

PUBLIC EMPLOYEES' RETIREMENT BOARD  
23<sup>rd</sup> ANNUAL PLANNING SEMINAR and  
RETIREMENT BOARD MEETING MINUTES FOR  
Tuesday, September 16 and Wednesday, September 17, 2008

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

The 23<sup>rd</sup> Annual Planning Seminar of the Public Employees' Retirement Board was called to order by Chairwoman DeFrancesco at 8:30 a.m., September 16, 2008, in the Convention Center of Harvey's Casino Resort, Lake Tahoe, Nevada. Members present: Susan DeFrancesco, Purisimo Hernandez, David Kallas, Charles Silvestri, George Stevens, and Warren Wish. Members absent: Elizabeth Fretwell.

September 16, 2008  
23<sup>rd</sup> Annual Planning Seminar

The 23<sup>rd</sup> Annual Planning Seminar was an educational program presented by staff to the Retirement Board. The meeting was called to order at 8:30 a.m. and adjourned at 3:30 p.m. There was no action taken at this meeting.

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September 17, 2008  
Board Meeting

The Board meeting of the Public Employees' Retirement Board was called to order by Chairwoman DeFrancesco at 8:30 a.m., September 17, 2008, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Elizabeth Fretwell (via telephone), Purisimo Hernandez, David Kallas, Charles Silvestri, George Stevens and Warren Wish. Members absent: None.

I. DISABILITIES

- A. For the record, Elizabeth Fretwell disclosed that Steven Miller and Quoi Nguyen are City of Las Vegas employees but Ms. Fretwell said she was not familiar with their situations and would participate in the vote. On motion of David Kallas, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Frances Bertnick, Glenda Brooks, Rebecca Burns, Patricia Bush, Warren Curtis, Ronald Donnelly, Joe Drumgole, Rosanne Farrell, Marvin Ferguson, Marti Goss, Nancy Gudeman, Samuel Head, Kevin Hill, James Kraus, Kurt Krause, Lisa Laquidara, Ralph Lopez, Carl Marsh, Steven Miller, Lisa Myk, Quoi Nguyen, Robert Petuya, Michael Shorts, Shanna Wallin-Reed, and Kathy Williams.
  2. Approve reemployment requests by disability recipients: Donald Behunin, Michael Gohde, Mark LeCoque, Jean McEachin, Leland Tom, Charles Tupin, and Marsha Williams.
  3. Deny the reemployment request by disability recipient Judith Ely.

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II. INVESTMENTS

- A. Staff reviewed the proposed modifications to the Investment Objectives and Policies for the PERS' fund. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the Investment Objectives and Policies for the PERS' fund as submitted.
- B. Staff discussed the current bond structure of the PERS' fund which included a discussion on the Lehman Brothers situation. On motion of David Kallas, the Retirement Board voted unanimously to:
  - 1. Direct staff to conduct an investment manager search for two U.S. bond index managers.
  - 2. Approve the transfer of assets to Barclays, Payden & Rygel and UBS U.S. bond index accounts to facilitate a 75% index/25% active management U.S. bond structure.
- C. Staff presented the investment plans for fiscal year 2009. On motion of Purisimo Hernandez, the Retirement Board voted unanimously to accept the investment plans for fiscal year 2009, as submitted.
- D. Staff reviewed the recommended changes to the Interim Investment Directives for the PERS' funds. On motion of David Kallas, the Retirement Board voted unanimously to:
  - 1. Approve the Interim Investment Directives for the PERS' Fund as submitted.
  - 2. Terminate the Retirement Board's relationship with Lehman Brothers and transfer management of the funds to UBS on a temporary basis.

III. BOARD

- A. Retirement Board Sub-Committee Chairman, Warren Wish, presented the proposed changes to the Retirement Board's Funding Policy. On motion of Warren Wish, the Retirement Board voted unanimously to approve the Funding Policy as proposed by the Board's Sub-Committee, as submitted.
- B. Retirement Board Sub-Committee Chairman, Warren Wish, presented the proposed changes to the Retirement Board Monitoring and Reporting Policy. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the Board's Monitoring and Report Policy as proposed by the Sub-Committee, as submitted.
- C. Retirement Board Sub-Committee Chairman, Warren Wish, stated that the Sub-Committee reviewed the Board Policy Development Process Policy and felt the policy was adequate as written. On motion of Charles Silvestri, the Retirement Board voted unanimously to re-adopt the Board Policy Development Process Policy, as submitted.

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- D. Warren Wish, Chairman of the Sub-Committee provided an update on the Retirement Board's Sub-Committee progress.
  - E. Debra Thomsen, PERS' Principal Auditor reviewed the fiscal year 2008 Internal Audit Plan versus the Actual Performance Summary of activities completed.
  - F. On motion of David Kallas, the Retirement Board voted unanimously of those present to place agenda items F and G on the October Retirement Board meeting agenda at the request of the City of Boulder. Elizabeth Fretwell was not present for this vote.
  - G. See agenda item F.
  - H. On motion of Warren Wish, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and meeting held August 19 and 20, 2008, as submitted.
  - I. There were no changes to the Retirement Board meeting dates.
  - J. On motion of David Kallas, the Retirement Board voted unanimously to approve the proposed education curriculum calendar topics for Wednesday, November 12, 2008, as submitted.

IV. ADMINISTRATION

- A. Brad Ramirez and Kurt Schneider from The Segal Company presented results from the actuarial cost studies they prepared at the request of the Retirement Board and staff. This item was provided as information; no action was taken.
- B. Staff reviewed and discussed the annual strategic plan revision for fiscal year 2008. On motion of George Stevens, the Retirement Board voted unanimously of those present, to approve PERS' 2008 Strategic Plan Revision, as submitted. Elizabeth Fretwell was not present for this vote.
- C. Staff discussed the proposed changes to the Accounts Receivable procedures. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present, to approve the PERS' Accounts Receivable Procedures dated September 2008, as submitted. Elizabeth Fretwell, David Kallas, and George Stevens were not present for this vote.
- D. Staff discussed the nomination process and presented the nominations for the Police and Firefighter's Retirement Fund Advisory Committee member position that was vacated when Fred Galey retired. On motion of Charles Silvestri, the Retirement Board voted five yeas and one abstention to appoint Chris Collins to fulfill the remainder of the three-year term on the Police and Firefighter's Retirement Fund Advisory Committee which expires June 30, 2009. David Kallas abstained from the vote as he works with Mr. Collins. Elizabeth Fretwell was not present for this vote.
- E. Staff provided an update on the Java language conversion project.

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V. LEGISLATION

- A. Staff provided an update on the bill draft request list for the 2009 legislative session.

VI. RATIFICATION AGENDA

On motion of Warren Wish, the Retirement Board voted unanimously of those present to:

- A. Approve the Administrative Fund disbursements.
- B. Approve all personnel action since the last report.
- C. Approve out-of-state travel for the Investment Officer and appropriate staff to attend the National Association of State Investment Officers (NASIO) conference in Philadelphia, PA, October 5-8, 2008.
- D. Approve out-of-state travel for the Board and appropriate staff to attend the National Council on Teacher Retirement's (NCTR) annual conference in Washington, DC, October 11-16, 2008.

Elizabeth Fretwell, David Kallas, and George Stevens were not present for this vote.

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. Roger Maillard, President of the State of Nevada Employees Association AFSCME/Retiree Chapter thanked Tina Leiss, Operations Officer of PERS, for her attendance and presentation at the Retired Public Employees' of Nevada's annual conference in Reno. She did an excellent job addressing all the current issues facing PERS. Mr. Maillard informed the Board that his organization will be behind PERS during the upcoming legislative session and offered his support. Mr. Maillard also thanked the Retirement Board for their policy change not to endorse benefit enhancements until the System is 85% funded. He then thanked the Board for everything they do for PERS and its members and beneficiaries.

Marty Bibb, Executive Director of the Retired Public Employees' of Nevada (RPEN), also thanked Tina Leiss for her speech during their annual meeting. Mr. Bibb also thanked the Board and staff for the opportunity to attend PERS' annual planning seminar which highlighted the need to continue working together providing accurate information about the System. Mr. Bibb mentioned that he is continuing to monitor bill draft requests and offers his organization's support for PERS during the 2009 legislative session. Mr. Bibb told the Board and staff how much his organization appreciates their time and efforts put forth for all PERS' members and beneficiaries.

B. The Deputy Attorney General reported on the status of the Dallas Augustine lawsuit and that the Attorney General's office collected approximately \$34,000.00 in overpaid benefits from a deceased member's account.

C. Administrative report by Staff.

- Executive Officer:
1. The Executive Officer mentioned that the new IRS regulation regarding the definition of Normal Retirement Age for public pension funds has caused some concern with employers and members. Staff is working with PERS' tax counsel in Washington, DC on this matter. Counsel suggests we do nothing at this time. PERS has posted information regarding the IRS regulation on PERS' website.
  2. The Executive Officer stated that Nevada's Attorney General, Catherine Cortez Masto will be meeting with the Executive Staff next week at the PERS' office to discuss current issues and concerns facing public pension systems.
  3. The Executive Officer mentioned that she has also discussed the IRS Normal Retirement Age issue with the Governor's office.
  4. The Executive Officer thanked all of PERS' staff that worked so hard on completing all the September retirements. The total was nearly double from last year's number; the staff did a great job.

- Operations Officer:
1. The Operations Officer thanked all the staff for their hard work and dedication in completing all the September retirements. Everyone did a great job and we appreciate them all.

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

- Susan DeFrancesco:
1. Chairwoman DeFrancesco thanked all the staff for the great job they did on the planning seminar. The Board appreciates everyone's hard work in organizing this annual function.

- Warren Wish:
1. Mr. Wish commented that the seminar was outstanding. He also mentioned that he heard many good comments from the attendees at the conference.

- Charles Silvestri:
1. Mr. Silvestri complimented the staff on the great job they did pulling the seminar all together and having it proceed without any problems.

X. ADJOURNMENT

The meeting was adjourned by Chairwoman DeFrancesco at 12:07 p.m.

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The following is the time schedule for the meeting:

On September 16, 2008, the 23<sup>rd</sup> Annual Planning Seminar was called to order at 8:30 a.m. by Chairwoman DeFrancesco and recessed at 3:30 p.m. The September 17, 2008, Retirement Board meeting was called to order at 8:30 a.m. One break was taken at 10:05 for approximately ten minutes. The meeting was adjourned at 12:07 p.m.