

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND  
MEETING MINUTES FOR

Thursday, July 16, 2015

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

July 16, 2015  
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 10:00 a.m., July 16, 2015, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Al Martinez, Katherine Ong, Audrey Noriega and David Olsen. Members absent: Chris Collins and Rusty McAllister.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed PERS' budget process with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 10:55 a.m.

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July 16, 2015  
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 11:39 a.m., on July 16, 2015, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Al Martinez, David Olsen, Katherine Ong, and Audrey Noriega. Members absent: Chris Collins and Rusty McAllister.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Tiffany Cannon, Jennifer Cozine, John Dierdorf, Edward Gera, Robert Gosom, Shewanda Jackson, Cory Patterson, Suzanne Provencal, and Julia Riley all work or worked for the same employer as herself but she did not feel that would impair her vote. Al Martinez stated that Nicholas Carlos, Jeffery Wilfong, and Catriva Nelson all work or worked for the same employer as himself but he did not feel that would impair his vote. Mark Vincent stated that Ryan Brightwell and Bernadette Stepney both work or worked for the same employer as himself but he did not feel that would impair his vote. David Olsen stated that Lawrence Stewart works or worked for the same employer as himself but he did not feel that would impair his vote.

Staff stated that Krista Wyman rescinded her disability application and that the disability retirement request by Jennifer Cozine is posthumous. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Jennifer Blaylock, Ricardo Bonvicin, Ryan Brightwell, Tiffany Cannon, Nicholas Carlos, Dustin Cicalone, Jennifer Cozine, John Dierdorf, Joseph Duffy, IV, Edward Gera, Robert Gosom, Shewanda Jackson, Thomas Ostergaard, Cory Patterson, Suzanne Provencal, Julia Riley, Deborah Shirley, Janine Trujillo, Kathryn Weber-Karp, Cindy Whitaker, and Jeffery Wilfong.
2. Approve reemployment requests by disability recipients: Scott Cagnina, Luetta Mann, Jerrina McKinney, Catriva Nelson, Bernadette Stepney, Lawrence Stewart, and Jay Wildgrove.
3. Deny the reemployment request by disability recipient Jerry Chester.

3. INVESTMENTS

- 3.1 There were no recommended changes to the Interim Investment Directives for the PERS, Legislators, and Judicial funds.

4. BOARD

- 4.1 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to elect Mark Vincent, Chairman of the Retirement Board for fiscal year 2016. On motion of Audrey Noriega, the Retirement Board voted 4-yeas and 1-no to elect Kathy Ong Vice-Chairman of the Retirement Board for fiscal year 2016. Al Martinez voted no.
- 4.2 Staff reviewed the recruitment process for the new General Counsel position. Staff received seven very qualified applicants for the position. After interviewing all the candidates the three member panel chose Chris Nielsen as the finalist. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to confirm the appointment of Christopher Nielsen as the General Counsel of the

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Public Employees' Retirement System of Nevada at step 10 in the General Counsel pay schedule, effective August 3, 2015.

- 4.3 Staff provided the PERS' executive management review and plan to the Board. Staff presented highlights from the previous fiscal year in seven different categories:

1. Governance and Board Relations;
2. Executive Management;
3. Funding and Actuarial Valuations;
4. Operations
5. Investment Program;
6. Internal Audit; and
7. Legislative Management.

Staff also mentioned areas that the executive staff will be focusing on for extensive review in the upcoming fiscal year. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Executive Management Review and Plan, as submitted.

- 4.4 Staff reviewed the executive staff salaries with the Retirement Board. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve Step 10 for the Investment Officer and the Administrative Services Coordinator, Step 7 for the Chief Financial Officer, and Step 6 for the Operations Officer and Administrative Analyst, of the appropriate approved salary schedule, effective July 1, 2015.
- 4.5 Staff mentioned that according to the Board's Policy Development Policy, the Board's Charters and Policies need to be reviewed every three years. The last review was completed in 2012. Staff will review the Board Charters prior to the next meeting and propose any changes or modifications needed for the Board's review at the August meeting. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to begin the review process of the Retirement Board Charters and Policies pursuant to the Board's Policy Development Policy.
- 4.6 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Meeting held June 17, 2015, as submitted.
- 4.7 Staff presented the proposed Retirement Board meeting dates for January 2016 through June 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Retirement Board meeting dates for January 2016 through June 2016, as submitted.
- 4.8 There were no recommended changes to the Retirement Board meeting dates for the rest of the calendar year.

- 4.9 Staff requested that the Education Topic for September be switched with the Education Topic for October. On motion of Mark Vincent the Retirement Board voted unanimously of those present to change the education topic for September 2015 to “Investment Guest Speaker” and the October 2015 education topic to “Securities Litigation”.

5. ACCOUNTING

- 5.1 Staff reviewed the budget spending authority for fiscal years 2016-2017 that was submitted by the Retirement Board and approved by the 2015 legislature. No action was taken on this item as it was provided as information only.

6. ADMINISTRATION

- 6.1 Staff reviewed the nomination process for the Police and Firefighters’ Retirement Fund Advisory Committee. Current member, Mr. Brett Fields, is up for reappointment and was nominated by the Clark County Firefighters IAFF Local 1908 for reappointment to the Committee. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to appoint Brett Fields to a four-year term on the Police and Firefighters’ Retirement Fund Advisory Committee effective July 1, 2015.

- 6.2 Staff reviewed the nomination for the Police and Firefighters’ Retirement Fund Advisory Committee. The appointment of Brian Allen expired on June 30, 2015 and he is not eligible for reappointment. Mr. Allen’s position on the Committee is rotated between a police and fire position every two terms. As the position now shifts to a fire management position the Retirement Board is required to appoint a new member to the Committee. Two nominations were received from fire management positions and both candidates were interviewed by staff. Based on the nomination letters, interviews, position requirement and geographical balance, staff recommends Robert Schreihans to fill the vacant fire management position on the Committee. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to appoint Robert Schreihans to a four-year term on the Police and Firefighters’ Retirement Fund Advisory Committee effective July 1, 2015.

7. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda as recommended by staff:

- 7.1 Approve the Administrative Fund disbursements.
- 7.2 Approve the personnel action taken since the last report.

- 7.3 Approve the Investment Consulting Agreement with Peavine Capital.
- 7.4 Approve the Investment Consulting Fee Exhibit with Callan Associates.
- 7.5 Approve the independent contract with Patty Machal for an amount not to exceed \$23,000.00.
- 7.6 Approve the independent contract with Cindy Yadon for an amount not to exceed \$23,000.00.
- 7.7 Retroactive approval of the independent contract with Segal Consulting for GASB 67 implementation and valuation for an amount not to exceed \$45,000.00.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

- 10.1 There were no individual statements and/or requests by the members, retired employees and/or the public.
- 10.2 There was no report from the Deputy Attorney General.
- 10.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer presented Steve Edmundson, Investment Officer of PERS, with a 10-year plaque for his continued service to PERS' members and beneficiaries. The Executive Officer stated that she is pleased that Steve is here and thanked him for his service. Steve accepted the plaque and mentioned that the first 10-years have gone by fast. He also stated that he loves what he does and believes in what he does and looks forward to his next 10-years. Ken Lambert from Peavine Capital also mentioned that it has been an honor to work with Steve and noted that Steve is held in high regard nationally by his peers.

Ken went on to say that he is proud to work side by side with Steve.

- Investment Officer: 1. The Investment Officer mentioned that a New York Times reporter contacted him and came to Nevada to interview him. They discussed Nevada PERS' investment program for approximately two hours. The article is due out in the end of July or the beginning of August.

10.4 Comments or questions from the Retirement Board members:

- Chairman Vincent: 1. Chairman Vincent congratulated Steve on his 10-years of service on behalf of the whole Board and mentioned that the entire Board appreciates that he is here.
2. Chairman Vincent mentioned that it is kind of nice to have the New York Times request an interview with us. He stated that the article may be something PERS can use to promote the System in the future.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 1:15 p.m.

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The following is the time schedule for the meeting:

The Retirement Board education session held on July 16, 2015, was called to order at 10:00 a.m. by Chairman Vincent and recessed at 10:55 a.m. The July 16, 2015, Retirement Board meeting was called to order at 11:39 a.m. by Chairman Vincent and adjourned at 1:15 p.m.