

PUBLIC EMPLOYEES' RETIREMENT BOARD  
MEETING MINUTES FOR  
Tuesday, July 14, 2009 and Wednesday, July 15, 2009

---

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

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairwoman Susan DeFrancesco at 1:30 p.m., July 14, 2009, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Susan DeFrancesco, Charles Silvestri, Purisimo Hernandez, George Stevens, Mark Vincent, and Warren Wish. Members absent: David Kallas.

July 14, 2009  
Board Meeting

I. BOARD

- A. Staff presented the annual executive staff performance review for fiscal year 2009. Staff highlighted accomplishments from seven different categories: executive management, governance and Board relations, funding and actuarial management, operations, investment program, internal audit, and legislative management. On motion of Charles Silvestri the Retirement Board voted unanimously of those present to accept the Annual Executive Staff Performance Review for Fiscal Year 2009, as submitted.
- B. The Retirement Board evaluated the Executive Officer's performance for fiscal year 2009 in seven major categories: Executive Management, Operations, Investment Program, Legislative Program Management, Actuarial Management, Public Relations and Board Relations. After discussion, on motion of Warren Wish the Retirement Board voted unanimously of those present to rate the Executive Officer's performance for fiscal year 2009 as follows:

Executive Management		
Leadership	~	6 exceeds
Strategic Planning	~	6 exceeds
Budget	~	5 exceeds/1 meets
Policy	~	6 exceeds
Operations	~	5 exceeds/1 meets
Investment Program	~	6 exceeds
Legislative Program Mgmt	~	6 exceeds
Actuarial Management	~	6 exceeds
Public Relations	~	5 exceeds/1 meets
Board Relations	~	6 exceeds

Chairman, Sue DeFrancesco will prepare the comments from the Retirement Board during the evaluation process and present them to the Executive Officer.

II. PUBLIC COMMENT

There were no public comments offered.

---

III. RECESS

Chairwoman DeFrancesco recessed the meeting at 4:00 p.m.

---

July 15, 2009  
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairwoman Susan DeFrancesco at 8:15 a.m., July 15, 2009, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Susan DeFrancesco, Purisimo Hernandez, David Kallas, Charles Silvestri, George Stevens, Mark Vincent, and Warren Wish. Members absent: None. Mark Vincent arrived at approximately 8:25 a.m.

I. DISABILITIES

- A. For the record, David Kallas mentioned there were three disability requests from Metro but he was unaware of their situations, Susan DeFrancesco stated that one disability request is from one of her former employees, and Purisimo Hernandez mentioned that there was one request from DOT but he was not familiar with his situation. All Board members felt this did not impair them from voting. On motion of David Kallas, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Benjamin Abad-Santos, Roxanne Aguirre, Althea Brown, Jeffrey Dunn, Steven DuPont, Jacqueline Durant-Smith, Vicky Furnish, Victoria Howell, Doreen Hunt, Lisa Kaskie, Justine LaRiviere, Christopher Maestas, Marilyn Maini, Gary Morrill, Tom Shinkawa, Jody Uhrich, Steven Wholey, and Mary Willard.
  2. Approve reemployment requests by disability recipients: Samuel Davis, Gloria Dondero-Pedro, LaMont Dukart, Sally Gannon, Sam Macaluso, Paul Saucedo, and Connie Smith.
  3. Deny reemployment request by disability recipient Rick Schardt.
- Mark Vincent was not present for this vote.

II. INVESTMENTS

- A. Paul Michaels and David Ridley of Invesco Realty Advisors provided a real estate market update.
- B. Len Ioffe, Stephanie Ivy, and Kent Daniels of Goldman Sachs presented a performance update on their international equity enhanced index portfolio for the PERS' fund.
- C. Staff reviewed the proposed modifications to the Investment Objectives and Policies for the PERS' fund. On motion of David Kallas, the Retirement Board voted unanimously to approve the Investment Objectives and Policies for the PERS' fund, as submitted.

- D. Staff presented proposed amendments to the Management Fee Agreements with AllianceBernstein and Blackrock. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the amendments to the Management Fee Agreements with AllianceBernstein and Blackrock.
- E. Staff reviewed the Securities Lending Fee Agreement with BNY Mellon. On motion of Warren Wish, the Retirement Board voted unanimously to approve the Securities Lending Fee Agreement with BNY Mellon Securities Lending.
- F. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

### III. BOARD

- A. On motion of Mark Vincent, he nominated Charles Silvestri for Chairman and George Stevens for Vice Chairman of the Retirement Board which the Retirement Board voted 3-yeas and 4-nos. Motion failed. David Kallas, Warren Wish, Purisimo Hernandez, and Susan DeFrancesco voted no. After discussion, on motion of Warren Wish, he nominated Georges Stevens for Chairman and Mark Vincent for Vice Chairman of the Retirement Board which the Retirement Board voted 5-yeas and 2-nos. Motion passed. David Kallas and Mark Vincent voted no.
- B. Michael Long of Cortex Applied Research presented the results of the Annual Retirement Board Self-Assessment for fiscal year 2009. After discussion, on motion of David Kallas, the Retirement Board voted unanimously to accept the Board Self-Assessment Report, as submitted.
- C. Board member David Kallas asked that the Board request an Attorney General Opinion regarding the constitutionality of the Board's Legislative Policy, item #7 which states:

*"7. The Board shall require reports from Board members regarding benefit, funding or administrative issues related to PERS pending at the legislative session, regardless of the status of the issue. These reports are not restricted to pending bills, but may include studies, amendments, information requests, informal discussions and meetings in which facets of PERS' administration, funding or benefit structure are discussed."*

On motion of David Kallas, the Retirement Board voted unanimously to direct Staff to prepare a draft question regarding this policy for the Attorney General's Office and place it on the next meeting agenda for the Board's review and approval.

- D. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and Board meeting held June 16 and 17, 2009, as submitted.
- E. There were no recommended changes to the Retirement Board meeting dates.

- F. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the proposed Retirement Board meeting dates for January 2010 through June 2010, as submitted.
- G. There were no recommended changes to the Retirement Board education curriculum calendar.

IV. ACCOUNTING

- A. Staff reviewed the 2010-2011 budget spending authority for PERS.

V. ADMINISTRATION

- A. Staff presented the Service Quality Report for fiscal year 2009. On motion of Purisimo Hernandez, the Retirement Board voted unanimously to accept the Service Quality Report, as submitted.
- B. Staff reviewed the proposed contract with Verizon Security Solutions powered by Cybertrust for information technology security services. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the Security Services Agreement with Verizon Security Solutions powered by Cybertrust, at a cost not to exceed \$81,000.00 for the period from July 31, 2009, through July 30, 2010, subject to successful negotiation.

VI. LEGISLATION

- A. Staff provided a review of the 2009 legislative session and the final outcome of bills the Retirement Board took a position on.
- B. Board member David Kallas distributed a copy of a previously proposed amendment to SB 427 during the legislative session that would have changed various components of the Retirement Board that was presented by the Professional Fire Fighters of Nevada and the Las Vegas Police Protective Association. After discussion by the Retirement Board, there was no action taken on this item.
- C. At the request of Board member David Kallas, the Retirement Board discussed NRS 286.160 and NRS 286.170. After discussion by the Retirement Board, there was no action taken on this item.

VII. 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. Approve the Elko Institute of Academic Achievement's request for membership in PERS, effective July 1, 2009.
  - D. Approve the Carson City Airport Authority's request for membership in PERS effective July 1, 2009.
  - E. Approve the Final Benefit Audit Report for March 2008.
  - F. Approve the Final Benefit Audit Report for April 2008.
  - G. Approve the Investment Performance Guidelines ~AllianceBernstein for PERS', LRS and JRS REIT portfolios.  
Charles Silvestri was not present for this vote.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A.
  - 1. Chairman, George Stevens stated that Mr. Embry, who was in the audience and had to leave, wanted to put on the record that he had submitted a letter to the Board regarding some concerns he had about the System. The letter will be placed in the permanent record of the Board meeting for July 15, 2009.
  - 2. Rusty McAllister, President of the Professional Fire Fighter's of Nevada discussed his concerns regarding the Board being perceived as management versus labor and management controlling the Board. He also stated that the Board has some problems to work out and that they need to be more cohesive.
  - 3. Mr. McAllister also discussed some concerns he has with erroneously reported compensation by employers to PERS and the possible ramifications that has on the employee. He mentioned that we need to do whatever we have to so the employers report compensation correctly to PERS.
  - 4. Colleen Bell, President of the Retired Public Employees' of Nevada, recognized PERS' executive staff and the Retirement Board for their efforts during the past legislative session. She also stated that she looks forward to working with the Board and staff in protecting the System in the future.
- B. The Senior Deputy Attorney General mentioned that the Dallas Augustine case is in the process of being settled.

- C. There was no Administrative report by Staff.
- D. Questions and/or comments by members of the Retirement Board.

David Kallas: Mr. Kallas apologized for missing the dinner on Tuesday, July 14<sup>th</sup> where four Board members were recognized for their service to the System. Mr. Kallas wished Mr. Hernandez, Ms. DeFrancesco, and Mr. Wish good luck with their next endeavors.

Susan DeFrancesco: Ms. DeFrancesco stated that she has thoroughly enjoyed working with everyone on the Retirement Board and PERS' staff.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 1:40 p.m.

---

The following is the time schedule for the meeting:

The Retirement Board meeting held on July 14, 2009, was called to order at 1:30 p.m. by Chairwoman DeFrancesco and recessed at 4:00 p.m. The July 15, 2009, Retirement Board meeting was called to order at 8:15 a.m. by Chairwoman DeFrancesco. Two breaks were taken, one at 10:15 a.m. and one at 11:30 a.m. for approximately ten minutes each. The meeting was adjourned at 1:40 p.m.