

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, May 21, 2014

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

May 21, 2014
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 9:34 a.m., May 21, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Katherine Ong, Al Martinez, Rusty McAllister, Audrey Noriega and David Olsen. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. INVESTMENTS

2.1 Ken Lambert of Peavine Capital reviewed and discussed PERS' current International stock structure with the Retirement Board.

3. ADMINISTRATION

3.1 Brad Ramirez of Segal Consulting provided an overview of the Social Security system to the Retirement Board.

4. PUBLIC COMMENT

There were no public comments offered.

5. RECESS

Chairman Vincent recessed the meeting at 11:24 a.m.

May 21, 2014
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:04 p.m., on May 21, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, Chris Collins, David Olsen, Audrey Noriega and Rusty McAllister. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Chris Collins stated that Benjamin Cohen, Alan Marsh, Eric Muldrow, John Schutt, Jr., and Steve Tsapatoris all worked for the same employer as himself but he did not feel that would impair his vote. Al Martinez stated that Robert Chiodini, Marlene Van Beveren, and Christine Ferch all worked for the same employer as himself but he did not feel that would impair his vote. Audrey Noriega stated that Rhoda Lagasca, Jeremy Olson, Jeanie Ready, Robert Drollinger, and Nick Galvez all worked for the same employer as herself but she did not feel that would impair her vote. Audrey also stated that Loren Johnson and Patricia Schneck are known to her but she did not feel that would impair her vote. David Olsen stated that Kenneth Bell, John Ferguson, and JoAnn Gardner all worked for the same employer as himself but he did not feel that would impair his vote.

On motion of Kathy Ong, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Torone Barnett, Kenneth Bell, Todd Candee, Robert Chiodini, Benjamin Cohen, Charmaine Doerr, John Ferguson, JoAnn Gardner, Pamela Hawkins, Loren Johnson, Rhoda Lagasca, Robert Maki, Alan Marsh, Eric Muldrow, Alan Munk, Bwire Ojiambo, Jeremy Olson, Scott Palsgrove, Jeanie Ready, Sharon Roberson, Thomas Rura, Patricia Schneck, John Schutt, Jr., William Thomas, Marlene Van Beveren, Rebecca Wagoner, and Carolyn Woods.
2. Approve dependent child disability retirement for Anthony Moratti, Jr.
3. Approve reemployment requests by disability recipients: Michael Behling, Kelly Brundige, Julie Burke, Robert Drollinger, Christine Ferch, Henry Frehner, Nick Galvez, Alexis Rajnoor, William Stark III, Lori Swearingen, and Steve Tsapatoris.
4. Deny reemployment requests by disability recipients Christopher Demeo, Robert Drollinger, and Henry Frehner.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management presented the 3rd quarter fiscal year 2014 performance review for the PERS', Legislators', and Judicial funds.
- 3.2 Ken Lambert of Peavine Capital Management and Bill Howard of Callan Associates, discussed the international 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 international stock management in the PERS' portfolio. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to:

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

2. Authorize staff to transition assets from active international stock portfolios to international stock index management as soon as possible.
3. Terminate the Investment Management Agreement with Franklin Templeton.
4. Terminate the Investment Management Agreement with Manning & Napier.
5. Authorize a temporary index management mandate with Mellon Capital.
6. Authorize a search for an MSCI EAFE index manager.

3.3 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 3.2. On motion of Kathy Ong, the Retirement Board voted unanimously, to approve the Interim Investment Directives for the PERS' fund, as submitted.

4. BOARD

4.1 On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and meeting held April 16, 2014, as submitted.

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 Brad Ramirez of Segal Consulting presented the results of their Report on the Effects of Mandatory Social Security Participation on the Public Employees' Retirement System of Nevada. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously to accept the Report on the Effects of Mandatory Social Security Participation, as prepared by Segal Consulting.

5.2 Staff presented the defined benefit administration benchmarking analysis of PERS as prepared by CEM Benchmarking, Inc. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to accept the Defined Benefit Administration Benchmarking Analysis prepared by CEM Benchmarking, Inc. and presented by staff.

5.3 Staff reviewed the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held April 17, 2014. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held April 17, 2014, as submitted.

6. RATIFICATION AGENDA

On motion of Rusty McAllister, the Retirement Board voted unanimously 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 Final Benefit Audit Report for November 2012.
 - 6.4 Approve the Final Benefit Audit Report for February 2013.
 - 6.5 Approve the Phase-In Agreement between Truckee Meadows Community College and Denise Bentley effective 7/1/2014.
 - 6.6 Approve the Penalty Waiver Request by the City of Las Vegas in the amount of \$2,756.02 for the late submittal of their February 2014 Wage and Contribution Report.
7. DENIALS
8. REPORTS
9. PUBLIC COMMENT
- 9.1 Howard Reynolds shared his concerns regarding the employer paid contribution rate and how local governments certify that it is a shared rate with their employees either in lieu of or by salary reduction.
 - 9.2 The Deputy Attorney General provided an update on pending litigation involving Nevada PERS.
 - 9.3 Administrative Report by Staff:
 1. The Executive Officer mentioned that she submitted two BDR requests last week for the 2015 legislative session.
 2. The Executive Officer reported that she attended the GFOA conference and was a moderator for a panel discussion. She also noted that the conference was very well attended.
 3. The Executive Officer mentioned that with the new federal regulation there may be an issue with premium deductions for certain retirees. Providing this service to our

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- retirees may require a language change in our statutes that may require a separate BDR for the 2015 legislative session.
4. The Executive Officer provided a personnel update on the resignations that have occurred since the last meeting.
 5. The Executive Officer mentioned that a Las Vegas Sun reporter will be contacting her next week for an interview on the System.
 6. The Executive Officer reported that the LRWL contract is going strong and their staff has completed their interviews and is working on their report for the Board.
 7. The Executive Officer and the Operations Officer presented Lynette Jones with flowers and a wood engraved box in honor of her 30-years of service to the Public Employees' Retirement System. They told Lynette that the System couldn't do all the work it does without her and that she is awesome. Lynette thanked them for the recognition and the gifts.

9.4 Retirement Board questions and/or comments:

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| Mark Vincent | 1. Chairman Vincent stated that he was sympathetic to Mr. Reynolds remarks regarding the employer contribution rate plan and how the employer negotiates with their staff either in lieu of or salary reduction to share equally in the cost of the rate. |
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10. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:16 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on May 21, 2014, was called to order at 9:34 a.m. by Chairman Vincent and recessed at 11:24 a.m. The May 21, 2014, Retirement Board meeting was called to order at 12:04 p.m. by Chairman Vincent. The Board took one break at 2:10 p.m. for approximately 3 minutes. The meeting was adjourned at 2:16 p.m. by Chairman Vincent.

ACTING CHAIRMAN
Retirement Board Member

TINA M. LEISS
Executive Officer