

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Tuesday, April 20, 2010 and Wednesday, April 21, 2010

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

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Stevens at 3:00 p.m., April 20, 2010, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: George Stevens, Mark Vincent, James Green (via telephone), Bart Mangino, David Olsen, and Charles Silvestri. Members absent: David Kallas.

April 20, 2010
Education Session

I. INVESTMENTS

- A. Staff discussed the role of PERS' custodial bank.

II. ADMINISTRATION

- A. Staff reviewed the Judicial Retirement System and the Legislator's Retirement System.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Chairman Stevens recessed the meeting at 4:35 p.m.

April 21, 2010
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 8:00 a.m., April 21, 2010, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: George Stevens, Mark Vincent, James Green (via telephone), David Kallas, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: None.

I. DISABILITIES

- A. Staff mentioned that disability applicant number eleven withdrew their application and applicant number seventeen was a duplicate from last month which were removed prior to the Retirement Board's vote. For the record, Mr. Vincent stated that Mr. Basch was an employee of the city, Mr. Mangino stated that Ms. Bernice Jones, Ana Prieto, and Gloria Reed were employed by CCSD, and Mr. David Olsen stated that Mr. Robert Conrad and Mr. Jason Frey were employed by the Department of

Transportation. None of the Board members had a conflict with voting for the individuals. On motion of David Kallas, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Hans Albrecht, Lawrence Baker, Howard Basch, Kimberly Batista, Glen Bedient, Brian Bennett, Kenneth Bergstrom, Robert Brye, Jr., Barbara Cardwell, Robert Conrad, Maria Grajeda, Stephan Haase, Bernice Jones, Susan Keys, Steve Lyman, Wynona Mulholland, Linda Noel, Ana Prieto, Irma Ramirez, Susan Ratner, Gloria Reed, Anthony Smith, Frankie Talkington, Brenda Thomas, Patricia Waldvogel, Mary Woods, David Wooner, and Joanne Young.
2. Approve reemployment requests by disability recipients: Ellen Jackson Eakman, Jason Frey, Cedric Fuller, Mark Garrigan, Thomas Hodge, Scott Hopkins, Lance Hughes, Terry Matheson, Gloria Dondero Pedro, Teresa Pinney-Wylie, Craig Pittman, Judy Porter, and Peggy Smith.
3. Deny the reemployment request by disability recipient Diane Sumner. James Green was not present for this vote.

II. INVESTMENTS

- A. Staff and Janet Becker-Wold and Paul Troup of Callan Associates discussed PERS international stock structure.
- B. There were no recommended changes to the Interim Investment Directives to the PERS', Legislators', and Judicial funds.

III. BOARD

- A. Staff reviewed the request for proposal (RFP) process for custodial banking services as required under NRS 286.680(6). Staff received three proposals; BNY Mellon, State Street, and Northern Trust. The proposals were evaluated by PERS' evaluation committee that included members from the investment division, operations, accounting, and Callan Associates, PERS' investment consulting firm. Upon completion of the evaluation process, the committee ranked BNY Mellon as the number one candidate. Staff recommended the Board retain BNY Mellon as PERS' custodial bank. On motion of David Kallas, the Retirement Board voted unanimously to retain BNY Mellon for custody banking services for the period July 1, 2010 through June 30, 2015, for PERS, LRS, JRS, and RBIF funds.
- B. Staff reviewed the request for proposal (RFP) process for commercial banking services as required under NRS 286.680(6). Staff received two proposals; Bank of America and Wells Fargo Bank. The proposals were evaluated by a four person committee consisting of Executive staff and Accounting staff. The committee ranked Wells Fargo Bank as the number one candidate. Staff recommended the Board retain Wells Fargo Bank as PERS' commercial services bank. On motion of Mark Vincent, the Retirement Board voted unanimously to authorize staff to enter into a contract with Wells Fargo Bank to provide commercial banking services for the period July 1, 2010 through June 30, 2015 for the following fee amounts:

FY11 - \$85,000	FY14 - \$98,398
FY12 - \$89,250	FY15 - \$103,318
FY13 - \$93,713	

- C. Staff presented a Letter of Commendation recognizing PERS' Employee Recognition Week scheduled for May 3-7, 2010 for the Board's approval. On motion of David Kallas, the Retirement Board voted unanimously to approve the Letter of Commendation to the Employees of the Public Employees' Retirement System.
- D. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and Board meeting held March 23 and 24, 2010, as submitted.
- E. There were no recommended changes to the Retirement Board meeting dates.
- F. There were no recommended changes to the Retirement Board education curriculum calendar.

IV. ACCOUNTING

- A. Staff presented the fiscal year 2010-2011 budget summary report. This report was provided as information only; no action was taken.

V. ADMINISTRATION

- A. Staff reviewed the proposed independent contract with APEX Computing for modifications to the wage and contribution process pertaining to employee data. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the contract with APEX for the Modification of Wage and Contribution Processing ~ Employee Data, in an amount not to exceed \$219,120.00.
- B. Staff reviewed the proposed independent contract with APEX Computing for modifications to the wage and contribution process pertaining to compensation data. On motion of David Kallas, the Retirement Board voted unanimously to approve the contract with APEX for the Modification of Wage and Contribution Processing ~ Compensation Data, in an amount not to exceed \$153,120.00.

VI. RATIFICATION AGENDA

On motion of Charles Silvestri, the Retirement Board voted unanimously to:

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the Final Benefit Audit Report for February 2009.
- D. Approve the Final Benefit Audit Report for March 2009.

VII. APPEALS

- A. Staff reviewed the background information on Mr. Todd Plimpton's request to purchase service for the time he served as a board member of the Pershing County School District from January 1, 1993, through June 30, 2007. School board members were not eligible for membership in PERS until the passage of NRS 386.320 in 2007. Mr. Plimpton claims that he is eligible to purchase this service in accordance with NRS 286.300(1) which allows members to purchase service performed before the enrollment of his agency in the System.

School board members were previously ineligible for PERS' membership since they did not receive a monthly salary. NRS 286.297(4) excludes persons from membership in the System for members of boards or commission of the state of Nevada or its political subdivisions when such boards or commissions are advisory of directive and when membership thereon is not compensated except for expenses incurred. Effective July 1, 2007, NRS 386.320 established salaries for school board members based on the population in the county in which they serve. Based upon this statute, Pershing County School District began paying their school board members a salary of \$250.00 per month which made them eligible for PERS' membership in accordance with NRS 286.293. Mr. Plimpton was enrolled by the school district as of July 1, 2007.

NRS 286.300 allows members to purchase service that was performed prior to the date the employer began participation under PERS. Pershing County School District was already a contributing public employer in the System prior to Mr. Plimpton's time served as a school board member. Staff does not believe that NRS 286.300 allows Mr. Plimpton to purchase his previous service.

Mr. Plimpton's attorney, Esther Rodriguez, addressed the Retirement Board and provided an updated petition on behalf of her client. Ms. Rodriguez cited a Supreme Court case from January 1869 where they determined that a school board is a separate "body corporate" that is independent from a school district. This determination would allow Mr. Plimpton to purchase his previous time as a school board member for Pershing County School District. It is her belief that the Pershing County School Board is a separate employer from the Pershing County School District.

The Senior Deputy Attorney General stated that NRS 286.297 specifically excluded board members in an advisory position from membership in PERS prior to July 1, 2007. When the law was changed and Mr. Plimpton began receiving a salary for his position on the Pershing County School Board he was enrolled by his employer, Pershing County School District. Prior to July 1 2007, Mr. Plimpton was not eligible for membership in PERS.

After discussion, on motion of David Kallas, the Retirement Board voted unanimously to deny Mr. Todd Plimpton's request to purchase his time served as a Pershing County School District Board member from January 1, 1993, through June 30, 2007, as NRS 286.297 excluded his position from membership in PERS prior to July 1, 2007, thusly making him ineligible to buy the requested service time.

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 Senior Deputy Attorney General had nothing to report.
- C. Administrative report by Staff:

- Operations Officer:
 - 1. The Operations Officer mentioned that staff has conducted interviews and selected finalists for the Chief Accountant position. Staff feels the position will be filled soon.
 - 2. The Operations Officer stated that currently staff is evaluating the possibility of PERS' staff working 4-10 hour days and having the offices closed on Fridays. One downfall to this schedule is that it would decrease the available phone time by one hour per week. Staff will present a final report at a later date.

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

- Mark Vincent:
 - 1. Vice Chairman Vincent noted for the record, that Dana Bilyeu, PERS' Executive Officer was not able to attend the April Board meeting due to her presidential nomination to the Federal Thrift Investment Board. Ms Bilyeu was in Washington, DC attending a Senate Committee on Homeland Security and Government Affairs meeting. This is Ms. Bilyeu's second presidential nomination by two different presidents. She currently sits on the Social Security Advisory Board.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 10:30 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on April 20, 2010, was called to order at 3:00 p.m. by Chairman Stevens and recessed at 4:35 p.m. The April 21, 2010, Retirement Board meeting was called to order at 8:00 a.m. by Chairman Stevens. One break was taken at 9:15 a.m. for approximately 10 minutes. The meeting was adjourned at 10:30 a.m.