

These minutes are a draft subject to approval by the Retirement Board
at their regular meeting.

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, February 15, 2012

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

February 15, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Vice Chairman Green at 9:38 a.m., February 15, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: Mark Vincent.

I. PUBLIC COMMENT

There was no public comment offered.

II. ADMINISTRATION

- A. Staff reviewed the information technology security features utilized to safeguard PERS' member and retiree information.

III. INVESTMENTS

- A. Staff reviewed the investment manager search process.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Vice Chairman Green recessed the meeting at 11:12 a.m.

February 15, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Vice Chairman Green at 12:07 p.m., on February 15, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: Mark Vincent.

I. PUBLIC COMMENT

1. Warren Wish, President of the NSEA Retirees, congratulated the Executive Staff on their excellent presentation to the Interim Retirement and Benefits Committee on January 30, 2012. Mr. Wish was impressed by the breadth and depth of the presentation. He noted that the legislators were also impressed with their presentation.
2. Marty Bibb, Executive Director for RPEN, mentioned that the IRBC presentation by PERS' Executive Staff was very valuable and they handled all the legislators' questions deftly and effectively. Mr. Bibb provided a short history and mission on the RPEN organization. He also thanked the Board for their prudent decision to appeal the RGJ case to the Supreme Court. Mr. Bibb believes this showed great stewardship of the System and protection for our retirees.

II. DISABILITIES

- A. For the record, Chris Collins abstained from voting on Dean Mills and Pasquale Varrati as they are Las Vegas Metro employees. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to:
 1. Approve permanent and total disability retirement for: Riza Ancheta, Cheryl Baldwin, Kimberly Bush, Patrick Carey, Melanie Clemens, Kimberly Dyreng, Lavona Gaston-Lewis, Susan Gunn, Karen Hughes, Dean Mills, Raymond Morgan, Catherine Patterson, Cynthia Roocke, Alison Rosa, Jennifer Rulla, Charles Starkey, Andrew Taylor, Debra Thomsen, Darrell Turner, Sonia Urquiaga, Pasquale Varrati, and Cheryl Waites.
 2. Approve reemployment requests by disability recipients: Lea Baker, Gary Bishop, James Cottam and Jeanette Famoso.

III. INVESTMENTS

- A. Staff and Janet Becker-Wold of Callan Associates presented the fiscal year 2012 2nd quarter performance review for the PERS', Legislators', and Judicial funds.
- B. Staff and Bill Howard of Callan Associates reviewed the investment manager search process. Staff and Callan identified seven semi-finalists from over 450 possible products. Staff is recommending the Board interview two candidates for the active U.S. growth stock mandate. After discussion, on motion of Rusty McAllister, the Retirement Board voted unanimously of those present to invite RCM and Waddell & Reed to the April 18, 2012, meeting to interview for an active U.S. growth stock mandate.
- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

IV. BOARD

- A. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board education session and Board meeting held January 18, 2012, as submitted.
- B. There were no recommended changes to the Retirement Board meeting dates.
- C. On motion of Chris Collins, the Retirement Board voted unanimously of those present to change the Investment education topic for March to "*Real Estate*" and the April Investment education topic to "*U.S. Stock Management*".

V. ADMINISTRATION

- A. Staff has reviewed PERS' Official Policies for possible changes based on the 2011 legislative session. Staff is proposing slight modifications based on Senate Bill 505 from the session and two technical changes. Staff is requesting the Board authorize notification of the proposed policy changes to all employers in accordance with NRS 286.200. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of the proposed revisions to PERS' Official Policies in accordance with NRS 286.200 with a public hearing scheduled for March 21, 2012.

VI. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Ratification Agenda, as submitted.

- A. Approve the Administrative Fund disbursements.
- B. Approve personnel action since the last report.
- C. Approve the Final Benefit Audit Report for November 2010.
- D. Approve the Final Benefit Audit Report for December 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.

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- B. The Deputy Attorney General, Jennifer Chisel is filling in while Kimberly Okezie is on maternity leave. She had nothing to report.
- C. Administrative report by Staff.

- Executive Officer:
1. The Executive Officer mentioned that the pension guarantee corporation, the Department of Labor, and the IRS, are working together to try and agree on a common definition for a “governmental plan”. This has been noticed for intent to issue regulations.
 2. The Executive Officer reported that the IRBC meeting in January went very well. There was great dialogue during the meeting. Staff does not expect another IRBC meeting until sometime after the 2013 legislative session.
 3. The Executive Officer mentioned that the legislatively created Sunset Committee has requested a survey be completed on the Police and Firefighters’ Retirement Fund Advisory Committee which staff has completed. The first meeting of Sunset Committee is scheduled for February 27th and the agenda for this meeting is not available yet.
 4. The Executive Officer reported that there is a bill on Capitol Hill—HR 3475 that limits access to the Social Security Death Match master file. PERS currently participates in the use of this file in determining deaths of members/retirees of the System. They are looking to amend the bill in some fashion to allow for state pension systems to continue participating in the use of this file.
 5. The Executive Officer stated that the Public Integrity Project is looking at the states and scoring them in different areas including on their public pension plans. Currently there are no scores out there but Nevada seems to fair strongly in the public pension financing area and on other aspects of the pension system.
 6. The Executive Officer mentioned that the Investment Officer has given his notice and his last day will be March 22, 2012.
 7. The Executive Officer reported that the Appeal of the RGJ lawsuit has been filed.

8. The Executive Officer presented Cindy Yadon, PERS' staff, with an appreciation plaque for her 10-years of service devoted to the members and beneficiaries of the System. Cindy accepted the plaque and stated that she is thankful for the great people she works with.

- D. There were no Retirement Board questions and/or comments by members of the Retirement Board.

X. ADJOURNMENT

The meeting was adjourned by Vice Chairman Green at 2:25 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on February 15, 2012, was called to order at 9:38 a.m. by Vice Chairman Green and recessed at 11:12 a.m. The February 15, 2012, Retirement Board meeting was called to order at 12:07 p.m. by Vice Chairman Green. There were two breaks taken during the meeting; one at 1:38 for approximately 12 minutes and one at 2:15 for approximately 5 minutes. The meeting was adjourned by Vice Chairman Green at 2:25 p.m.