

PUBLIC EMPLOYEES' RETIREMENT BOARD
EDUCATION SESSION AND MEETING MINUTES FOR
Tuesday, March 18 and Wednesday, March 19, 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., March 18, 2008, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Charles Silvestri, Elizabeth Fretwell, Purisimo Hernandez, David Kallas (via telephone), and Warren Wish. Members absent: George Stevens.

March 18, 2008
Board Education Session

I. ADMINISTRATION

- A. Staff discussed different best governance practices throughout the public pension sector and compared them to PERS.

II. INVESTMENTS

- A. Staff reviewed enhanced index management and the risk factors involved in this investment style.

III. PUBLIC COMMENT

There were no public comments.

IV. RECESS

Chairwoman DeFrancesco recessed the meeting at 4:55 p.m.

March 19, 2008
Board Meeting

The Board meeting of the Public Employees' Retirement Board was called to order by Chairwoman DeFrancesco at 8:00 a.m., March 19, 2008, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Elizabeth Fretwell, Purisimo Hernandez, David Kallas (via telephone), Charles Silvestri, and Warren Wish. Members absent: George Stevens.

I. DISABILITIES

- A. On motion of David Kallas, the Retirement Board voted unanimously of those present to:
 - 1. Approve permanent and total disability retirement for: Cecilia Aguilar, Lawrence Bowman, Edward Burns, Gary Davis, JoAne Deane, George

DeLeo, Lindi Duran, Lisa Griffin-Moore, Gerald Heredia, Virginia Honaker, Lance Hughes, Mary Lafia, Raymond Lovins, Trent Osmer, Caroline Piccolo, Gail Rasmusson, Melissa Rempe, Steven Robinson, Alice Schleicher, Leo Stulc, Charlie Tupin, and David Young.

2. Approve reemployment requests by disability recipients: Glenn Bunch, Stephan Burke, Andrew Coleman, Charles Donahue, Richard Dunn, Mildred Edwards, Alisa Gatlin, Melvin Goins, Michele Hines, John Mathews, Timothy Mutch, and Marla Scott.

In a separate motion by Warren Wish, the Retirement Board voted unanimously of those present to defer action on the reemployment request by disability recipient Debra Allen, until more information can be reviewed by staff regarding her new position duties.

II. INVESTMENTS

- A. Staff and Paul Troup and Eileen Kwei of Callan Associates, Inc., reviewed the organizations, investment processes, and performance for Batterymarch, Golden Capital Management, and Lotsoff Capital Management who were selected to interview for an enhanced U.S. stock index management mandate. After discussion of the candidates, on motion of David Kallas, the Retirement Board voted unanimously of those present, to retain Golden Capital Management to oversee an enhanced/core U.S. stock portfolio for the PERS' fund.
- B. Staff presented the proposed amendments to the Interim Investment Directives for the PERS' fund in conjunction with the Retirement Board's action under agenda item II.
 - A. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to approve the Interim Investment Directives, PERS' fund, as amended.

III. BOARD

- A. Sub-Committee Chairman Warren Wish provided an update on the Sub-Committee's first meeting that took place March 18, 2008.
- B. On motion of Elizabeth Fretwell, the Retirement Board voted unanimously of those present, to approve the minutes of the Retirement Board's education session and board meeting held February 19 and 20, 2008, as submitted.
- C. There were no changes to the Retirement Board meeting dates.
- D. There were no recommended changes to the Retirement Board Education Calendar.

IV. ADMINISTRATION

- A. Staff and Brad Ramirez of The Segal Company presented the Judicial Retirement System's Actuarial Valuation as of January 1, 2008. On motion of David Kallas, the Retirement Board voted unanimously of those present, to accept the Actuarial Valuation for the Judicial Retirement System as of January 1, 2008, and recommended mortality assumption changes as prepared by The Segal Company.

- B. Staff presented the results of the Defined Benefit Administration Benchmarking Analysis of PERS as prepared by CEM Benchmarking, Inc. On motion of Warren Wish, the Retirement Board voted unanimously of those present, to accept the Defined Benefit Administration Benchmarking Analysis prepared by CEM Benchmarking, Inc., as presented by staff. David Kallas was not present for this vote.
- C. Staff reviewed the proposed changes to PERS' Official Policies dated September 1, 2007. After discussion, on motion of Elizabeth Fretwell, the Retirement Board voted unanimously of those present, to authorize staff to notify employers and employee associations of the proposed revisions to PERS' Official Policies in accordance with NRS 286.200. David Kallas and Charles Silvestri were not present for this vote.
- D. Staff provided an update on the JAVA language project.

V. LEGISLATION

- A. Staff reviewed the legislative bill draft request process and the suggested technical language changes to NRS 286 for the 2009 legislative session. On motion of Purisimo Hernandez, the Retirement Board voted unanimously of those present to direct staff to submit two bill draft requests to the Department of Administration by May 1, 2008, to include the legislative changes listed below: (David Kallas and Charles Silvestri were not present for this vote.)

2009 Non-Fiscal Bill Request

NRS 286.288 ~ Modify this statute as follows:

*“Any participating public employer or group of such employers ~~may~~ **shall** select an employee as liaison officer to certify records and coordinate matters pertaining to retirement between the System and members or participating public employers. The System is responsible for any inaccurate or misleading information provided to any person or agency by an officer or employee of the System, but is not responsible for inaccurate or misleading information provided by **an officer or employee of a participating employer or** any other person”.*

NRS 286.460(4) ~ Add language to the end of this paragraph as follows:

*“Payroll reports must contain accurate payroll information and be filed in a form prescribed by the Board. If the payroll reports are not filed or the amounts due are not remitted within the time provided, a penalty on the unpaid balance due must be assessed at a rate of 4 percent more than the prime rate of interest as published in the Wall Street Journal (Western Edition) for the first date the payment or report becomes delinquent. **The System shall calculate and assess this amount using the reporting information from the most recent previous report from the employer accepted by the System.**”*

NRS 1A.285 ~ Shall be amended by adding the following language:

1. *A justice of the peace or municipal judge may participate in the Judicial Retirement Plan if:*
 - a. *The board of county commissioners elects to allow the justices of the peace of the county or the city council elects to allow the municipal judges of the city to participate in the Judicial Retirement Plan; and*
 - b. *The justice of the peace or the municipal judge elects to participate in the Judicial Retirement Plan.*
2. *Each justice of the peace or municipal judge who is allowed and who elects to participate in the Judicial Retirement Plan pursuant to this section must receive benefits for retirement, benefits for disability and survivor benefits under the Judicial Retirement Plan, if eligible to receive such benefits under the Judicial Retirement Plan.*
3. *If the board or county commissioners rescinds its election to allow the justices of the peace of the county or the city council rescinds its election to allow the municipal judges of the city to participate in the Judicial Retirement Plan, any justice of the peace or municipal judge who elected to participate in the Judicial Retirement Plan before the effective date of the rescission is entitled to continue to participate in the Judicial Retirement Plan.*
4. *A justice of the peace or municipal judge who is a member of the Public Employees' Retirement System established pursuant to chapter 286 of NRS on the date that he elects to participate in the Judicial Retirement Plan must give written notice to the Board of his intention to withdraw from the Public Employees' Retirement System and to become a member of the Judicial Retirement Plan.*
5. **Written notice given pursuant to subsection 4 must be received by the Board:**
 - a. **If the justice of the peace or municipal judge is elected, by March 31 of the year immediately following the year in which he was elected; or**
 - b. **If the justice of the peace or municipal judge is appointed, within 90 days after his appointment.**

~~56.~~

~~67.~~

~~78.~~

~~89.~~

VI. RATIFICATION AGENDA

On motion of Warren Wish, the Retirement Board voted unanimously of those present to:
(David Kallas and Charles Silvestri were not present for this vote.)

- A. Approve the Administrative Fund disbursements.

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- B. Approve the personnel action taken since the last report.
 - C. Approve out-of-state travel for one Internal Auditor to attend the Association of Public Pension Fund Auditors (APPFA) Professional Development Conference May 4-7, 2008, in Seattle, Washington.
 - D. Retroactively approve the request for membership in PERS by the Douglas County Mosquito Control effective March 1, 2008.
 - E. Retroactively approve the Phase-In agreement between the City of Carson City and Linda Ritter effective February 7, 2008.
 - F. Approve out-of-state travel for the Administrative Services Coordinator to attend the National Council on Teacher Retirement's (NCTR) Administrative Assistant's Workshop on May 14-16, 2008, in San Diego, California.
 - G. Approve out-of-state travel for the Investment Officer to speak at the International Foundation of Employee Benefit Plans Investment Institute in San Francisco, California on April 14, 2008, and to speak at the National Association of State Investment Professionals conference in San Diego, California on April 17, 2008.
 - H. Approve out-of-state travel for the Manager of Information Systems to attend the Public Retirement Information Systems Management (PRISM) annual conference April 27-30, 2008, in Miami, Florida.

VII. DENIALS

VIII. REPORTS

IX. 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 had nothing to report.
- C. Administrative report by Staff.

Executive Officer: 1. The Executive Officer mentioned that the ad-hoc committee meetings have been scheduled for April 17th in Las Vegas and April 22nd in Carson City in preparation of the 2009 legislative session.

Operations Officer: 1. The Operations Officer attended a sub-committee meeting of the Committee on Local Government Finance where they discussed the potential regulations for investing in the Retirement Benefits Investment Fund. The full committee will meet on

April 2nd, to discuss the draft regulations and the Operations Officer has been invited to attend.

2. The Operations Officer mentioned that there are currently 4 open positions at PERS and staff is working to fill them.
3. The Operations Officer reminded the Retirement Board that April's education session will be held in the new Las Vegas office located in Summerlin.

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

Warren Wish:

Member Warren Wish thanked the staff that presented the group counseling retirement program he attended as it was very beneficial and informative.

Elizabeth Fretwell:

Member Elizabeth Fretwell asked staff about possibly developing a board member name badge, emailing the board book to board members, and a fact sheet on PERS. Staff will review and research these items noting that staff is currently working on the PERS' fact sheet.

X. ADJOURNMENT

The meeting was adjourned by Chairwoman DeFrancesco at 1:50 p.m.

The following is the time schedule for the meeting:

On March 18, 2008, the Education Session was called to order at 3:00 p.m. by Chairwoman DeFrancesco and recessed at 4:50 p.m. The March 19, 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 1:50 p.m.