

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, July 18, 2012

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

July 18, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:30 a.m., July 18, 2012, in the PERS' Board Room, 5820 S. Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, David Olsen and Katherine Ong. Members absent: Rusty McAllister.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Ken Lambert, of Peavine Capital Management reviewed the history of PERS' investment program.

III. ADMINISTRATION

- A. Staff discussed the Nevada community property laws and PERS' qualified domestic relations orders.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:25 a.m.

July 18, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:00 noon, on July 18, 2012, in the PERS' Board Room, 5820 S. Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, David Olsen and Katherine Ong. Members absent: Rusty McAllister.

I. PUBLIC COMMENT

Jim Embree thanked the Retirement Board for their excellence in running the Retirement System and provided them with some suggestions to help educate the general public on the benefits of the System.

II. DISABILITIES

A. For the record James Green mentioned that he knows Michael Moore and Chris Collins stated that Brian Berry and Scott Friedman work for the Las Vegas Metropolitan Police Department but neither Board member felt this would impair their vote. On motion of James Green, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Paul Amann, Tami Bailey, Audrey Bell, Brian Berry, James Blockey, Christina Bodon, Kimberly Bolten, Deidre Buus, Charlene Clift, Wanda Cox, Minerva Cypert, Robert Drollinger, David Dunbar, LuWena Dupree, Scott Friedman, Constance Geffinger-Clifton, Linda Getz, Richard Harmon, Curtis Heathman, Gregory Hixson, Mary Licht, Patricia MacLeod, Timothy McMahon, Giovanni Melven Charles Mitchell, Michael Moore, Marie Morris, Bridget Nelson, Kathy Niemczewski, Kathy Olson, Robert Olson, Debra Saunders, Ann Sousa, Mindy Steadman, Holly Tapia, Susan Thomas, Beverly Walton, Jeffery Watkins, Todd Williams, Christina Withers, and Rebecca Wooldridge.
2. Approve reemployment requests by disability recipients: Kirk Allred, Queen Collins, Teresa Hunt, Selefuti Lemapu, Marvin Matlock, Sandra Rials, Jennifer Rulla, Loretta Sellars, and Thoma Tom.

III. INVESTMENTS

- A. Jim Chabliss, Karen Jakobi, and Matt Lugar, of Pathway Capital Management, provided an update on their private equity portfolio for the PERS' fund.
- B. Brian Smith and Richard England of Atlanta Capital Management provided an update on their active growth equity portfolio for the PERS' fund.
- 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 elect Mark Vincent as the Chairman and James Green as the Vice-Chairman of the Retirement Board for fiscal year 2013.

- B. The Executive Officer presented the annual Executive Staff Performance Review for fiscal year 2012. The areas of review included:

- ❖ Governance and Board Relations;
- ❖ Executive Management;
- ❖ Funding and Actuarial Valuations;
- ❖ Operations;
- ❖ Investment Program;
- ❖ Internal Audit; and
- ❖ Legislative Management

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Executive Staff Performance Review for fiscal year 2012, as submitted.

- C. James Green, Chairman of the Sub-Committee on Executive Staff Compensation, reviewed the process utilized in developing the executive staff salary ranges and presented them to the Board for inclusion in the coming biennium budget. Mr. Green also mentioned that the Chairman of the Retirement Board may want to assign a trustee or trustees to be responsible for presenting the NRS language changes and the budget testimony on the salary modifications at the 2013 legislature. It was determined that this could be done at a later meeting. After discussion, on motion of Chris Collins, the Retirement Board voted unanimously to accept the proposed modifications to PERS' executive staff compensation ranges, as submitted and directed staff to insert them into the budget for fiscal years 2014 and 2015.
- D. On motion of Kathy Ong, the Retirement Board voted 5-yeas and 1-abstention to approve the minutes of the Retirement Board's education session and Board meeting held June 20, 2012, as submitted. David Olsen voted to abstain from the vote as he was not present at the June 20, 2012, meeting.
- E. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the proposed Retirement Board meeting dates for January 2013 through June 2013, as submitted.
- F. There were no recommended changes to the Retirement Board meeting dates for the remainder of 2012.
- G. There were no recommended changes to the Retirement Board education curriculum calendar.

V. ACCOUNTING

- A. Staff reviewed the proposed Biennial Budget for fiscal years 2014/2015 for the Public Employees' Retirement System. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Public Employees' Retirement System's

Biennial Budget for fiscal years 2014/2015, as amended to include the action the Retirement Board took under agenda item IV. C.

- B. Staff reviewed the proposed Biennial Budget for fiscal years 2014/2015 for the Legislators' Retirement System. On motion of Bart Mangino, the Retirement Board voted unanimously of those present to approve the Legislators' Retirement System's Biennial Budget for fiscal years 2014/2015, as amended to include the action the Retirement Board took under agenda item IV. C.
- C. Staff reviewed the proposed Biennial Budget for fiscal years 2014/2015 for the Judicial Retirement System. On motion of James Green, the Retirement Board voted unanimously of those present to approve the Judicial Retirement System's Biennial Budget for fiscal years 2014/2015, as amended to include the action the Retirement Board took under agenda item IV. C.
- D. Staff requested the Retirement Board defer action on the proposed Administrative Fees for the Public Employees' Retirement System for fiscal year 2013 to a later date. As staff requested, the Retirement Board deferred action on this item.
- E. Staff reviewed the proposed adjustment to the Administrative Fees for the Legislators' Retirement System for fiscal year 2013. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$43.47 per month for fiscal year 2013 for the Legislators' Retirement System.
- F. Staff reviewed the proposed adjustment to the Administrative Fees for the Judicial Retirement System for fiscal year 2013. On motion of James Green, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$38.42 per month for fiscal year 2013 for the Judicial Retirement System.

VI. ADMINISTRATION

- A. Staff reviewed the nominations received for the Police and Firefighters' Retirement Fund Advisory Committee positions. On motion of James Green, the Retirement Board voted unanimously of those present to:
 - 1. Re-appoint Sergeant Bill Ames to a four-year term for the Police Employee position on the Police and Firefighters' Retirement Fund Advisory Committee.
 - 2. Re-appoint Fire Captain Brian Wolfgram to a four-year term for the Firefighter Employee position on the Police and Firefighters' Retirement Fund Advisory Committee.
- B. Staff requested the Retirement Board's authorization to notify employers of proposed changes to the Public Employees' Retirement System's Official Policies dated March 1, 2010. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to PERS' Official Policies in accordance with NRS 286.200.

- C. Staff requested the Retirement Board's authorization to notify employers of proposed changes to the Legislators' Retirement System's Official Policies dated March 1, 2010. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to the LRS Official Policies in accordance with NRS 218C.150 and NRS 218C.180.
- D. Staff requested the Retirement Board's authorization to notify employers of proposed changes to the Judicial Retirement System's Official Policies dated March 1, 2010. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to the JRS Official Policies in accordance with NRS1A.100.

VII. RATIFICATION AGENDA

On motion of James Green, 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 taken since the last report.
- C. Approve the Investment Management Agreement and Investment Performance Guidelines between the Public Employees' Retirement Board and AEW.
- D. Approve the Security Services Quote with Verizon Business by Cybertrust for an amount not to exceed \$69,777.00 for fiscal year 2013.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A. Individual statements and/or requests by the members, retired employees, and/or the public:
- B. The Deputy Attorney General reported that the opening briefs have been filed in the Reno-Gazette Journal case and that RPEN and CCASA have filed amicus briefs on behalf of PERS.
- C. Administrative report by Staff.

Executive Officer:

1. The Executive Officer mentioned that the GASB final regulations have not been posted yet. Once

they are, staff will prepare an education session for the Retirement Board.

- Operations Officer:
1. The Operations Officer reported that the Retirement Board Self-Assessment Process will begin shortly with Michael Long contacting the trustees individually. The completed report will be presented to the Board at the October meeting.

D. Retirement Board questions and/or comments by members:

1. Member David Olsen mentioned that there will be a sponsored bike run, fun run, and car run on July 28th for the new I-580 prior to the grand opening for official transportation on approximately August 11, 2012.
2. Vice Chairman Green mentioned that he will not be present at the August meeting.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:55 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on July 18, 2012, was called to order at 9:30 a.m. by Chairman Vincent. One break was taken at 10:33 a.m. for approximately 8 minutes and the meeting was recessed at 11:25 a.m. The July 18, 2012, Retirement Board meeting was called to order at 12:00 noon by Chairman Vincent with one break taken at 2:41 p.m. for approximately 12 minutes and was adjourned by Chairman Vincent at 3:55 p.m.