

These minutes are a draft subject to approval by the Retirement Board
at their regular meeting.

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, May 16, 2012

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

May 16, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:33 a.m., May 16, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen, and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management provided information on PERS' securities lending program.

III. ADMINISTRATION

- A. Brad Ramirez of The Segal Company provided a review of the actuarial funding policy.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:31 a.m.

May 16, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:12 p.m., on May 16, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen, and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, Chris Collins stated that he is associated with Kathleen Swoboda and Kristen Zidzik but that he can objectively vote on their reemployment requests. On motion of Kathy Ong, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Mary Ballinger, Mary Berge, Arthur Carrillo, Sr., Denise Delude, Robert Drake, Monica Freeman, Douglas Gilbert, Alison Goldberg, Melvin Grant, Samantha Hall, Robert Hix, J.D. House, Joanne Jones, Ann Kramer, Duane Lemons, Robert Lynch II, Lorenzo Martinez, Daniel Morgan, Elaine Pendergrass, Christopher Plotkin, Linda See, Carolyn Smith, Susan Stark, Vincent Vedova, Sharon Wheaton, Rosai Whitney, and Cinthia Worman.
 2. Approve reemployment requests by disability recipients: Deanna Azelton, Sandra Bain, Debra Collins, Debra Davis, Judith Dearborne, Russell Elsner, Elizabeth Faiman, Loris Feinstein, Joseph Ferrigno, Laura Fletcher, Peter Green, Dorothy Grizzell, Alfred Hernandez, Mabel Hudson, Kimberly Kaznowski, Robert Melendy, Carolyn Mojado, Barbara Moore, Beverly Patrick, Robert Petuya, Marcia Poliandro, Marlene Redmond, William Rivera, Christopher Rossi, Robert Songer, Jr., Mary Stafford, Kathleen Swoboda, Maria Van Rossum, and Kristen Zidzik.

III. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management and Bill Kelly of BNY Mellon provided a review of the securities lending program. On motion of Kathy Ong, the Retirement Board voted unanimously to accept the Fiscal Year 2012 securities lending report, as submitted.
- B. Ken Lambert of Peavine Capital Management and Janet Becker-Wold of Callan Associates presented the fiscal year 2012 3rd quarter performance review for the PERS', Legislators', and Judicial funds. No action was taken on this item.
- C. Ken Lambert of Peavine Capital Management and Jamie Shen of Callan Associates provided information on the real estate manager interview candidate selection. On motion of James Green, the Retirement Board voted unanimously to invite AEW and Heitman to the June 20, 2012 meeting to interview for an active private real estate mandate.
- D. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

IV. BOARD

- A. Staff presented information regarding modifications to the Funding Policy. On motion of James Green, the Retirement Board voted unanimously to approve the Funding Policy, as proposed by the Board's Sub-Committee, as submitted.
- B. Staff presented information regarding proposed modifications to NRS language. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the proposed changes to NRS 286.160 and 286.170(1), as recommended by the Board's Sub-Committee, as submitted.
- C. On motion of James Green, the Retirement Board voted unanimously to approve the minutes of the Retirement Board's education session and Board meeting held April 18, 2012, as submitted.
- D. There were no recommended changes to the Retirement Board meeting dates.
- E. There were no recommended changes to the Retirement Board Education Curriculum calendar.

V. ADMINISTRATION

- A. Staff presented the CEM Benchmarking Inc.'s Defined Benefit Administration Benchmarking Analysis of PERS. After discussion, on motion of Rusty McAllister, the Retirement Board voted unanimously to accept the Defined Benefit Administration Benchmarking Analysis prepared by CEM Benchmarking Inc., as presented by staff.
- B. Staff reviewed the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held April 19, 2012. On motion of Rusty McAllister, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held April 19, 2012, as submitted.

VI. RATIFICATION AGENDA

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

- A. Approval of Administrative Fund disbursements.
- B. Approval of personnel action.
- C. Approval of the Phase-In Agreement requested between the Legislative Counsel Bureau and Donna Wynott effective April 10, 2012.
- D. Approval of the Final Benefit Audit Report for January 2011.

- E. Approval of the Final Benefit Audit Report for February 2011.

VII. DENIALS

VIII. APPEALS

- A. Staff reviewed the background information on Mr. Howard E. Davis's request that PERS provide retirement benefits for his employment with the City of Reno (City) from November 11, 2005, through December 1, 2011. Mr. Davis was denied a monthly benefit due to Staff's determination that his employment with the City was not eligible for PERS membership. Mr. Davis claimed that he worked in a position eligible for PERS membership and was provided information from PERS stating he was vested and eligible for benefits.

On July 7, 2011, Mr. Davis called the PERS office and requested a 5 year eligibility vesting date. A letter was sent to Mr. Davis on July 25, 2011, which explained that he would be vested on November 23, 2011, provided he did not have any leave without pay from May 19, 2011, to November 23, 2011. On October 5, 2011, Mr. Davis contacted the PERS office to request a benefit estimate with an effective date of retirement of December 3, 2011. A benefit estimate was mailed to Mr. Davis on October 17, 2011, which listed the benefit amounts under retirement Options 1 through 3.

On October 25, 2011, Staff received the retirement application for Mr. Davis with an effective retirement date of December 2, 2011. During the process of calculating the preliminary benefit for Mr. Davis, Staff noticed that there were several years of reporting which were less than half-time. PERS Policy 2.4(a) defines that persons employed in intermittent positions shall be enrolled from the first day worked in the fiscal year if the employment exceeds 1,039 hours in a fiscal year. Since Mr. Davis was working in an intermittent position from 2005 through 2011, Staff made the decision that Mr. Davis had not worked enough hours to achieve 5 years of retirement eligibility and therefore was not eligible for a retirement benefit. A letter was sent to Mr. Davis on December 5, 2011, explaining that PERS was returning his retirement application since he did not achieve 5 years of retirement eligibility and was not eligible to retire.

Mr. Davis stated that he relied upon information from PERS to plan his termination from the City and his subsequent retirement. He received correspondence which provided his 5 year vesting date and an estimate of retirement benefits as of December 2, 2011. At no time during the calculation of the vesting date or of the benefit estimate did PERS Staff mention that his employment was not eligible for membership. Mr. Davis relied on receiving income from PERS in order to provide retirement security. Staff recommended the Board grant Mr. Davis's appeal to accept his retirement application as an error or inequity may exist.

On motion of James Green, the Retirement Board voted unanimously to accept Howard Davis's appeal, as submitted.

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 stated that she and Ken Lambert of Peavine Capital Management had a conference call with Standard & Poors regarding a presentation of how Standard & Poors is looking at the pension world.
- 2. The Executive Officer mentioned that she and Tina Leiss, Operations Officer, had a meeting at the Governor's Office with Heidi Gansert and Judy Osgood regarding BDRs for the upcoming session. The Governor's Office is willing to give PERS a technical bill. It was also mentioned during the meeting that the Governor's Office would like a consultant to study PERS.
- 3. The Executive Officer reported that she and Tina Leiss, Operations Officer, attended a hearing of the Sunset Subcommittee regarding the Police/Fire Advisory Committee. She stated that staff is preparing an estimated budget for the Police/Fire Advisory Committee.

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

David Olsen:

- 1. Board member Olsen advised the Retirement Board that he will not be at the June Retirement Board meeting.

James Green:

- 1. Vice Chairman Green advised the Retirement Board that he will not be at the August Retirement Board meeting.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:45 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on May 16, 2012, was called to order at 9:33 a.m. by Chairman Vincent and recessed at 11:31 a.m. The May 16, 2012, Retirement Board meeting was called to order at 12:12 p.m. by Chairman Vincent. There was one break taken at 2:25 p.m. for approximately 15 minutes during the meeting. The meeting was adjourned by Chairman Vincent at 3:45 p.m.