

PUBLIC EMPLOYEES' RETIREMENT BOARD
EDUCATION SESSION AND MEETING MINUTES FOR
Tuesday, February 19 and Wednesday, February 20, 2008

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

The Education Session of the Public Employees' Retirement Board was called to order by Chairwoman Susan DeFrancesco at 3:00 p.m., February 19, 2008, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Charles Silvestri, Elizabeth Fretwell, Purisimo Hernandez, David Kallas, and Warren Wish. Members absent: George Stevens.

February 19, 2008
Board Education Session

I. INVESTMENTS

- A. Staff discussed the structure and risks of PERS' private equity portfolio.

II. ADMINISTRATION

- A. Brian Snyder, Director of PERS' Employer and Production Services Division, reviewed the Division's responsibilities and their future projects.

III. PUBLIC COMMENT

There were no public comments.

IV. RECESS

Chairwoman DeFrancesco recessed the meeting at 5:00 p.m.

February 20, 2008
Board Meeting

The Board meeting of the Public Employees' Retirement Board was called to order by Chairwoman DeFrancesco at 8:00 a.m., February 20, 2008, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Elizabeth Fretwell, Purisimo Hernandez, David Kallas, Charles Silvestri, George Stevens and Warren Wish. Members absent: None.

I. DISABILITIES

- A. For the record, Elizabeth Fretwell disclosed that Roy Crelius works for the City of Las Vegas but she is not familiar with his situation and would be voting. On motion of Warren Wish, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Victor Alegria, Lynn Boyd, Donna Cleveland, Roy Crelius, Judith Erta, Marcella

Fedynich, Nancy Fleckenstein, Joseph Gourley, Gina Hain, Jaime Holden, Shelly Lieberman, David Mangold, Carol Nemanic, LaRue Pollard, Edward Salcido, Jessica Sculthorpe, and Sue Sigler.

2. Approve reemployment requests by disability recipients: Bernadette Franklin, Jose Garzon, Richard Kissick, David Meeks, Lori Morgan, LaMont Singley, Elizabeth Spencer, and Pamela Sword-Frakes.
3. Deny reemployment request by disability recipient Susan Albinio.

II. INVESTMENTS

- A. Karen Jakobi, Jim Chambliss, and Matt Lugar of Pathway Capital provided an annual review of PERS' private equity portfolio.
- B. Thomas Dugan of Dodge and Cox presented an update on PERS' active U.S. bond portfolio.
- C. Staff and Eileen Kwei of Callan Associates, Inc. provided the quarterly performance update for the PERS', Legislators', and Judicial funds for the period ending December 31, 2007. On motion of David Kallas, the Retirement Board voted unanimously to approve out-of-state travel for staff to visit Goldman Sachs' offices in New York and QMA's offices in New Jersey.
- D. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

III. BOARD

- A. On motion of Elizabeth Fretwell, the Retirement Board voted unanimously to approve the minutes of the Retirement Board's education session and board meeting held January 16 and 17, 2008, as submitted.
- B. There were no changes to the Retirement Board meeting dates.
- C. On motion of Elizabeth Fretwell, the Retirement Board voted unanimously to change the Administration education topic for April to "On-line Functionality" and the May topic to "Budget Preparation Process".

IV. ADMINISTRATION

- A. Staff provided an update on the JAVA language computer conversion.
- B. Paul Angelo, Cathie Eitelberg, and Brad Ramirez of The Segal Company presented the actuarial and benefits consulting calendar for 2008 and discussed the recent personnel changes related to the Nevada consulting relationship.

V. RATIFICATION AGENDA

On motion of David Kallas, the Retirement Board voted unanimously to approve items A - I:

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the amended Management Fee Agreement with Western Asset Management.
- D. Approve the Final Benefit Audit Report for February 2007.
- E. Approve the 4th Quarter Deceased Recipient Review for the period ending December 2007.
- F. Retroactive approval of the request by the Nevada Connections Academy for participation in PERS effective August 13, 2007.
- G. Approve the Phase-In Agreement request between James Romaggi and the University of Nevada, Reno, effective February 1, 2008.
- H. Retroactive approval of the request by Nevadaworks for participation in PERS effective February 18, 2008.
- I. Retroactive approval of the request by Incline Village-Crystal Bay Visitors and Convention Bureau for participation in PERS effective January 1, 2008.

In a separate motion by David Kallas, the Retirement Board voted 6-yeyes and 1-abstention to approve item J:

- J. Approve the request for a penalty waiver by the Nevada Department of Transportation in the amount of \$436.60.

Purisimo Hernandez abstained from voting on item J due to his current employment relationship.

VI. DENIALS

VII. REPORTS

VIII. PUBLIC COMMENT

- A. There were no individual statements and/or requests by the members, retired employees and/or the public.
- B. The Deputy Attorney General reported that there will be a case conference next week regarding Dallas Augustine.
- C. Administrative report by Staff.

- Executive Officer:
1. The Executive Officer mentioned that the Interim Benefits and Retirement Committee met on January 23rd and the meeting went very well.
 2. The Executive Officer stated the Callan Institute Conference she and the Investment Officer attended was very informative and had great speakers.
 3. The Executive Officer participated in a Roundtable discussion on public pension plan financial disclosures sponsored by the Society of Actuaries and the American Academy of Actuaries in New York.
 4. The Executive Officer informed the Retirement Board that PERS audit department will be performing employer audits on holiday pay, call-back pay, and implementation of the 12-hour rule to review reportable compensation.
 5. The Executive Officer has scheduled Ad-hoc meetings of Employee Associations and Employer Groups in preparation for the 2009 Legislative Session. The Las Vegas meetings will be held on April 17th and the Carson City meetings will be held on April 22nd.
 6. The Executive Officer mentioned that the Retirement Board is coming up on their 3-year review of their Charters and Policies and wanted direction on how to proceed with the review. Chairwoman DeFrancesco appointed a Sub-Committee consisting of Elizabeth Fretwell, Charles Silvestri, and Warren Wish to review the Charters and Policies and make recommendations to the Board. Staff will schedule Sub-Committee meetings in conjunction with the regular monthly meetings.
- Operations Officer:
1. The Operations Officer reported that on January 29th she made a presentation at the Nevada Government Finance Officers Association and also attended the Committee on Local Government Finance meeting who is currently developing regulations for local governments to be able to invest in the Retirement Benefits Investment Fund. She will continue to attend and participate in these meetings.
 2. The Operations Officer mentioned PERS currently has seven positions open and staff is working to fill those. It will take approximately 3-4 months before we are fully staffed due to in-house promotions.

3. The Operations Officer stated that the new Las Vegas office is doing very well and is scheduling individual and group counseling appointments.

- Investment Officer:
1. The Investment Officer reported that PEBP has contributed \$15.6 million to the Retirement Benefits Investment Fund and the assets were efficiently invested consistent with the Retirement Benefits Investment Fund policies.

D. Questions and/or comments by members of the Retirement Board.

Susan DeFrancesco: Chairwoman Susan DeFrancesco requested staff prioritize the topics for discussion from the Charters and Policies and if possible schedule sub-committee meetings in concert with the Retirement Board meetings.

Chairwoman DeFrancesco thanked Eileen Kwei of Callan Associates and Ken Lambert, PERS Investment Officer, for their hard work and efficiencies which make the Retirement Board look good.

David Kallas: Mr. Kallas requested staff produce data on the impact of 25 and out for the Police/Fire fund members. He also asked for the average entry age and the average retirement age for members of the Police/Fire fund. Staff will provide the information requested.

Elizabeth Fretwell: Ms. Fretwell asked if we could look at using average compensation of the highest 5-years versus highest 3-years which we currently use when determining retirement benefits. Staff mentioned that we will discuss and review all these topics as we prepare for the 2009 legislative session.

IX. ADJOURNMENT

The meeting was adjourned by Chairwoman DeFrancesco at 12:30 p.m.

The following is the time schedule for the meeting:

On February 19, 2008, the Education Session was called to order at 3:00 p.m. by Chairwoman DeFrancesco and recessed at 5:00 p.m. The February 20, 2008, Board meeting was called to order at 8:00 a.m. by Chairwoman DeFrancesco. Two breaks were taken at 9:50 a.m. and 11:45 a.m. for approximately ten minutes each. The meeting was adjourned at 12:30 p.m.