

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, August 20, 2014

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

August 20, 2014
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 11:30 a.m., August 20, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Katherine Ong, Al Martinez, Rusty McAllister, Audrey Noriega and David Olsen. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed the Board's fiduciary responsibilities and provided a copy of the Nevada Ethics in Government Manual for public officers and public employees to the Retirement Board members.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 12:32 p.m.

August 20, 2014
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 1:03 p.m., on August 20, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Katherine Ong, Al Martinez, David Olsen, Audrey Noriega and Rusty McAllister. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Dirk Richwine asked if he could address the Board and declined his right to discuss his disability retirement reemployment request in a closed session. Mr. Richwine provided additional information on his requested reemployment position to the Board and asked that they reconsider the staff's recommended denial of his reemployment request.

For the record, Al Martinez stated that Robert Chiodini worked for the same employer as himself but he did not feel that would impair his vote. Mark Vincent stated that Mark Anico and Robin Lawson worked for the same employer as himself but he did not feel that would impair his vote. Audrey Noriega stated that Marliyn Barker, Colleen Larreau, Douglas O'Brien, Barbara Sutherland, Kacy Curry, and Carol Dominguez all worked for the same employer as herself but she did not feel that would impair her vote. David Olsen stated that Michele Fogle and Lawrence Stewart all worked for the same employer as himself but he did not feel that would impair his vote. He also stated that he has personal knowledge of Laurel Terry's situation but did not feel that would impair his vote. Chris Collins stated that Melissa Gonzalez, Kanmei Morrill, and Steven Menger all worked for the same employer as himself but he did not feel this would impair his vote. Rusty McAllister stated that he has personal knowledge of Robin Lawson's situation and stated that he would abstain from voting on his request.

On motion of Kathy Ong, the Retirement Board voted unanimously except for Rusty McAllister who abstained on Robin Lawson to:

1. Approve permanent and total disability retirement for: Joann Albrecht, Mark Anico, Tanya Atkin, Marilyn Barker, Debra Barnes, Bill Donovan, Jermie Elliott, Glenn Fair, Michele Fogle, Thomas Fruth, Melissa Gonzalez, Bryan Hakanson, Brenda Hewitt, Colleen Larreau, Kanmei Morrill, Douglas O'Brien, Jamie Rainone, Raymond Reinke, Barbara Sutherland, Laurel Terry, and Deborah Villanueva.
2. Approve reemployment requests by disability recipients: George Baumgartner, Stephan Burke, Robert Chiodini, Kacy Curry, Carol Dominguez, Nancy Jeppson, Peggy Jones, Robin Lawson, Cathy Martson, Steven Menger, Susan Ransone, Tonilyn Strassburg, Jennifer Todd, and Roger Vind.
3. Deny reemployment requests by disability recipients Dirk Richwine and Lawrence Stewart.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management provided the 2014 fiscal year end performance review for the Public Employees' Retirement Fund, the Judicial Retirement Fund, and the Legislators' Retirement Fund. There was no action taken on this item.

- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', LRS', and JRS funds.

4. BOARD

- 4.1 Staff reviewed PERS' current actuarial assumptions that were adopted from the Board's Experience Study that was presented at the September 2013 meeting. Staff provided slides on the inflation and payroll trends for discussion. Staff reinforced the System's philosophy regarding assets and liabilities, and reminded the Board that staff's focus is to maintain a long-term view and emphasized patience. Staff recommended the Board maintain the inflation and payroll growth assumptions at their current levels and perform another review of these assumptions after the next Actuarial Valuation Report for the current fiscal year is completed. On motion of Kathy Ong, the Retirement Board voted unanimously to leave the actuarial assumptions at their current levels with a re-review after next year's actuarial valuation is completed.
- 4.2 Dana Danforth, PERS' Principal Auditor, presented PERS' Internal Audit Division's Fiscal Year 2015 Audit Plan. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously to approve the Fiscal Year 2015 Audit Plan, as submitted.
- 4.3 Sub-Committee Chairman, Rusty McAllister, reported that staff and the Sub-Committee are continuing to review PERS' disability retirement process and PERS' disability reemployment process and policies. The Sub-Committee's next meeting will be on October 15, 2014, in the Las Vegas Eastern office.
- 4.4 On motion of Kathy Ong, the Retirement Board voted 6-yeas and 1-abstention to approve the minutes of the Retirement Board education session and board meeting held July 16, 2014, as submitted. Rusty McAllister abstained from voting on this item as he was not present at the July 16, 2014 meeting.
- 4.5 There were no recommended changes to the Retirement Board meeting dates.
- 4.6 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ACCOUNTING

- 5.1 Staff presented the Administrative Fees for the Public Employees' Retirement System for fiscal year 2015. On motion of Kathy Ong, the Retirement Board voted unanimously to approve a per capita fee of \$3.36 per month for each Regular member and benefit recipient and \$3.58 per month for each Police/Fire member and benefit recipient, retroactive to July 1, 2014.

- 5.2 Staff presented the Administrative Fees for the Legislators' Retirement System for fiscal year 2015. On motion of Kathy Ong, the Retirement Board voted unanimously to approve a per capita administrative fee of \$45.20 per month for fiscal year 2015 for the Legislators' Retirement System.
- 5.3 Staff presented the Administrative Fees for the Judicial Retirement System for fiscal year 2015. On motion of Kathy Ong, the Retirement Board voted unanimously to approve a per capita administrative fee of \$47.62 per month for fiscal year 2015 for the Judicial Retirement System.
- 5.4 Staff reviewed PERS' Budget Variance Report for fiscal year 2014. On motion of Kathy Ong, the Retirement Board voted unanimously to accept the Budget Variance Report for fiscal year 2014, as submitted.

6. ADMINISTRATION

- 6.1 Staff reviewed the current Strategic Plan and format with the Board and asked the Board for any additional items they would like included in the Strategic Plan for discussion at the September 17th meeting. Staff also advised the Board that they would be streamlining the Strategic Planning document and would prepare a Business Plan that would include information on the day to day operations of the System. No action was taken on this item.
- 6.2 Staff presented the Service Quality Report for fiscal year 2014. On motion of Kathy Ong, the Retirement Board voted unanimously to accept the Service Quality Report for fiscal year 2014, as submitted.

7. LEGISLATION

- 7.1 Staff reviewed the Bill Draft Request list for the 2015 Legislative Session that is now available on the legislature's website. Currently, staff is tracking the following BDR's that may affect the System:

BDR #184 – Assemblyman Kirner – Creates the Interim Task Force to examine alternatives to the current Public Employees' Retirement System.

BDR #185 – Assemblyman Kirner – Revises provisions governing the Public Employees' Retirement Board.

BDR #384 – Public Employees' Retirement System – Revises provisions governing the Public Employees' Retirement System.

BDR #385 – Public Employees' Retirement System – Revises provisions governing personnel of the Public Employees' Retirement System.

There is no bill language available for these BDR's to determine their affects on the System at this time.

8. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously to approve all items on the Ratification Agenda, as submitted:

- 8.1 Approve the Administrative Fund disbursements.
- 8.2 Approve the personnel action taken since the last report.
- 8.3 Approve the Final Benefit Audit Report for April 2013.
- 8.4 Approve the Final Benefit Audit Report for August 2012.
- 8.5 Approve the request by the American Preparatory Academy of Las Vegas for membership in PERS effective August 25, 2014.

9. DENIALS

10. REPORTS

11. PUBLIC COMMENT

- 11.1 Marty Bibb, Executive Director of the Retired Public Employees of Nevada (RPEN), addressed the Board and mentioned that they were also aware of Assemblyman Kirner's BDRs for the 2015 legislative session. He also explained that his organization provided a questionnaire to approximately 30-40 electoral candidates and will share a summary of their responses in RPEN's next newsletter.
- 11.2 The Deputy Attorney General provided an update on pending litigation involving Nevada PERS.
- 11.3 Administrative Report by Staff:

- Executive Officer:
 - 1. The Executive Officer mentioned that Cheryl Price, Operations Officer, Lauren Larson, Assistant Investment Officer, Al Martinez, Board Member and herself attended the National Association of State Retirement Administrators (NASRA) annual conference in Asheville, North Carolina earlier this month and thanked the Board for the opportunity to attend. She stated that it was a great conference and that she participated in a legal panel where she

discussed PERS' public records case. She also reported that the Operations Officer worked on the Senior Workshop with Dan Duquette from the Illinois Municipal System. The Executive Officer also mentioned that next year the conference will be held in Monterey, California and hoped that more Board members would be able to attend.

11.4 Comments or questions from the Retirement Board members:

- Al Martinez:
1. Board member Martinez reported that a lot of good information was shared at the NASRA conference and that it was interesting to hear about what issues other state systems are facing.

12. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:03 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on August 20, 2014, was called to order at 11:30 a.m. by Chairman Vincent and recessed at 12:32 p.m. The August 20, 2014, Retirement Board meeting was called to order at 1:03 p.m. by Chairman Vincent and adjourned at 3:03 p.m. by Chairman Vincent.