

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Wednesday, June 15, 2011

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

June 15, 2011
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Vice Chairman Vincent at 10:01 a.m., June 15, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, James Green, Bart Mangino, David Olsen, Charles Silvestri, and Chris Collins. Members absent: None.

I. ADMINISTRATION

- A. Staff reviewed the history of PERS' survivor benefits.

II. INVESTMENTS

- A. Staff reviewed the real estate portfolio for the PERS' fund.

III. PUBLIC COMMENT

There was no public comment offered.

IV. RECESS

Chairman Stevens recessed the meeting at 11:06 a.m.

June 15, 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., June 15, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, James Green, David Olsen, Bart Mangino, Charles Silvestri, and Chris Collins. Members absent: None.

I. DISABILITIES

- A. On motion of Chris Collins, the Retirement Board voted unanimously to meet in closed session. After discussion, on motion of James Green, the Retirement Board voted unanimously to go back into regular session.

For the record, David Olsen abstained from voting on Wayne Christy and Chris Collins abstained from voting on Steven Morelli and Anna Paiz-Hughes due to their knowledge of these individuals. On motion of James Green, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Bertie Alger, Kenneth Allgood, Steven Bohn, Wayne Christy, Jolynn Cornia, Linda De La Torre, Gregory Freidman, Harold Harshman, Kelly Ikehara, Jeanette Jacobs, Robert Keyser, Karen Kinner, Mary Lafia, Sheila MacDonald, Janice Meyer, Steven Morelli, Timothy Randolph, Howard Silverman, and Pamela Sisk.
2. Approve reemployment requests by disability recipients: Thomas Buchner, Dorothy Childs, Marie Etchemendy, Mary Johnson, Richard Kissick, Kathy McMillan, Rodrick Meyers, Myrna Orpiada, Anna Paiz-Hughes, Gloria Pedro, Debra Rodriguez, Jeannine Scott, Rita Villani-Marcucci, and Cheryl Williams.
3. Deny the reemployment requests by disability recipients John Mathews and Janine Nissl.
4. Defer action on the reemployment request by Laura Stotts.

II. INVESTMENTS

- A. Liz Smith and Scott Wallace of AllianceBernstein presented an update on their growth portfolio.
- B. Staff and Sarah Angus of Callan Associates presented an update on the real estate program for the PERS' fund. On motion of Charles Silvestri, the Retirement Board voted unanimously to rescind their action to authorize staff to conduct a search for a core private real estate manager that was approved at their October 20, 2010, meeting.
- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

III. BOARD

- A. Tom Heseltine of Clifton Gunderson, LLC, presented the Internal Control Audit report to the Retirement Board. On motion of Charles Silvestri, the Retirement Board voted unanimously to accept the Independent Accountant's Report, Management Letter, and staff responses for the Public Employees' Retirement System.
- B. On motion of Chris Collins, the Retirement Board voted unanimously to approve the Charter and Mission Statement for the Retirement Board Sub-Committee on Executive Compensation, as submitted.

- C. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the minutes of the Retirement Board Sub-Committee meeting held May 18, 2011, as submitted.
- D. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the contracts for PERS' Executive Staff, as submitted.
- E. Mark Vincent, Retirement Board Sub-Committee Chairman, presented a status report. He indicated that the Sub-Committee directed staff to draft a letter to the Attorney General regarding the Retirement Benefits Investment Fund (RBIF) to clarify how RBIF is reimbursing the trust for salaries and if the Board can or needs to approve separate compensation for the Executive Staff. He also indicated that the Sub-Committee is reviewing the Human Resource Policy.
- F. On motion of James Green, the Retirement Board voted unanimously to approve the minutes of the Retirement Board education session and Board meeting held May 18, 2011, as submitted.
- G. David Olsen indicated that he would not be at the August Retirement Board meeting. There were no recommended changes to the Retirement Board meeting dates.
- H. There were no recommended changes to the Retirement Board Education Curriculum Calendar.

IV. ADMINISTRATION

- A. Staff presented information regarding the Police and Firefighters' Retirement Fund Advisory Committee member selection. On motion of James Green, the Retirement Board voted 6 yeas and 1 nay to appoint Bill Ames to a four-year term on the Police and Firefighters' Retirement Fund Advisory Committee. Chris Collins voted no.
- B. On motion of James Green, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held May 12, 2011, except Section II.A, as submitted. On motion of James Green, the Retirement Board voted 6 yeas and 1 abstention to approve Section II.A of the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held May 12, 2011, as submitted. For the record, Mark Vincent abstained from voting on Section II.A.
- C. Staff presented the contract renewal with The Segal Company for actuarial and benefit consulting services for fiscal years 2012 and 2013. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the contract with The Segal Company for actuarial and benefit consulting services for fiscal years 2012 and 2013 at a cost not to exceed \$350,919 in fiscal year 2012 and \$350,919 in fiscal year 2013, subject to successful negotiation.

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- D. Staff reviewed the contract extension with APEX Consulting for implementation of Senate Bill 427 from the 2009 legislative session to the C*A*R*S*O*N system. On motion of James Green, the Retirement Board voted unanimously to approve the Amendment to the contract with APEX Consulting, Inc., to extend the contract to October 31, 2011.
 - E. Staff reviewed the contract renewal with APEX Consulting for information technology consulting services for fiscal year 2012. On motion of James Green, the Retirement Board voted unanimously to approve the consulting contract with APEX Consulting, Inc., for the System's main offices, in an amount not to exceed \$886,800.00.
 - F. Staff presented the contract renewal with APEX Consulting for information technology consulting services for PERS' disaster recovery site for fiscal year 2012. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the consulting contract with APEX Consulting, Inc., at a cost not to exceed \$223,600.00, for fiscal year 2012, subject to successful negotiation.
 - G. Staff reviewed the contract renewal with Cybertrust/Verizon Securities. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the Security Services Agreement with Verizon Security Services powered by Cybertrust, at a cost not to exceed \$75,392.00 for the period from July 31, 2011 through July 30, 2012.

V. LEGISLATION

- A. Staff reviewed and discussed the amended version of Assembly Bill 405 requested by Speaker Ocegeura which is related to a study of PERS. On motion of Charles Silvestri, the Retirement Board voted unanimously to adopt a position of support for amended Assembly Bill 405 as enrolled by the 76th legislature.
- B. Staff provided an update on the bills PERS' staff was tracking for the 2011 legislative session. Staff mentioned Assembly Bill 477 as the only other bill affecting the System. Staff also mentioned the budget and pay bills for state employees which provide for a 2.5 percent decrease to salaries, no merit increases or longevity payments, and six furlough days a year for the next two years.
- C. There were no legislative matters that developed after the publication of the agenda.

VI. RATIFICATION AGENDA

- A. Approve the Administrative Fund disbursements.
- B. Approve personnel action since the last report.
- C. Approve the request by Central Lyon County Fire Protection District for membership in PERS effective July 23, 2011.

- D. Approve the Final Benefit Audit Report for May 2010.
- E. Approve the contract renewal with PERS' Medical Consultant, Bruce Nickles, M.D., for fiscal years 2012 and 2013.
- F. Approve the contract renewal with CEM Benchmarking Inc., for fiscal year 2012.

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

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. Marty Bibb of the Retired Public Employees of Nevada thanked the Board for their continued support of the System and stated that he was pleased with the outcome of the 2011 legislative session.
- B. The Deputy Attorney General had nothing to report.
- C. Administrative report by Staff.

- Executive Officer:
- 1. The Executive Officer mentioned that the Reno Gazette Journal has sued PERS for a list of retirees and that staff has contacted Chris Wicker to co-counsel with the Attorney General's office. She has notified employee associations and the Retired Public Employees of Nevada in case they want to intervene in the case.
 - 2. The Executive Officer mentioned that she attended the National Council on Teacher Retirement directors' meeting at the California State Teachers' Retirement System in Sacramento. Leigh Snell told the group that they are getting close to making changes to the normal retirement age.
 - 3. The Executive Officer stated she would be attending the National Association of Bond Lawyers' meeting at the end of June. They will be looking at guidelines/suggestions for inclusion in disclosures. She has agreed to participate with the task force.
 - 4. The Executive Officer mentioned that the National Association of State Retirement Administrators and the National Council on Teacher Retirement have hired a public relations

person. She is happy they will have assistance with the media and reporting community.

- Operations Officer:
1. The Operations Officer mentioned Senate Bill 503 contains PERS' approved budget.
 2. The Operations Officer mentioned Senate Bill 505 includes the furlough leave language. She stated that staff is preparing a certification form for employers that want to participate in the furlough program.
 3. The Operations Officer mentioned the Harper lawsuit and stated that it is set on a stacked calendar in February 2012.
 4. The Operations Officer mentioned Judge Smith's case. Judge Smith requested that the Supreme Court expedite his case and his request was denied.

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

- David Olsen:
1. Member Olsen advised the Retirement Board that the tour of the bridge has been rescheduled for September 21, 2011, at 1:00 p.m.

X. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 2:13 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on June 15, 2011, was called to order at 10:01 a.m. by Vice Chairman Vincent and recessed by Chairman Stevens at 11:06 a.m. The June 15, 2011, Retirement Board meeting was called to order at 12:00 p.m. by Chairman Stevens, there was a closed session regarding disabilities that lasted approximately 5 minutes from 12:00 p.m. to 12:05 p.m., and the meeting was adjourned at 2:13 p.m.