

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, March 19, 2014

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

March 19, 2014
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 9:31 a.m., March 19, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Katherine Ong, Al Martinez, Rusty McAllister, and David Olsen. Members absent: Audrey Noriega.

1. PUBLIC COMMENT

Howard Reynolds addressed the Retirement Board with his concerns regarding NRS 286.421(3)(b). He asked that the Board place this item on a future board meeting agenda for discussion prior to the 2015 Legislative Session.

2. INVESTMENTS

3.1 Ken Lambert of Peavine Capital reviewed and discussed PERS' current U.S. stock structure with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:29 a.m.

March 19, 2014
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:05 p.m., on March 19, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, Chris Collins, David Olsen and Rusty McAllister. Members absent: Audrey Noriega.

1. PUBLIC COMMENT

Jeffrey Church addressed the Retirement Board with his concerns regarding the release of PERS' payroll register report and the way it is constructed. PERS was directed by the Nevada Supreme Court to release this report as part of the decision in the RGJ case.

2. DISABILITIES

- 2.1 For the record, Chris Collins stated that Tanya Gilbert, Michele Hines, and Darlene Morningstar all worked for the same employer as himself but he did not feel this would impair his vote. Al Martinez stated that Cheri Strandberg and Todd Wilcox all worked for the same employer as himself but he did not feel this would impair his vote. Mark Vincent stated that Angie Horn, Rodney Jordan, and Monique Pearson all worked for the same employer as himself but he did not feel this would impair his vote. David Olsen stated that Wayne McIntosh and Randy Gillem worked for the same employer as himself but he did not feel this would impair his vote. Rusty McAllister stated that David Croston and Scott Stahl are both firefighters but not known to him so he did not feel this 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: Ronald Adams, Cristina Alejandria, Sandra Arguello, Bonnie Cotter, David Croston, Tanya Gilbert, Tracy Grauberger, Angie Horn, Rodney Jordan, John Kimberlin II, Michele Mack, Wayne McIntosh, Loretta McKinzie, Fred Merrill, Brandy Wolf Ostler, Monique Pearson, Herman Phelps, Lisa Premo, Mary Lou Ruiz, Maria Saenz-Trevino, Michael Sanchez, Samruay Slaughter, April Sloan, Linda Solorio, Scott Stahl, Cheri Strandberg, Steve Walker, Keyotta Wilson-Porche, and Catherine Wright.
2. Approve reemployment requests by disability recipients: Randy Gillem, Nina Goodman, Michele Hines, Barbara Hofheins, Shelley Horton, Michelle Latour, Kristin Long, Darlene Morningstar, Nynalea Rew, NancyLynn Southard, Mindy Steadman, Nora Turner, and Joyce Williams.
3. Deny reemployment request by disability recipients Mark Garner, NancyLynn Southard, and Todd Wilcox.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management, Janet Becker-Wold and Bill Howard, both of Callan Associates, discussed the U.S. stock structure and active management in the PERS' fund. Ken also reviewed items in the Investment Objectives and Policies that would need to be modified should the Board decide to discontinue active U.S. stock management in the PERS' portfolio. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve the Investment Objectives and Policies, PERS' fund, as submitted.

2. Authorize staff to transition assets from active U.S. stock portfolios to U.S. stock index management as soon as possible.
3. Terminate the Investment Management Agreement with Atlanta Capital Management.
4. Terminate the Investment Management Agreement with Capital Guardian (The Capital Group).
5. Terminate the Investment Management Agreement with Columbia Management.
6. Terminate the Investment Management Agreement with Golden Capital Management.
7. Terminate the Investment Management Agreement with Loomis, Sayles.

3.2 Ken Lambert of Peavine Capital reviewed the proposed changes to the Interim Investment Directives for the PERS' fund, due to the action the Retirement Board took under agenda item 3.1. On motion of Kathy Ong, the Retirement Board voted unanimously of those present, to approve the Interim Investment Directives for the PERS' fund, as submitted.

4. BOARD

4.1 On motion of Chris Collins the Retirement Board voted 5-yeas and 1-abstention to approve the minutes of the Retirement Board education session and Board meeting held February 19, 2014, as submitted. Kathy Ong abstained from voting on this item as she was not present at the February meeting.

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 reviewed the proposed independent contract with Segal Consulting to provide Internal Revenue Code 415 testing for calendar year 2014. On motion of Kathy Ong, the Retirement Board voted unanimously of those present, to approve the independent contract with Segal Consulting for Section 415(b) testing services for calendar year 2014 benefit allowances, in an amount not to exceed \$100,000.00, retroactive to January 1, 2014, as submitted.

6. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda, as submitted:

6.1 Approve the Administrative Fund disbursements.

6.2 Approve the personnel action taken since the last report.

- 6.3 Approve the request by Storey County Fire Protection District for membership in PERS effective July 14, 2014.

7. DENIALS

8. REPORTS

9. PUBLIC COMMENT

- 9.1 Dr. Nickles thanked the Retirement Board and PERS' staff for the opportunity to work as PERS' Medical Adviser to the Board on the Disability Retirement Program. He mentioned that he has enjoyed his time at PERS.
- 9.2 The Deputy Attorney General provided an update on pending litigation involving Nevada PERS.
- 9.3 Administrative Report by Staff:

- Executive Officer:
1. The Executive Officer presented G. Bruce Nickles, PERS' medical adviser, a plaque in appreciation for his service to the members and beneficiaries of the System and staff. Dr. Nickles has been with the System since 1997. We thank him for his dedication to the Board and to the System.
 2. The Executive Officer mentioned she will be attending a settlement conference in Las Vegas next week on the Harper case.
 3. The Executive Officer reported that the Executive Staff is working on a Public Relations Policy and should be formalizing it in the next few months to bring before the Board for approval at the April or May meeting.
 4. The Executive Officer mentioned that PERS new telephone system has been installed and went live on Monday March 17th. We are working through the process of adapting to the new system.
 5. The Executive Officer stated that Cheryl Price, Operations Officer, and Jean Barnett, Chief Accountant, both attended the State's Budget Kick-Off Training presented by Jeff Mohlenkamp on March 6th.

6. The Executive Officer reported that Dr. Nickles has terminated his Medical Adviser contract with PERS effective March 31, 2014. Finding a replacement for Dr. Nickles is PERS' top priority so there is minimal disruption to our Disability Program. Staff is weighing its options and may discuss some alternatives with the Board's Disability Sub-Committee at April's meeting.
7. The Executive Officer thanked the Board and the entire staff of PERS for all their hard work and dedication to the members and beneficiaries of the System during her tenure. She also thanked the Board for their support and appreciates the Board and the entire staff at PERS.

9.4 Retirement Board questions and/or comments:

Mark Vincent

1. Chairman Vincent presented Tina Leiss, PERS' Executive Officer with a 10-year plaque honoring and thanking her for her dedication to the System and the Retirement Board.
2. Chairman Vincent thanked Dr. Nickles for his dedication and service to PERS and the Retirement Board.

10. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 1:35 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on March 19, 2014, was called to order at 9:31 a.m. by Chairman Vincent and recessed at 11:29 a.m. The March 19, 2014, Retirement Board meeting was called to order at 12:05 p.m. by Chairman Vincent. The Board took one break at 1:25 p.m. for approximately 5 minutes. The meeting was adjourned at 1:35 p.m. by Chairman Vincent.