

PUBLIC EMPLOYEES' RETIREMENT BOARD
EDUCATION SESSION AND MEETING MINUTES FOR
Tuesday, February 17, 2009 and Wednesday, February 18, 2009

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., February 17, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Charles Silvestri, Purisimo Hernandez, David Kallas, and Warren Wish. Members absent: Elizabeth Fretwell and George Stevens.

February 17, 2009
Board Education Session

I. INVESTMENTS

- A. Jim Chambliss and Matt Lugar of Pathway Capital Management discussed private equity due diligence.

II. ADMINISTRATION

- A. Staff reviewed limited and absolute vesting in public pension plans.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Chairwoman DeFrancesco recessed the meeting at 4:50 p.m.

February 18, 2009
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairwoman Susan DeFrancesco at 8:15 a.m., February 18, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Charles Silvestri, Purisimo Hernandez, David Kallas, George Stevens, and Warren Wish. Members absent: Elizabeth Fretwell.

I. DISABILITIES

- A. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Bruce Allen, William Bonkavich, Robert Crampton, Shawn Cromwell, Sharalee Daniels, George Downey, Marie Etchemendy, Leslie Gordon, Edward Green, Ronald Mackler, Donna Ralston, Christopher Spangler, Charles Strickland, Elaine Szoke, Cheryl West, and Pamela Wilson.
 2. Approve reemployment requests by disability recipients: Russell Ellis, Mary Montoya, Joe Scoggin, Arthur Wagner, and Karyn Werner. David Kallas was not present for this vote.

II. INVESTMENTS

- A. Jim Chambliss and Matt Lugar of Pathway Capital Management presented a performance update on their PERS' private equity portfolio.
- B. Paul Troup of Callan Associates and staff presented the quarterly performance update on the PERS', Legislators', and Judicial funds for the period ending December 31, 2008. Mr. Troup also discussed the merger between Callan Associates and Mercer which will occur in the first quarter of 2009.
- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

III. BOARD

- A. Warren Wish, Chairman of the Retirement Board Sub-Committee, informed the Board that the Sub-Committee has completed their review of the Retirement Board's Charters and Policies and held their last meeting yesterday. Mr. Wish mentioned that each Board member has received a copy of the new Retirement Board Charters and Policies at their place.
- B. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board's education session and Board meeting held January 20 and 21, 2009, as submitted.
- C. On motion of David Kallas, the Retirement Board voted unanimously of those present to move the location of the October meeting to Carson City and the location of the November meeting to Las Vegas to accommodate the Liaison Officer Conference scheduled for November in Las Vegas.
- D. On motion of George Stevens, the Retirement Board voted unanimously of those present to change the March investment education topic to "Investment Technology Review" and incorporate the "High Yield Bonds" education topic into the May investment topic.

IV. ADMINISTRATION

- A. Brad Ramirez of The Segal Company discussed actuarial corridor funding and the Actuarial Standards Board guidelines for these decisions. After discussion, on motion of David Kallas, the Retirement Board voted unanimously of those present to authorize the recommended funding policy changes for the Judicial Retirement System and the Legislators' Retirement System to a 75/125 process, as proposed by the independent actuary.
- B. Brad Ramirez of The Segal Company and staff reviewed the actuarial valuation schedule for the Legislators' Retirement System and the Judicial Retirement System. After discussion, on motion of Warren Wish, the Retirement Board voted unanimously of those present to authorize transition of the Legislative Retirement System and the Judicial Retirement System to fiscal year measurement periods for actuarial valuations as proposed by the independent actuary.
- C. Staff reviewed the minutes and recommendations of the Police and Firefighters' Retirement Fund Advisory Committee meeting held January 20, 2009. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held January 20, 2009, as submitted.
- D. Staff presented the results of the CEM Benchmarking, Inc.'s defined benefit administration analysis of PERS. On motion of David Kallas, 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.
- E. Staff provided an update on the Java language conversion project.

V. LEGISLATION

- A. Staff provided an update on the Bill Draft Request list for the 2009 Legislative Session.
- B. Staff reviewed Senate Bill 81 which establishes the Special Needs Scholarship Program. After discussion, on motion of Charles Silvestri, the Retirement Board voted unanimously of those present to oppose Section 40 of Senate Bill 81.
- C. There were no legislative items that developed after publication of the agenda that required action.

VI. RATIFICATION AGENDA

On motion of David Kallas, the Retirement Board voted unanimously of those present to:

- A. Approve the Administrative Fund disbursements.

- B. Approve the personnel action taken since the last report.
- C. Approve the amendments to the Private Markets Reporting Guidelines.
- D. Approve the Deceased Recipient Report Review for the quarter ending December 31, 2008.
- E. Approve the Amended Exhibit A Fee Agreement and Investment Performance Guidelines with Mellon Capital.

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. Mr. Doug Smith explained his PERS situation and requested the Retirement Board hear his staff denial as an official appeal.

Mr. Howard Reynolds addressed the Retirement Board and discussed the employer pay contribution rate, employee contract negotiations, and employer certifications.

- B. The Deputy Attorney General had nothing to report.

- C. Administrative report by Staff:

Executive Officer:

1. The Executive Officer presented a report on PERS to the Assembly Government Affairs Committee on February 16th. The report was very well received.
2. The Executive Officer mentioned that a hearing is scheduled today for Senate Bill 71 and staff will attend and testify on behalf of the Retirement Board.
3. The Executive Officer stated that she has met with most of the members of Senate Finance and Assembly Ways and Means. All meetings went well.
4. The Executive Officer mentioned that Senator Lee has scheduled a hearing in his Senate Government Affairs Committee for February 25th and has invited the Executive Officer to provide a report on PERS. The Las Vegas Chamber of Commerce, the Las Vegas Police Protective Association, the Professional Fire Fighters of Nevada, the Nevada

State Education Association, and the Nevada State AFL-CIO will also participate in the hearing.

5. The Executive Officer attended the National Association of State Retirement Administrators (NASRA) winter meeting in Washington, D.C. in January. She was able to meet with Congressman Heller to discuss public pension issues.
6. The Executive Officer mentioned there may be some federal legislation introduced that could affect public pension plans. Staff is monitoring this and will keep the Retirement Board advised.
7. The Executive Officer stated that she and her Investment Officer have met with four securities litigation firms since the last Retirement Board meeting to discuss PERS' policy.
8. The Executive Officer discussed PERS' reemployment restrictions for retired members.

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

David Kallas:

1. Board Member David Kallas congratulated PERS' staff on the service they provide to members for a very low cost compared to their peers as presented in the CEM Benchmarking analysis.

Warren Wish:

1. Board Member Warren Wish requested that Mr. Doug Smith's staff denial be placed on an upcoming agenda to be heard as an official appeal at Mr. Smith's convenience.

X. ADJOURNMENT

The meeting was adjourned by Chairwoman DeFrancesco at 12:10 p.m.

The following is the time schedule for the meeting:

The February 17, 2009, Retirement Board education session was called to order by Chairwoman DeFrancesco at 3:00 p.m. and recessed at 4:50 p.m. The February 18, 2009, Retirement Board meeting was called to order at 8:15 a.m. by Chairwoman DeFrancesco. One break was taken at 10:05 a.m. for approximately fifteen minutes. The meeting was adjourned at 12:10 p.m.