

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Tuesday, June 15, 2010 and Wednesday, June 16, 2010

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

June 15, 2010
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was not held as a formal meeting due to the lack of a quorum of the Retirement Board.

June 16, 2010
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 8:00 a.m., June 16, 2010, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, David Kallas, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: James Green.

I. DISABILITIES

- A. For the record, David Kallas abstained from voting on Kevin McClary and David Olsen abstained from voting on DeWayne Brown. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Ruben Aguirre, Christine Akana, Diana Anderson, Jose Aviles, Brooke Bozek, DeWayne Brown, Steven Calabro, Tina Clark-Coward, Alvin Coleman, David Dawkins, Duane Decker, Lynette Deen, Linda Deijkers, Linda Folsom, Rita Greenfield, Joyce Jacobs, Thomas Kerr, Cynthia Knew, Penny Lee, Baylen Limasa, Kevin McClary, Kathleen Pace, Paul Pagano, Kathleen Rand, Dennis Richards, Marilyn Shipley, Harrison Simon, Donn Smith, Bonnie Terzo, Michael Uhlmeyer, Barbara Vasilevsky, William Weldon, Richard Whitney, Raylene Whitefield, and Robin Wiegand.
 2. Approve reemployment requests by disability recipients: Charles Donahue, Mabel Hudson, Susan Ransone, Carol Rubel, Matthew Steinhardt, Daniel Thayer, and Robert Thompson.

II. INVESTMENTS

- A. Bill Kelly of BNY Mellon presented a performance update on their securities lending portfolio for the PERS' fund.
- B. Staff reviewed the securities lending report for fiscal year 2010. On motion of David Kallas, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2010 Securities Lending Report, as submitted.

-
- C. Staff and Paul Troup and Janet Becker-Wold of Callan Associates reviewed the search process for active international stock managers for the PERS' fund. They highlighted the semi-finalist firms and the three recommended finalists for the Retirement Board to interview at their July meeting. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to invite Baillie Gifford, Manning & Napier, and Pyramis Global Advisors to the July 21, 2010, meeting to interview for an active international stock mandate.
 - D. There were no recommended changes to the Interim Investment Directives to the PERS', Legislators', and Judicial funds.

III. BOARD

- A. Staff presented the proposed Fiduciary Benchmarking Services Agreement with Cortex Applied Research for fiscal year 2011. The fiduciary benchmarking service is specifically designed to help retirement systems understand and benchmark their governance and management practices by providing detailed, peer group data and analysis. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the contract for Fiduciary Benchmarking Services with Cortex Applied Research inc., at a cost not to exceed \$9,500.00, subject to successful negotiation.
- B. George Stevens made a correction to the minutes stating that he abstained from voting on Donna Kelly-Bell's disability retirement and did not abstain from voting on Amy Alves. Staff will correct the minutes. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board's education session and meeting held May 18 and 19, 2010, as amended.
- C. There were no recommended changes to the Retirement Board meeting dates. David Olsen mentioned that he will not be able to attend the July Retirement Board meeting.
- D. On motion of David Kallas, the Retirement Board voted unanimously of those present to change the July Investment education topic to International Stock Management, as submitted.

IV. ACCOUNTING

- A. Staff presented the proposed fiscal years 2012-2013 biennial budget for PERS' fund.

V. ADMINISTRATION

- A. Staff presented the contract renewal with CEM Benchmarking for fiscal year 2011. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the contract with CEM Benchmarking Inc. for performance benchmarking services for fiscal year 2011 at a cost not to exceed \$35,000.00, subject to successful negotiation.

-
- B. Staff reviewed the contract renewal with APEX Computing Inc., for information technology consulting services for fiscal year 2011. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the consulting contract with APEX Computing, Inc., for the System's main offices, in an amount not to exceed \$858,000.00.
 - C. Staff presented the contract renewal with APEX Computing Inc., for information technology consulting services for PERS' disaster recovery site for fiscal year 2011. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to approve the contract with APEX Computing Inc., at a cost not to exceed \$223,600.00, for fiscal year 2011.
 - D. Staff reviewed the contract renewal with Cybertrust/Verizon Securities for fiscal year 2011. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the Security Services Agreement with Verizon Security Services powered by Cybertrust, at a cost not to exceed \$81,000.00 for the period from July 31, 2010 through July 30, 2011, subject to successful negotiation.

VI. RATIFICATION AGENDA

On motion of David Kallas, 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. Retroactively approve the Acxiom risk Mitigation Contract for death search technology for June 3, 2010 through June 30, 2011 for an amount not to exceed \$2,160.00.
- D. Approve the global Custody Banking Agreement with BNY Mellon for July 1, 2010 through June 30, 2015.
- E. Approve the Internal Audit Report on Post Retirement Increases.

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 Senior Deputy Attorney General mentioned that she will be attending the National Association of Public Pension Attorneys (NAPPA) annual conference in Ashville, North Carolina, June 22-25, 2010.

C. Administrative report by Staff:

Investment Officer: 1. The Investment Officer mentioned that the fiscal year to date return was 14.5% through June 15, 2010, for the PERS' fund.

Operations Officer: 1. The Operations Officer stated that Oral Arguments for the Judge Smith vs. PERS case is currently being heard in Las Vegas this morning.
2. The Operations Officer mentioned that she provided a presentation on PERS to the NASA conference attendees being held in Lake Tahoe on Tuesday, June 15th. It went very well.

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

David Kallas: 1. David Kallas requested a copy of the brief response filed by Judge Smith's attorney last week. Staff provided a copy to Mr. Kallas.

X. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 11:00 a.m.

The following is the time schedule for the meeting:

There was no formal Retirement Board education session held on June 15, 2010, due to a lack of a quorum of the Board. The June 16, 2010, Retirement Board meeting was called to order at 8:00 a.m. by Chairman Stevens. Two breaks were taken; one at 9:00 and one at 10:10 for approximately ten minutes each. The meeting was adjourned at 11:00 a.m.