

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Wednesday, April 20, 2011

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

April 20, 2011
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Vice Chairman Vincent at 10:00 a.m., April 20, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Chris Collins, James Green, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: None.

I. ADMINISTRATION

- A. Staff reviewed PERS' disaster recovery program with the Retirement Board.

II. INVESTMENTS

- A. Staff reviewed the securities lending program for the PERS' fund.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

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

April 20, 2011
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 12:00 p.m., April 20, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Chris Collins, James Green, David Olsen, Bart Mangino, and Charles Silvestri. Members absent: None.

I. DISABILITIES

- A. For the record, Chris Collins abstained from voting on Rodrick Meyers, David Olsen abstained from voting on Kirk Allred, and Mark Vincent abstained from voting on Gia Rodriguez due to their knowledge of these individuals. On motion of Bart Mangino, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Kirk Allred, Dana Brown, Laurie Brown, Blake Goddard, Kevin Hutchings, Kelly Jones, Pamela Lee, Linda Lopez, Vera Matthews, Rodrick Meyers, Tiffany Morey, Cindy Murphy, Evon Rasmussen, Gia Rodriguez, Gladys Soto-Merida, and Danny Van de Brake.
2. Approve reemployment requests by disability recipients: Brian Bannister, Howard Basch, Kathi Cooper, Kathryn Eggert, Steve Lyman, Jessie Ornelas, Lisa Rollins Batton, Maria Van Rossum, and Darrell Wilson.
3. Deny the reemployment requests by disability recipients Diana Anderson, Cheri Edelman, Rebecca Palone, and Alina Soto.

II. INVESTMENTS

- A. Staff presented the fiscal year 2011 annual securities lending report. On motion of Mark Vincent, the Retirement Board voted unanimously to accept the fiscal year 2011 securities lending report, as submitted.
- B. Bill Kelly of BNY Mellon Securities Lending, provided a performance update on their securities lending portfolio for the PERS' fund.
- C. Staff reviewed the proposed modifications to the Interim Investment Directives for the PERS' fund. On motion of Mark Vincent, the Retirement Board approved the Interim Investment Directives, PERS' fund, as submitted.

III. BOARD

- A. The internal audit report discussion on Washoe County has been deferred to the May 18, 2011 Retirement Board meeting.
- B. Staff presented a Letter of Commendation to the PERS' staff in recognition of public employee recognition week scheduled for May 2-6, 2011. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the Letter of Commendation to the Employees of the Public Employees' Retirement System.
- C. Staff reviewed the history and the genesis for the Retirement Board Resolution from 2000 regarding PERS' plan design. Staff also reviewed the white paper that was written in 2000 regarding a defined benefit plan design. Staff feels both items are still relevant. No action was taken.
- D. Staff provided the Board with a couple of examples of contracts with Executive Officers and a salary survey for review and discussion. After discussion, Chairman Stevens appointed Mark Vincent, James Green, and Bart Mangino to serve on a sub-committee to research and review contracts and salary information for executive staff. Mr. Vincent will serve as Chairman of the sub-committee.

- E. On motion of James Green, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and Board meeting held March 16, 2011, as submitted.
- F. There were no recommended changes to the Retirement Board meeting dates.
- G. There were no recommended changes to the Retirement Board Education Curriculum Calendar.

IV. LEGISLATION

- A. Staff reviewed and discussed the merits of Assembly Bill 405 requested by Speaker Ocegeura which is related to PERS' reform. On motion of James Green, the Retirement Board voted unanimously to adopt a neutral position on Sections two and three of Assembly Bill 405 and instructed staff to provide policy commentary on Section one.
- B. Staff reviewed and discussed the merits of Assembly Bill 464 requested by the Legislative Counsel Bureau which ratifies certain technical corrections made to sections of the Nevada Revised Statutes. On motion of James Green, the Retirement Board voted unanimously to adopt a neutral position on Section two of Assembly Bill 464.
- C. Staff reviewed Assembly Bill 477 which was requested by PERS' to make technical changes to the Retirement Act in response to guidance provided by the Internal Revenue Service for maintaining plan qualification of the trust under the Internal Revenue Code section 401(a). On motion of Mark Vincent, the Retirement Board voted unanimously to adopt a position in support of Assembly Bill 477.
- D. Staff reviewed and discussed the merits of Assembly Bill 479 requested by the Assembly Committee on Ways and Means which is related to governmental administration by setting forth the maximum number of hours and days for each scheduled week of work for an employee who is employed by the State of Nevada. On motion of Mark Vincent, the Retirement Board voted unanimously to adopt a neutral position on Section 6 and Section 8(2) of Assembly Bill 479.
- E. Staff reviewed and discussed the merits of Senate Bill 436 requested by the Division of Budget and Planning of the Department of Administration which amends NRS chapter 1A (Judicial Retirement System Act) to require that the Court Administrator, with monies appropriated by the State of Nevada, pay to the Judicial Retirement Fund the amount actuarially determined to be sufficient to provide the JRS with enough money to pay benefits. On motion of James Green, the Retirement Board voted unanimously to adopt a neutral position on Senate Bill 436.
- F. Staff provided an update on the status of all bills being tracked by PERS' staff which included a review and update on Senate Bill 75.

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- G. There were no legislative matters that developed after the publication of the agenda.

V. RATIFICATION AGENDA

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the Investment Management Agreement and Investment Performance Guidelines between the Public Employees' Retirement Board and Templeton Investment Counsel, LLC.

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

VI. DENIALS

VII. REPORTS

VIII. PUBLIC COMMENT

- A. Warren Wish mentioned that PERS' staff may want to follow Assembly Bill 555 as this is the Governor's bill for education reform which may have impacts to the System. He highlighted the elements contained in the bill that may affect PERS. Staff is currently tracking this bill.
- B. The Deputy Attorney General had nothing to report.
- C. Administrative report by Staff:

- Executive Officer:
1. The Executive Officer mentioned that while she was attending a conference in Washington, DC in March she scheduled meetings with Congressman Heller's staff and Senator Reid's staff to discuss the Public Employee Pension Transparency Act (PEPTA) that would require all public pension systems to report their liabilities by market value. She explained the consequences of the bill and stated that we were not supportive of the bill. Both offices said they would not support the measure.
 2. The Executive Officer updated the Board on the status of the plan qualification process that the System is currently pursuing from the Internal

Revenue Service. She also explained that it is a long process.

Investment Officer: 1. The Investment Officer provided a copy of an email that explained personnel changes that have taken place at BlackRock which manages a real estate portfolio for the PERS' fund.

Operations Officer: 1. The Operations Officer mentioned that the reply brief in the Smith case has been filed and now it is up to the Supreme Court to determine whether oral arguments will be heard or if they will make a decision based on the briefs.

D. There were no questions and/or comments by members of the Retirement Board.

IX. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 1:55 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on April 20, 2011, was called to order at 10:00 a.m. by Vice Chairman Vincent and recessed by Chairman Stevens at 11:30 a.m. The April 20, 2011, Retirement Board meeting was called to order at 12:00 noon by Chairman Stevens and was adjourned at 1:55 p.m.