

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, December 14, 2017

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

December 14, 2017
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 8:18 a.m., December 14, 2017, in the PERS' Board Room, 5740 S. Eastern Avenue, Suite 120, Las Vegas. Members present: Mark Vincent, Katherine Ong, Lee-Ann Easton, Scott Gorgon, Yolanda King, Timothy Ross, and Brian Wallace. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Thomas Rey and Jason Ostroski of CliftonLarsonAllen provided a review of financial statements and the audit process to the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 9:36 a.m.

December 14, 2017
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:52 a.m., on December 14, 2017, in the PERS' Board Room, 5740 S. Eastern Avenue, Suite 120, Las Vegas. Members present: Mark Vincent, Katherine Ong, Lee-Ann Easton, Yolanda King, Timothy Ross, and Brian Wallace. Members absent: Scott Gorgon.

1. PUBLIC COMMENT

Tom Wellman, President of the Nevada State Education Association Retired program, stated that one of the most pressing issues from their members is concern over COLAs. COLAs are an important part of their benefits and they would like the process to be more transparent and understandable. He indicated the more pressing needs of retirees are the rising costs of medication and medical care. Mr. Wellman suggested a yearly reminder to retirees about how the COLA program works. Mr. Wellman thanked the Retirement Board for their time.

Gerri North, President of the Clark Retired Education Association, thanked the Board members for serving on the PERS Board and working for the workers of the State of Nevada. She stated that her only concern is the unpredictability of getting a COLA each year. Ms. North indicated that as retirees age more of their income goes to medical care costs. She stated that she has heard about a Senior CPI. She thanked the Retirement Board for listening and hearing the concerns of their membership.

Steve Horner addressed the Retirement Board and indicated that he sits on the Board of the Clark Retired Education Association and is Chairman of the Nevada Democratic Education Caucus. He thanked the Retirement Board for the opportunity to address them and for the great work they do to help retired public employees. He briefly addressed two concerns: The first is tying COLAs to a CPI that is unfriendly to seniors and retirees, and the second concern is a method to explain and inform retired public employees about how COLAs are calculated and why those calculations vary from year to year and month to month.

Laura Levitt, a retiree and member of both the AFSCME 4041 Retirees and RPEN, made a statement on behalf of the AFSCME 4041 Retirees. She provided information from a Bureau of Labor Statistics publication from April 2008 regarding an experimental consumer price index for elderly Americans (CPI-E). Ms. Levitt indicated that older Americans spend a greater share of their budgets on medical care. Ms. Levitt thanked the Retirement Board for their hard work.

Terri Laird, Executive Director of the Retired Public Employees of Nevada, stated that she concurs with most of the speakers and indicated that RPEN has about 9,000 members. She said that since she has been with RPEN this was one of the most topical questions received from their members and that health care is the number one expense faced by retirees. She thanked PERS and the PERS staff for their cooperation with RPEN. She stated that she has asked PERS to address PRIs at least twice in newsletter articles since she became Executive Director.

2. DISABILITIES

- 2.1 For the record, Yolanda King stated that Patricia Dillard, Peggy Johnson, Cynthia Stowe-Cranford, and Anthony Bridges work or worked for the same employer as herself but she did not feel that would impair her vote. Timothy Ross stated that Darren Evans works or worked for the same employer as himself but he did not feel that would impair his vote.

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Michael Arsen, Tammy Bedellion, Katrina Carter, Patricia Dillard, Laura Erent, Darren Evans, Angelina Ferrino, Andrew Franklin, Melissa Gonzales, John Gregg, Rona Harvey, Kathryn Hotchkiss, Peggy Johnson, Wayne Kosub, Margaret Latorre, Tatia Lynn, Starr Mesa, Steven Moore, Eugenia Riddle, Cynthia Stowe-Cranford, John Tonry, Robert Washer, and Zachary Zarach.
2. Approve reemployment requests by disability recipients: Joseph Arnold, Anthony Bridges, Tamara Hewlett, David LeMaster, James Lomax, Kenneth Shockley, and Lori Yazzie.
3. Deny reemployment requests for disability recipients: Gail Evans-Wade, Michele Kriethe, and Ann Larkin.

3. INVESTMENTS

- 3.1 Staff presented the annual investment cost report for fiscal year 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2017 Investment Cost Report, as submitted.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

4. BOARD

- 4.1 On motion of Mark Vincent, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held November 16, 2017, as submitted.
- 4.2 There were no recommended changes to the Retirement Board meeting dates.
- 4.3 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the proposed Retirement Board Education Curriculum Calendar for calendar year 2018, as submitted.

5. ACCOUNTING

5.1 Staff introduced Thomas Rey and Jason Ostroski of CliftonLarsonAllen who presented the fiscal year 2017 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. After discussion, on motion of Yolanda King, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2017 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System.

6. ADMINISTRATION

6.1 Staff provided a history of the Post-Retirement Increase Methodology. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously of those present to:

- (1) Continue to use a fiscal year cap calculation for the PRI cap using June numbers,
- (2) Move the date of implementation of the PRI cap from July 1 to September 1 of each year,
- (3) Authorize staff to perform a full verification of all PRIs paid from 2009 forward and make any necessary adjustments,
- (4) Direct staff to review alternative indexes, and
- (5) Direct the new communications position to work with the communications consultant to develop a plan to clearly communicate PRI information to members and beneficiaries.

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 Final Benefit Audit Report for August 2015.
- 7.4 Approve the Final Benefit Audit Report for September 2015.
- 7.5 Approve the Final Benefit Audit Report for October 2015.
- 7.6 Approve the Final Benefit Audit Report for November 2015.
- 7.7 Approve the Deceased Recipient Review Report for the first quarter of 2017.

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- 7.8 Approve the Deceased Recipient Review Report for the second quarter of 2017.
 - 7.9 Approve the Phase-In Agreement between the Desert Research Institute and Kyle Ruf.
 - 7.10 Authorize Staff to Renew the Carson Properties Storage Facility Contract for an amount not to exceed \$38,304.

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 PERS' General Counsel provided an update on pending litigation.
- 10.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer mentioned that a tentative date has been set for the Interim Retirement and Benefits Committee meeting.

- 10.4 Comments or questions from the Retirement Board members:

Mark Vincent: 1. Chairman Vincent appointed an Audit Subcommittee which includes Yolanda King, serving as Chair, Kathy Ong, and Scott Gorgon. This Subcommittee will work with Kabrina Feser and the audit staff on the terms of their audit plan and reviewing the audit reports and the process of hiring a new outside auditor.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 11:34 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on December 14, 2017, was called to order at 8:18 a.m. by Chairman Vincent and recessed at 9:36 a.m. The December 14, 2017, Retirement Board meeting was called to order at 9:52 a.m. by Chairman Vincent and adjourned at 11:34 a.m.