

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, January 16, 2013

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

January 16, 2013
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:30 a.m., January 16, 2013, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: James Green.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management discussed hedge fund strategies with the Board.

III. ADMINISTRATION

- A. Staff reviewed PERS' Legislative Process with the Board.

IV. PUBLIC COMMENT

1. Sue Strand complimented all the board members and thanked them all for serving on the Retirement Board. She also thanked them for all they have done for the System's members and beneficiaries.
2. Terry Hickman mentioned that he is happily retired and asked what all the chatter about DC plans and how much better they are is there a shining example for a DC plan? Staff explained most public plans have made slight changes to their plans such as additional tiers or developed a hybrid plan. This discussion will never go away.

V. RECESS

Chairman Vincent recessed the meeting at 11:30 a.m.

January 16, 2013
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:00 noon, January 16, 2013, in the PERS' Board Room, 5820 South

Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: James Green.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, Member McAllister stated that Kevin Cavanaugh, Eric Reymus, and Charles Ritter are known to him but did not feel that would impair his vote, Member Collins stated that Steve Tsapatoris is employed at the same employer as him but did not feel that would impair his vote and Member Olsen stated that Lisa Helget and Ernest Yordy are employed by the same employer as him but did not feel that would impair his vote. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Manuel Aguilar, Jessica Bear, Wendy Bohl, Julie Burke, Paula Castro, Kevin Cavanaugh, Roberta Conde, Rebecca Cozzi, David Eastep, Nina Goodman, Lisa Helget, Brandolyn Henderson, Dorothy Horne, Bruce Johnson, Juana Jordan, Kathryn Kramer, Jack Leone, Harry Levis, Kristin Long, Wanda Lopshire, Laura Marscheck, Early McGee, Jesus Mendoza, Rebecca Moore, Robert Moss, Jill Neri, Sergio Otero, Eric Reymus, Charles Ritter, Eloisa Rivera, LaVonne Sibley, Steve Tsapatoris, Allison Turner, and Ernest Yordy.
2. Approve reemployment requests by disability recipients: Nighat Baig, Karlene Chappell, Rosemary Grullon, Robert Hix, Joyce Jacobs, Steven Lampert, Christopher Rossi, and Peggy Smith.
3. Deny the reemployment requests by disability recipients: Nighat Baig, Karlene Chappell, and Robert McCorkle.

III. INVESTMENTS

- A. Steve Wilde, Danielle Cassidy, and Dawn Fitzpatrick of UBS Global Asset Management provided a fixed income presentation and discussed hedge funds.
- B. There were no recommended changes to the Interim Investment Directives for the PERS', LRS and JRS funds.

IV. BOARD

- A. Staff reviewed the discussion from the December meeting regarding a possible study of PERS requested by the Governor's office. Staff has received a letter from the Governor addressed to Chairman Vincent requesting a comprehensive asset management and liability management study of PERS compared to all or a significant subset of all funds that participate in the public funds survey which includes approximately 126 statewide pension systems. The study would also encompass a second opinion review of the

Board's Funding Policy. This second opinion would also be a comparative review as well as an expert review. Lastly, the study would review assets and liabilities on a variety of return assumptions. The study would be accomplished by using an independent benefit and consulting firm hired by the Retirement Board for an amount not to exceed \$50,000.00. After discussion, on motion of Chairman Vincent, the Retirement Board voted unanimously of those present to direct staff to contact the Governor's office for exact criteria requested to be contained in the draft RFP to insure an objective, balanced, and well thought out process is utilized to commission a study of PERS assets management and liability management and a second opinion of the Board's Funding Policy. The intent of the Board is that the study will result in an outcome that meets the Governor's obligations pursuant to NRS 286.120(3) and is within the discharge of the Board's fiduciary obligations to act in the best interests of the members and beneficiaries of the trust. The draft RFP will contain the timeline, the study parameters, and be a comparison study to other public funds, it will include a second opinion review of the Board's Funding Policy that will be comparative as well as expert, and the study will be conducted by a national reputable consulting firm at a cost not to exceed \$50,000.00.

- B. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and Board meeting held December 19, 2012, as submitted.
- C. There were no recommended changes to the Retirement Board meeting dates.
- D. There were no recommended changes to the Retirement Board Education Curriculum calendar.

V. ACCOUNTING

- A. Staff reviewed the Budget Variance Report for the first half of fiscal year 2013. On motion of Kathy Ong, the Retirement Board voted unanimously to accept the Budget Variance Report, as submitted.

VI. LEGISLATION

- A. Staff reviewed the Bill Draft Request (BDR) list for the 2013 legislative session and mentioned BDR #211 which has been prefiled as Assembly Bill 31. This bill concerns public records and what records are considered confidential which was requested by the Attorney General's office. Staff will work with the AG's office to amend the bill to include the Public Employees' Retirement System statute which was omitted by mistake.

VII. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Ratification Agenda, as submitted.

- A. Approve the Administrative Fund disbursements.

- B. Approve personnel action since the last report.

VIII. DENIALS

IX. REPORTS

X. 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 she participated in the three ratings calls presentations with the state and all of them went very well.
 - 2. The Executive Officer invited Ken Lambert from Peavine Capital to give the Board an update on the investment return for the PERS' fund. Mr. Lambert reported that through December 31, 2012 the assets were at \$27.2 billion and the return was 5.8%. As of January 16, 2013, the return was 7.9%.

- Operations Officer:
 - 1. The Operations Officer thanked Deputy Attorney General Robert Whitney for sitting in for Deputy Attorney General Kimberly Okezie who was absent.

- D. Retirement Board questions and/or comments:

- Kathy Ong:
 - 1. Member Ong mentioned that she attended the ratings calls presentations as an advisor to the state and that Dana did an exceptional job explaining the Retirement System to all three entities.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 1:53 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on January 16, 2013, was called to order at 9:30 a.m. by Chairman Vincent and recessed at 11:30 a.m. The January 16, 2013, Retirement Board meeting was called to order at 12:02 p.m. by Chairman Vincent and adjourned at 1:53 p.m.