

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, June 20, 2012

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

June 20, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:45 a.m., June 20, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, and Katherine Ong. Members absent: David Olsen.

I. PUBLIC COMMENT

There was no public comment offered.

II. ADMINISTRATION

- A. Brian Snyder, Director of Employer and Production Services, provided an overview of his division's responsibilities.

III. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management provided information on PERS' private real estate management program.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:22 a.m.

June 20, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:00 p.m., on June 20, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, and Katherine Ong. Members absent: David Olsen.

I. PUBLIC COMMENT

Jaimie McNeil of Unithere IU, mentioned a concern his organization had regarding the real estate search to the Board.

II. DISABILITIES

- A. For the record, James Green mentioned that he would abstain from voting on Paul Jones due to his long-term relationship with Mr. Jones. For the record, Chris Collins stated that he is familiar with Mr. Thurman Buchanan and Steven Menger but he did not feel his relationship would impair his vote. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Thurman Buchanan, Ted Cottrell, Michelle Cox, Julie Cury, Angela Furton, Jamine Gregory, Delores Hayman, Margaret Holcomb, Carol Hughes, Angelina Jefferson-Das, Edward Long, Angela McKane, Tracy Mesa, Bobbie Miller, Ron Millim, Lawrence Nowak, Elizabeth Pesco, Debra Phillips, Stephanie Range, Mary Ann Richarson, William Shaw, Terisa Sietsema, Gabriella Silverman, Debra Sima, Sandra Sly, Bradley Smith-Ostroumov, Brenda Storey, Mary Sullivan, Larry Sutherland, Deborah Tucker, and Patricia Walker.
 2. Approve reemployment requests by disability recipients: Jack Basil, Patrick Carey, Naomi Denton, Laura Fletcher, Mark Garner, Shelley Hill, Judith Huddleston, Mitchell Hunt, Tracy Jackson, Paul Jones, Emelia Marchetti, Steven Menger, Daniel Nelson, Howard Nelson, Dana Neuenschwander, Brian Newpher, Cheryl Prater, Edward Salcido, Timothy Steele, Lyle Stever, and Marsha Williams.
 3. Denial of reemployment requests by disability recipients: Christine Ferch, Baylen Limasa, and Daniel Nelson.

III. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management and Jamie Shen of Callan Associates reviewed the real estate management search process and the two finalists selected for interviews; AEW and Heitman. Jeffrey Furber, CEO, Pamela Herbst, Head of Direct Investments, and Alison Husid, Portfolio Manager for AEW provided an overview of their company and answered questions for the Board. Pete Fawcett, Director of Portfolio Management, Mary Ludgin, Director of Research, and Brian Pieracci, Senior Vice-President of Acquisitions, for Heitman provided an overview of their corporation and answered questions for the Board. After discussion, on motion of James Green, the Retirement Board voted 4-yes and 2-nos to retain AEW to manage an active private real estate portfolio for PERS. Rusty McAllister and Chris Collins voted no.
- B. Ken Lambert of Peavine Capital Management reviewed the proposed changes to the Interim Investment Directives for the PERS' fund. On motion of Chris Collins, the Retirement Board voted unanimously of those present to approve the Interim

Investment Directives for the PERS' fund, as amended. There were no changes to the Legislators' and/or the Judicial fund's Interim Investment Directives.

IV. BOARD

- A. Staff reviewed the selection process for the Administrative Analyst position that was vacated last month when Patti Keyes retired. The Executive Officer has appointed Cheryl Price to the position contingent upon confirmation by the Board effective June 20, 2012. The Executive Officer introduced and highlighted Cheryl's career at PERS. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to confirm the appointment of Cheryl Price as the Administrative Analyst of the Public Employees' Retirement System of Nevada at Step 1 in the Administrative Analyst pay schedule effective June 20, 2012.
- B. Brad Ramirez of The Segal Company discussed actuarial smoothing techniques that are currently utilized in the public pension industry and made recommendations related to management of contribution rate volatility due to the pattern of gains and losses over the most recent period. After discussion, on motion of James Green, the Retirement Board voted unanimously of those present to combine the deferred investment gains/losses for the last four years, into four equal amortization payments that The Segal Company will use in preparing the actuarial valuation for the period ending June 30, 2012.
- C. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board's education session and Board meeting held May 16, 2012, as submitted.
- D. There were no recommended changes to the Retirement Board meeting dates. Rusty McAllister mentioned that he will not be present at the July 18, 2012, meeting. James Green mentioned that he will not be present at the August 15, 2012, meeting.
- E. There were no recommended changes to the Retirement Board Education Curriculum calendar.

V. ACCOUNTING

- A. Staff presented the proposed fiscal years 2014 and 2015 biennial budget for the PERS' fund. The final budget will be presented to the Board at their July 18, 2012, meeting for approval. No action was taken on this item.

VI. ADMINISTRATION

- A. Staff presented the proposed contract renewal with APEX Computing, Inc. for information technology consulting services for the System's main offices for fiscal year 2013. On motion of James Green, the Retirement Board voted unanimously of those present to approve the consulting contract with APEX Computing, Inc., for the System's main offices in an amount not to exceed \$886,000.00.

- B. Staff presented the proposed contract renewal with APEX Computing, Inc. for information technology consulting services for PERS' disaster recovery site for fiscal year 2013. On motion of James Green, the Retirement Board voted unanimously of those present to approve the consulting contract with APEX Computing, Inc., for the System's disaster recovery site for an amount not to exceed \$223,600.00.

VII. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Ratification Agenda, as submitted.

- A. Approval of Administrative Fund disbursements.
- B. Approval of personnel action.
- C. Approval of the contract renewal with CEM Benchmarking Inc., for fiscal year 2013.
- D. Approval of the Phase-In Agreement between the University of Nevada, Reno and Melody Bayfield effective May 21, 2012.

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 Deputy Attorney General reported that the brief in the RGJ vs. PERS case is due tomorrow to the Nevada Supreme Court.
- C. Administrative report by Staff.

Executive Officer:

1. The Executive Officer stated that this week the press did articles on the PEW Study and the Taxpayers United of America's media release on projected retirement benefits for certain PERS' members. She mentioned that she spoke with a number of the reporters and Channel 3 from Las Vegas and Channel 4 in Reno regarding these two items. She stated that we will provide a Fact Checker response to the reports on our website.

2. The Executive Officer mentioned that the new version of the website will be coming soon. It is currently under review.
3. The Executive Officer reported that Tina Leiss, Operations Officer, attended the GFOA conference in Chicago and was a moderator on one of their panel discussions.
4. The Executive Officer stated that she has received Plan Qualification Determination Letters from the Internal Revenue Service for PERS, LRS, and JRS last week and all three plans are qualified.

- Operations Officer:
1. The Operations Officer mentioned that the Police and Firefighters' Retirement Fund Advisory Committee was on the Work Session of the Legislative Commission's Sunset Sub-Committee at their June meeting. The Sub-Committee voted to continue the committee and had a suggestion for the Police/Fire committee to consider teleconferencing their meetings.
 2. The Operations Officer mentioned that she appreciated the opportunity to address members of a firefighter's group in Las Vegas recently. The meeting went very well.

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

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 4:10 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on June 20, 2012, was called to order at 9:45 a.m. by Chairman Vincent and recessed at 11:22 a.m. The June 20, 2012, Retirement Board meeting was called to order at 12:00 noon by Chairman Vincent. There was one break taken at 1:42 p.m. for approximately 20 minutes during the meeting. The meeting was adjourned by Chairman Vincent at 4:10 p.m.