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

August 18, 2016
Education Session

The Retirement Board Education Session of the Public Employees’ Retirement Board meeting was called to order by Chairman Vincent at 11:14 a.m., August 18, 2016, in the PERS’ Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, David Olsen, Vikki Courtney, and Timothy Ross. Members absent: Rusty McAllister and Audrey Noriega.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff and Ken Lambert of Peavine Capital discussed PERS’ investment risk and asset allocation.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 12:46 p.m.

August 18, 2016
Board Meeting

The Retirement Board meeting of the Public Employees’ Retirement Board was called to order by Chairman Vincent at 1:16 p.m., on August 18, 2016, in the PERS’ Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, David Olsen, Vikki Courtney, and Timothy Ross. Members absent: Rusty McAllister and Audrey Noriega.
1. PUBLIC COMMENT

Brian Lee, Executive Director of NSEA, acknowledged that there is now a teacher on the Board. He stated that they are pleased to have a teacher representative on the Board and look forward to working with Member Courtney and the Board.

2. DISABILITIES

2.1 For the record, David Olsen stated that Samuel Rohm and Michael Silveira work or worked for the same employer as himself but he did not feel that would impair his vote. For the record, Mark Vincent stated that Thomas Ratzsch and Jamelle Johnson work or worked for the same employer as himself but he did not feel that would impair his vote. For the record, Vikki Courtney stated that David Duke, Lorraine Martin, Mary Jane Niotta, Theresa Pagor, and Mary Stafford-Mercer work or worked for the same employer as herself but she did not feel that would impair her vote.

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


2. Approve reemployment requests by disability recipients: Marcus Alan, Joseph Arnold, Anthony Bridges, Ryan Irvine, Jamelle Johnson, Jamie Jorgensen, Chad Mowbray, Steve Tsapatoris, Philip Tuttle, and Jane Wirth.


3. INVESTMENTS

3.1 Staff, Ken Lambert of Peavine Capital, and Janet Becker-Wold and Bill Howard of Callan presented the Fiscal Year 2016 Performance Review for the PERS’, Legislators’, and Judicial Funds.

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 Kathy Ong, the Retirement Board voted unanimously of those present to approve the Fiscal Year 2017 Internal Audit Plan, as submitted.

4.2 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held July 21, 2016, as amended.

4.3 There were no recommended changes to the Retirement Board meeting dates.

4.4 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. ACCOUNTING

5.1 Staff presented the proposed administrative fees for the Public Employees’ Retirement System for fiscal year 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita fee of $3.30 per month for each Regular member and benefit recipient and $3.57 for each Police/Fire member and benefit recipient, retroactive to July 1, 2016.

5.2 Staff reviewed the proposed administrative fees for the Legislators’ Retirement System for fiscal year 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of $37.31 per month for fiscal year 2017 for the Legislators’ Retirement System.

5.3 Staff presented the proposed administrative fees for the Judicial Retirement System for fiscal year 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capital administrative fee of $48.15 per month for fiscal year 2017 for the Judicial Retirement System.

5.4 Staff reviewed the Budget Variance Report for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Budget Variance Report for fiscal year 2016, as submitted, and approved transferring $252,260 from Salaries to Attorney General Cost Allocation.

6. ADMINISTRATION

6.1 Staff reviewed PERS’ current Strategic Plan and discussed staff’s proposed revisions for fiscal year 2017. Staff asked if the Retirement Board would like to add any revisions to PERS’ Strategic Plan. The suggested revisions will be incorporated into the document and brought to the Retirement Board for review at their September 15, 2016, meeting. There was no action taken on this item.
6.2 Staff presented the Fiscal Year 2016 Service Quality Report. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2016 Service Quality Report, as submitted.

6.3 Staff highlighted the proposed modifications to PERS’ Official Policies dated July 1, 2015. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to PERS’ Official Policies in accordance with NRS 286.200.

6.4 Staff highlighted the proposed modifications to the JRS Official Policies dated July 1, 2015. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to the JRS Official Policies in accordance with NRS 1A.100.

6.5 Staff highlighted the proposed modifications to the LRS Official Policies dated July 1, 2015. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to notify employers of proposed revisions to the LRS Official Policies in accordance with NRS 218C.150 and NRS 218C.180.

6.6 Staff reviewed the minutes of the Police and Firefighters’ Retirement Fund Advisory Committee meeting held July 27, 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters’ Retirement Fund Advisory Committee meeting held July 27, 2016.

7. LEGISLATION

8. 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:

8.1 Approval of Administrative Fund disbursements.

8.2 Approval of personnel action taken since the last report.

8.3 Amendment to Lease With MFFK Holdings, LLC, for Las Vegas Eastern Office.

9. APPEALS

9.1 Staff provided the background information on Mr. Devin Smith’s appeal for a reinstatement of benefits and waiver of overpayment in the amount of $121,160.56. In March of 2016 an audit of Mr. Smith’s account was conducted and it was determined that an overpayment of benefits had
occurred due to the member’s reemployment as a Carpenter with the City of Las Vegas. This position is eligible for PERS enrollment and the member’s benefit was suspended. Mr. Smith was hired by the City of Las Vegas as a Carpenter I on February 21, 1990 and terminated his employment on July 28, 2011 with over 23 years of service credit. Mr. Smith completed a retirement application with a date of retirement of January 6, 2012 and began collecting reduced retirement benefits from age 60 as Mr. Smith did not meet the eligibility requirements for an unreduced benefit. On July 11, 2012, PERS received a Member Enrollment form from the City of Las Vegas enrolling Mr. Smith on July 9, 2012, as a Carpenter. There was no indication on the enrollment form that Mr. Smith was a reemployed retiree. NRS 286.520(2)(a) provides that a retiree shall notify the System within 10 days after the first day of employment with a Nevada public employer. Mr. Smith’s account does not indicate any such notification that he returned to work with a Nevada public employer (City of Las Vegas).

Mr. Smith indicated in his letter that he had contacted PERS at the end of July 2012 when he received his benefit check and notified staff that it was a mistake and his benefit should be stopped due to his reemployment.

On August 7, 2012, Mr. Smith was sent a final benefit calculation letter indicating a review of his reported salary and service credit information through his last day of employment (July 28, 2011). The letter stated that there would be no changes to his benefit amount. This letter was simply based on the original preliminary calculation for his retirement benefit. This letter did not indicate anything about his reemployment or that he was in a critical need position and would continue to receive a benefit while working in a PERS eligible position. Mr. Smith stated that PERS staff told him that his position was designated as critical need and that he would continue to receive a benefit. Staff does not have any record of this position (carpenter) being designated as critical need. Pursuant to NRS 286.523, only retirees who are fully eligible to retire with an unreduced benefit are eligible to continue to receive their monthly pension benefit while employed in an approved critical labor shortage position. Mr. Smith retired with an early retirement reduction from age 60 and would not be eligible for a critical need position.

Staff does not feel that an error or inequity occurred due to Mr. Smith’s reemployment and subsequent overpayment. Staff does not have any notification from the public employer or Mr. Smith regarding reemployment which is required by statute. Therefore, Mr. Smith continued to receive his benefit while he worked in a PERS eligible position and there is no provision under the law to allow him to do this. Because of the lack of notice by either Mr. Smith or his employer of the reemployment, it was only through an audit of Mr. Smith’s file that the reemployment was discovered.

Mr. Smith explained to the Board that he contacted his HR and they notified PERS that he was working in a full-time position. He stated that
after he received his direct deposit he again notified PERS and was told the City declared the position a critical need position. He stated that he was not aware of the parameters and was surprised to receive a check. He indicated that he asked for something in writing and received the letter from Ms. Klavon. He felt it was clarification he could continue employment. He asked that the Board waive the overpayment pursuant to NRS 286.288. He stated he was harmed by an employee of PERS and repaying the overpayment is a hardship on him and his family. He stated that he does not have anything in writing from the City saying the position was critical need. He indicated he has spoken to others in the same situation and he wonders why it took four years to find the mistake.

After discussion, on motion of David Olsen, the Retirement Board voted unanimously of those present to deny Mr. Smith’s request to have his retirement benefits reinstated while he is working and to ask staff to negotiate a payment schedule with respect to his overpayment and bring it back to the Board at the October meeting.

10. DENIALS

11. REPORTS

12. PUBLIC COMMENT

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

12.2 There was no report from PERS’ General Counsel.

12.3 Administrative Report by Staff:

   Executive Officer: 1. The Executive Officer stated that she and the Operations Officer recently attended the NASRA conference in Coeur d’Alene, Idaho. She mentioned that the conference was informative.

   2. The Executive Officer said that she appreciated Vikki Courtney spending the day with them for orientation.

   Investment Officer: 1. The Investment Officer advised the Retirement Board of a potential article in the Wall Street Journal regarding PERS’ investment program. He stated that he, Ken
Lambert, and Mark Vincent have been interviewed but he is not sure when it will be published. He will pass it on to the Board when he sees it.

12.4 Comments or questions from the Retirement Board members:

Mark Vincent: 1. Chairman Vincent thanked Dave Olsen for his work on the Retirement Board in case Mr. Olsen is not at the next meeting.

13. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:38 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on August 18, 2016, was called to order at 11:14 a.m. by Chairman Vincent and recessed at 12:46 p.m. The August 18, 2016, Retirement Board meeting was called to order at 1:16 p.m. by Chairman Vincent and adjourned at 3:38 p.m.