

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, March 21, 2019

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

March 21, 2019
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chair Ross at 11:06 a.m., March 21, 2019, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Timothy Ross, Scott Gorgon, Lee-Ann Easton, Yolanda King, and Brian Wallace. Members absent: Dawn Huckaby.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Brad Ramirez of Segal Consulting provided a review of actuarial smoothing and amortization methods.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chair Ross recessed the meeting at 11:51 a.m.

March 21, 2019
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chair Ross at 12:41 p.m., on March 21, 2019, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Timothy Ross, Scott Gorgon, Lee-Ann Easton, Yolanda King, and Brian Wallace. Members absent: Dawn Huckaby.

1. PUBLIC COMMENT

Christina Zeddies asked that the Retirement Board waive the physician's signature on part 4 of the disability retirement application, look at her medical records, and approve her medical retirement.

Vicki Cameron, State Vice President of RPEN, mentioned that she is in support of SB 224 and stated that the opponents insist that giving names will help reduce fraud. She indicated she has been in the system since 1973 and does not recall a lot of fraud and was curious how many fraud cases PERS has actually had in the last 30 years.

2. DISABILITIES

2.1 For the record, Lee-Ann Easton stated that Joy Miller, Rose Noble, Maryevette Toyama, and Claudia McIntosh work or worked for the same employer as herself and that she personally knows David Groneman, but she did not feel that would impair her vote. Yolanda King stated that Frances Daleo and Gwyn Taylor work or worked for the same employer as herself, but she did not feel that would impair her vote regarding Frances Daleo. Ms. King abstained from voting on Gwyn Taylor. Scott Gorgon stated that Casey Jagers works or worked for the same employer as himself, but he did not feel that would impair his vote.

On motion of Yolanda King, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Kristine Anderson, Craig Brown, Marcus Cintola, Brady Collins, Frances Daleo, Joseph Enriquez, Blanca Garcia, Tina Fillies, Laurie Hickstein, Casey Jagers, Durrelle Lane, Craig MacGregor, Joy Miller, David Mindorff, Rose Noble, Gwyn Taylor, Maryevette Toyama, and Jose Urrutia.
2. Approve reemployment requests by disability recipients: James Briggs, Laurie Burgess, David Groneman, Julie Hageman, Shelley Hill, and Claudia McIntosh.
3. Deny reemployment requests for disability recipients: David Groneman.

3. INVESTMENTS

3.1 Sonya Park of State Street Global Advisors provided an overview of the international stock index portfolio they manage for PERS.

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 Lee-Ann Easton, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held February 21, 2019, as submitted.
- 4.2 There were no recommended changes to the Retirement Board meeting dates.
- 4.3 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. ADMINISTRATION

- 5.1 Staff provided background information on the request from Quest Academy for a penalty waiver pending a payment agreement that was established for all contributions being current.

Joshua Kern, the Receiver for Quest Academy, provided background information on Quest and requested a waiver of the penalties which were assessed against Quest for 2015, 2016, 2017, and 2018.

After discussion, on motion of Scott Gorgon, the Retirement Board voted unanimously of those present to waive the penalty assessment for fiscal years 2015, 2016, 2017, and 2018 in the amount of \$39,105.95.

- 5.2 Staff reviewed the proposed changes to PERS' Official Policies dated January 1, 2019. Chair Ross opened the public hearing on the proposed changes to PERS' Official Policies and called for any public comment. Public comments were as follows:

Lawrence Smith appeared on behalf of Reno Fire Fighters Local 731. Mr. Smith mentioned the original change of "cannot exceed 24 hours" and stated that they had an issue with that because they have instances where their members go out on extended assignments and that is handcuffing them to just the 24 hours. They would like their members to have the ability to have that extended time. He said that the most common schedule in the state is two days on and four days off, which is referred to as the 48/96 schedule, but that does not speak to every department. They spoke with the Fire Chiefs Association of the City of Reno. They feel that if you underline the word "or," everything after that then becomes negated. It is the language saying "must not exceed the duration of the initial call-back shift" that is essentially saying 24 hours. He stated that he believes the majority of the departments in Nevada refer to each day as a shift, regardless of the two days on, four days off, or whatever other schedule. Therefore, saying the initial shift is essentially saying 24 hours. What they were trying to get to was if an employee was on his four days off, gets called in to a greater assignment—a brush fire, a FEMA incident—something where they are gone for two to four weeks, their argument would be that those initial three days, so a total of 72 hours

in that particular instance, up until his next regularly scheduled shift, would be PERS compensable. They suggested language that could potentially address that situation is to get rid of the “call-back period must not exceed the duration of the initial call-back shift” and have it read “for reporting purposes only, the call-back period must not extend beyond the beginning of the member’s next regular scheduled shift.” They agreed, and this is speaking with the Fire Chiefs Association as well as their association, that this then lets the employer report it for an appropriate amount of time. For instances where it could feasibly be longer than 24 hours, it does not handcuff them to 24 hours. If they have a member that is eligible, they could then report it for that time, say 72 hours. In their instance, it would never exceed 96 hours. He stated that he cannot speak for every schedule in the state, but he knows that is the majority of the schedules in the state. He also stated that they support the change to December 31, 2009, in subsection (d).

Rich Hoggan, Chief Financial Officer at the Las Vegas Metropolitan Police Department, spoke regarding the proposed policy that changes the eligibility date for PERS compensability for call-back and essentially moves it back about 18 months. He stated they do not have a position on the recommended policy, but that they are asking that if the policy is implemented, whether through policy or through practice, that consideration be given to not applying the liability to the employers retroactively. They have about 750 employees that are affected by it if they are required to make up that difference in PERS for the call-back worked in that interim period. It would be a liability of about \$300,000 in unanticipated expenses. They are asking that consideration be given in terms of future application of the policy and that employers not be liable for retroactive payment of the PERS related call-back. He stated that going forward the additional liability for them will be about \$140,000 to \$150,000 per year.

Judy Bleak, Las Vegas Metropolitan Police Department, addressed the shift portion. She indicated that for Metro they would not call someone back for a shift, they would call them back for an event. She asked how they would interpret this language. She used 1 October as an example where everyone was called back. She indicated that for the first shift of the event everybody received call-back pay but for the second shift, because they were notified until this was over they would be working every day, the 12-hour notice was met, so only the first day qualified for call-back. Each additional day is just regular non-PERS compensable overtime. She stated that if they applied it to police as written they would interpret it that if they called you back to work and you are a 10-hour person or a jail person who is a 12-hour person or a civilian who is a 9-hour person, the most hours in a row that they could do as call-back would be 10, 9, 12, whatever your shift is, after that it would be regular overtime. Ms. Bleak indicated they already do the second part by ending call-back when the regular shift starts. She asked about a clarification of when the call-back would end; would it end at 10 hours because that is a shift you would regularly work.

Brian Grammas, representing over 3,000 members of the Las Vegas Police Protective Association, thanked the Retirement Board for hearing this issue

regarding call-back. He stated that they have been working on clarifying the issue for several months and they hope the Board chooses to recognize the call-back date of January 2010 in accordance with the direction of the Nevada Legislature. He stated having two different dates causes a lot of confusion related to this topic and they hope the Board decides to remove the July 2008 date for call-back and recognize and enforce the January 2010 date.

After discussion, on motion of Tim Ross, the Retirement Board voted unanimously of those present to:

- (1) Remove the July 2008 section,
- (2) Change June 30, 2008, to December 31, 2009 in section 1.7(d). The intent is not for this change to be for any time prior to the effective date of the policy and allows staff discretion to work with employers to implement the change,
- (3) Defer the discussion on the call-back duration language, and
- (4) Direct staff to file the policy revisions with the Secretary of State's office in accordance with NRS 286.200 to become effective July 1, 2019.

6. LEGISLATION

- 6.1 Assembly Bill 75 – No action was taken on this agenda item at this time.
- 6.2 Senate Bill 83 – No action was taken on this agenda item at this time.
- 6.3 Staff provided an update on the status of Senate Bill 135. No action was taken on this agenda item at this time.
- 6.4 Senate Bill 224 – this bill provides for the confidentiality of certain information in the records and files of public employee retirement systems and was requested by Senator Ratti. Staff mentioned that the bill has had a hearing and staff testified on it. Staff indicated it is very similar to a bill the Board supported in the 2017 session. On motion of Lee-Ann Easton, the Retirement Board voted unanimously of those present to adopt a position supporting Senate Bill 224 as introduced.
- 6.5 Senate Bill 272 – the bill revises provisions relating to certain public employees. Staff reviewed various issues with the bill. On motion of Yolanda King, the Retirement Board voted unanimously of those present to adopt a position opposing Senate Bill 272 as introduced.
- 6.6 Staff provided an update on the 2019 legislative session and mentioned that three new bills were introduced that day. Those bills were Senate Bill 287, Senate Bill 416, and Senate Bill 405.

7. RATIFICATION AGENDA

On motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda as recommended by staff:

7.1 Approval of Administrative Fund disbursements.

7.2 Approval of personnel action taken since the last report.

7.3 Approval of the request by Signature Preparatory, Inc., for membership in PERS effective February 1, 2019.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

10.1 Individual statements and/or requests by the members, retired employees and/or the public:

Priscilla Maloney, AFSCME Retirees, stated that they are grateful for the vote on Senate Bill 272. She mentioned a problem with the bill because it carves out only a specific portion of the State workforce, those associated with DPS. She said that multiple public records bills have dropped and mentioned AB 371 and SB 339.

Terri Laird, Executive Director of RPEN, thanked the Board for their support of Senate Bill 224. She mentioned that during the hearing on March 1 they were able to bring out representatives from 11 of their 18 chapters in the North and South. She stated that the bill is very important to their members.

Mike Ramirez stated that the staff and Board are doing a great job and said to keep up the work.

10.2 There was no report from PERS' General Counsel.

10.3 There was no Administrative Report by Staff.

10.4 There were no comments or questions from the Retirement Board members.

11. ADJOURNMENT

The meeting was adjourned by Chair Ross at 2:49 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on March 21, 2019, was called to order at 11:06 a.m. by Chair Ross and recessed at 11:51 a.m. The March 21, 2019, Retirement Board meeting was called to order at 12:41 p.m. by Chair Ross and adjourned at 2:49 p.m.