public Employees' Retirement System.

VI. RATIFICATION AGENDA

On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to:

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the Final Benefit Audit Report for November 2009.

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- D. Approve the Deceased Recipient Review Report for the quarter ending December 31, 2010.

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. There were no individual statements and/or requests by the members, retired employees and/or the public.
- B. The Deputy Attorney General had nothing to report.
- C. Administrative report by Staff:

- Executive Officer:
1. The Executive Officer mentioned that she and the Operations Office presented the PERS' budget to the Senate Finance Committee and the Assembly Ways and Means Committee. Both hearings went very well.
 2. The Executive Officer presented Patti Keyes with a 30-year award and an orchid plant for her distinguished service to PERS. She praised Patti for her outstanding performance evaluations and reviewed her lustrous career at PERS. She also said that Patti was a "jack of all trades" and that she possesses PERS' institutional memory. Patti thanked everyone she has worked with over the years for their kindness and friendships.
 3. The Executive Officer mentioned that she met individually with the members of the Senate Finance Committee and with the Chair and Vice Chair of the Assembly Ways and Means Committee. All of the meetings went very well.
 4. The Executive Officer also met with the Speaker's policy staff.

- Operations Officer:
1. The Operations Officer mentioned that she provided testimony in a City of Reno arbitration hearing on Saturday.

- D. Questions and/or comments by members of the Retirement Board:

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| Charles Silvestri: | 1. | Mr. Silvestri asked for an update on the Smith litigation. Staff mentioned that the opening briefs have been filed. |
| George Stevens: | 1. | Chairman Stevens asked that salary and contracts with the Executive Officer information be placed on the next agenda for discussion. |
| | 2. | Chairman Stevens also asked that the Board Resolution on Defined Benefit Pension Plans that the Retirement Board adopted in August 2000 be distributed to all Board members for review and possible discussion at the next Board meeting. Staff will send copies via email. |

X. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 2:00 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on February 16, 2011, was called to order at 10:20 a.m. by Vice Chairman Vincent and recessed by Chairman Stevens at 11:45 a.m. The February 16, 2011, Retirement Board meeting was called to order at 12:15 p.m. by Chairman Stevens. The meeting was adjourned at 2:00 p.m.