

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, September 17, 2015

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

September 17, 2015
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Vice Chair Ong at 9:02 a.m., September 17, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Katherine Ong, Al Martinez, Rusty McAllister, David Olsen, Timothy Ross and Audrey Noriega. Members absent: Mark Vincent.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Vice Chair Ong welcomed the Retirement Board's newest member, Timothy Ross. Mr. Ross replaces Mr. Collins who has retired. Ken Lambert of Peavine Capital introduced Bob Maynard, CIO, of the Public Employee Retirement System of Idaho, who discussed their investment philosophy and the current capital market environment with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Vice Chair Ong recessed the meeting at 10:35 a.m.

September 17, 2015
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Vice Chair Ong at 11:06 a.m., on September 17, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Katherine Ong, Al Martinez, Audrey Noriega, David Olsen, Tim Ross and Rusty McAllister. Members absent: Mark Vincent.

1. PUBLIC COMMENT

1. Warren Wish of NSEA mentioned that the Annual Strategic Plan revision item on the agenda was of particular interest to NSEA because of the removal of the rate of return from page 95. Mr. Wish was

informed that the removal of the rate of return on page 95 was because of redundancy. The rate of return is included in the investment strategies earlier in the document.

2. Pete Sferrazza reviewed his employment status and years of service with the Board. He then requested that his staff denial be heard at the November 2015 meeting as an official appeal. He thanked PERS' General Counsel for his assistance with this request. PERS' General Counsel informed the Board that Mr. Sferrazza's denial could be heard at the November meeting based upon PERS' Official Policy 12.4 (b) where staff has interpreted PERS' statutes differently than Mr. Sferrazza. Vice Chair Ong asked that Mr. Sferrazza's appeal be placed on the November 19, 2015 meeting agenda.

2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Ana Cervantes-Smith, Gloria Chartier, Anthony Simpson, Leigh-Ann Styles, and Cynthia Cohen all either work or worked for the same employer as herself but she did not feel this would impair her vote. Al Martinez stated that Gary Kahalepo and Joseph Roman both work or worked for the same employer as himself but he did not feel this would impair his vote.

On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Bobby Bradley, Teri Camacho, Ana Cervantes-Smith, Gloria Chartier, Lourdes Cruz, Jeremy Graves, Michael Hellman, Gary Kahalepo, David Kichenmaster, Ted Martinez, Erik Meltzer, Wendy Pitts, Janet Price, Debra Richards, Gregg Ruiz, Anthony Simpson, Leigh-Ann Styles, Robert Tokarz, Elaine Trent, and Melvin Weaver.
2. Approve permanent and total disability retirement at a one year review for Susan Burdick.
3. Approve reemployment requests by disability recipients: Cynthia Cohen, Scott Jones, Dave Lane, Robert McCorkle, Steven Menger, Joseph Roman, and DeAnn Siri.

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 Staff reviewed the proposed changes to the Retirement Board's Board Operations Policy. Staff noted that Vice Chair Ong has provided some additional changes to the policy to staff that have been printed and provided to the Retirement Board. Staff has no concerns with incorporating those additional changes into the policy. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to adopt the Board's Board Operations Policy, as amended.
- 4.2 Staff had no proposed changes to the Retirement Board's Board Policy Development Policy. Staff noted that Vice Chair Ong has provided minor changes to the policy to staff that have been printed and provided to the Retirement Board. Staff has no concerns with incorporating those changes into the policy. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to adopt the Board's Board Policy Development Policy, as amended.
- 4.3 Staff reviewed the proposed changes to the Retirement Board's Strategic Planning and Budgeting Process Policy. Staff noted that Vice Chair Ong has provided additional minor changes to the policy to staff that has been printed and provided to the Retirement Board. Staff has no concerns with incorporating those additional changes into the policy. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to adopt the Board's Strategic Planning and Budgeting Process Policy, as amended.
- 4.4 Staff reviewed and discussed the proposed Request for Information for additional actuarial services. After discussion, on motion of Rusty McAllister, the Retirement Board voted unanimously of those present to authorize staff to initiate a request for information process to seek an actuarial firm to review the work of the System's consulting actuary.
- 4.5 On motion of Rusty McAllister, the Retirement Board voted 4-yeas and 2-abstentions to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held August 20, 2015, as submitted. David Olsen and Tim Ross abstained from voting on this item as they were not present at the August 20, 2015, meeting.
- 4.6 There were no recommended changes to the Retirement Board meeting dates.
- 4.7 Staff recommended changing the October education topic of Securities Litigation to a discussion on the investment program's second opinion results. This will allow for a more in-depth discussion on the results. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the proposed change to the Retirement Board's Education Curriculum Calendar for the October 22, 2015, meeting, as submitted.

5. ADMINISTRATION

5.1 Staff reviewed the proposed modifications to PERS' Strategic Plan for fiscal year 2016. Staff noted that Vice Chair Ong has provided additional changes to the Strategic Plan to staff that have been printed and provided to the Retirement Board. Staff has no concerns with adding these additional changes to the Strategic Plan. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to accept PERS' Annual Strategic Plan revision for fiscal year 2016, as amended.

6. RATIFICATION AGENDA

On motion of Audrey Noriega, 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 Retroactively approve the request by Equipo Academy's request for membership in PERS, effective August 1, 2015.

7.4 Approve the GASB 68 Audit Report.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

10.1 There were no individual statements and/or requests by the members, retirement employees and/or the public.

10.2 PERS' General Counsel provided a litigation update on PERS' pending cases.

10.3 Administrative Report by Staff:

Executive Officer:

1. The Executive Officer mentioned that the New York Times article on PERS' investment program and PERS' investment staff came out and was very well written.
2. The Executive Officer stated that she and the Operations Officer attended

the RPEN annual conference that was held in Carson City. She presented an overview of PERS and provided a wrap-up of the 2015 legislative session. RPEN presented resolutions to both the Executive Officer and the Operations Officer in recognition of their efforts during the 2015 legislative session.

- Investment Officer:
1. The Investment Officer mentioned that he has been nominated by the Chief Investment Officer Magazine and is a finalist for the CIO Industry Innovation Award. Winners will be announced December 3, 2015.

10.4 There were no comments and/or questions from the Retirement Board members.

11. ADJOURNMENT

The meeting was adjourned by Vice Chair Ong at 11:54 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on September 17, 2015, was called to order at 9:02 a.m. by Vice Chair Ong and recessed at 10:35 a.m. The September 17, 2015, Retirement Board meeting was called to order at 11:06 a.m. by Vice Chair Ong and adjourned the meeting at 11:54 a.m.