

PUBLIC EMPLOYEES' RETIREMENT BOARD  
28<sup>th</sup> ANNUAL PLANNING SEMINAR and  
RETIREMENT BOARD MEETING MINUTES FOR  
Tuesday, June 18 and Wednesday, June 19, 2013

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

The 28<sup>th</sup> Annual Planning Seminar of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:00 a.m., June 18, 2013, at The Grove of South Creek, Reno, Nevada. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen, and Kathy Ong. Members absent: None.

June 18, 2013  
28<sup>th</sup> Annual Planning Seminar

At the beginning of the meeting, the Chairman called for any public comment and none was offered. The 28<sup>th</sup> Annual Planning Seminar was an educational program presented by staff to the Retirement Board. At the end of the session, the Chairman called for any public comment and none was offered. The meeting was called to order at 9:00 a.m. and adjourned at 2:50 p.m. There was no action taken at this meeting.

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PUBLIC EMPLOYEES' RETIREMENT BOARD  
MEETING MINUTES FOR  
Wednesday, June 19, 2013

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

June 19, 2013  
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:00 a.m., June 19, 2013, 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 Kathy Ong. Members absent: None.

1. PUBLIC COMMENT

Howard Reynolds addressed the Board and shared his concerns regarding NRS 286.421 (3)(b) and NRS 286.421 (9).

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2. DISABILITIES

2.1 For the record, Chris Collins disclosed that he knows Christopher Catanese, Virginia Griffin-Stanley, and Milorad Vuksanovic but he did not feel this would impair his vote. For the record David Olsen disclosed that Travis Hofer and Antonia Thornburg work at the same employer as himself but he did not feel this would impair his vote. For the record, Mark Vincent disclosed that he would abstain from voting on Candace Falder's disability request as she was supervised by Mr. Vincent. For the record, Rusty McAllister disclosed that he would abstain from voting on Loren Batzloff, Robert Coe, Candace Falder, and Michael Guy due to his relationships with these individuals. On motion of James Green, the Retirement Board voted unanimously (except for the abstentions noted above) to:

1. Approve permanent and total disability retirement for: Stacey Akurosawa, John Archambeau, Loren Batzloff, Sandra Black, John Blankenship, Barbara Bolstad, Gerald Burt, Christopher Catanese, Robert Coe, Cynthia Cohen, Benjamyn Dandridge, John Dehesa, Candace Falder, Carlos Gonzales, Virginia Griffin-Stanley, Michael Guy, Aubrey Herrmann, Travis Hofer, Edwin "Sandy" Jordan, James Kelley, Doris Lane, Katherine Larsson, Thelma Marinosdottir, Jaime Merino, Donna Meyer, Paula Newman, Tina Plant, Ava Sanchez, Drue Stafford, Antonia Thornburg, Nora Turner, Milorad Vuksanovic, Janelle Wade, and Cindi Wagner.
2. Approve reemployment requests by disability recipients: Lawrence Baker, Carlos Betancourt, Erica Brown, Robert Conrad, Lenora Grant, Susan Haynie, Michael Henderson, Marye Holton, Carol Hughes, Lance Hughes, Stacey Koenen, Horward Korten, Ann Larkin, Kathy McMillan, Michael Moore, Elizabeth Thames, Franklin Walker, and Garry Wyatt.
3. Deny the reemployment request by disability recipient Lance Francscon.

3. INVESTMENTS

3.1 Ken Lambert of Peavine Capital Management presented the proposed changes to the Investment Objectives and Policies for the PERS', Legislators', and Judicial funds. On motion of Kathy Ong the Retirement Board voted unanimously to approve the modifications to the Investment Objectives and Policies for the PERS', Legislators', and Judicial funds, as submitted.

3.2 Ken Lambert of Peavine Capital Management reviewed the proposed modifications to the Interim Investment Directives for the PERS', Legislators', and Judicial funds. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Interim Investment Directives for the PERS', Legislators', and Judicial funds, as submitted.

4. BOARD

4.1 Staff reviewed the results from the Internal Audit Report on Wage and Contribution Late Reporting. On motion of Kathy Ong, the Retirement Board voted unanimously to

accept the Internal Audit Report on Wage and Contribution Late Reporting as submitted.

- 4.2 Staff reviewed the RFP that was issued by PERS for a limited scope of services comparing the management practices of the System to a broad group of state wide pension funds found in the Public Fund Survey based on certain plan practices, statistics and policies of NVPERS, the Legislators' Retirement System, and the Judicial Retirement System. The six firms that responded to PERS' RFP were: *Buck Consultants, Gabriel, Roeder, Smith, and Company, AonHewitt, Cheiron, Inc., Cavanaugh Macdonald Consulting, Inc., and PricewaterhouseCoopers*. These proposals were evaluated by the Operations Officer and the Executive Officer separately and individually. After the independent review, the officers met to discuss individual firms to arrive at consensus concerning the analysis. Upon completion of the evaluations, staff recommended the Retirement Board enter into a contract with AonHewitt based on the clarity of the proposal, time line, use of System staff and lack of any relationship with Nevada PERS, now or in the past. On motion of James Green, the Retirement Board voted unanimously to engage AonHewitt to perform a comparative review of NVPERS asset management and liability management as described in the Request for Proposal in this matter, for an amount not to exceed \$50,000.00.
- 4.3 On motion of Kathy Ong the Retirement Board voted 6-yeas and 1-abstention to approve the minutes of the Retirement Board meeting held May 15, 2013, as submitted. Mark Vincent abstained from voting as he was not present at the May 15, 2013, meeting.
- 4.4 There were no changes to the Retirement Board meeting dates.
- 4.5 On motion of James Green, the Retirement Board voted unanimously to change the July 2013 Administrative Education topic from "*Open Meeting Law/Public Records Review*" to "*Disability Program Review*".

## 5. ADMINISTRATION

- 5.1 Staff presented the proposed contract renewal with The Segal Company for Actuarial and Benefit Consulting Services for fiscal years 2014 and 2015. On motion of James Green, the Retirement Board voted unanimously to instruct staff to contract with The Segal Company for actuarial and benefit consulting services for fiscal years 2014 and 2015 in amounts not to exceed \$350,919.00 per fiscal year, subject to successful negotiations.
- 5.2 Staff presented the proposed contract renewal with APEX Computing, Inc., for information technology consulting services for the System's main offices for fiscal year 2014. On motion of James Green, the Retirement Board voted unanimously to approve the consulting contract with APEX Computing, Inc., for the System's main offices, in an amount not to exceed \$886,800.00.

- 5.3 Staff presented the proposed contract renewal with APEX Computing Inc., for information technology consulting services for PERS' disaster recovery site for fiscal year 2014. On motion of James Green, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., for PERS' disaster recovery site in an amount not to exceed \$223,600.00.
- 5.4 Staff reviewed the proposed contract with APEX Computing, Inc., for Microsoft Windows 2008 Upgrade: Check Writing Software upgrade. On motion of James Green, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., to upgrade the check writing system in an amount not to exceed \$158,800.00, as submitted.
- 5.5 Staff reviewed the proposed contract with APEX Computing, Inc., for Microsoft Windows 2008 Upgrade: Anti-Virus System upgrade. On motion of James Green, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., to upgrade the anti-virus system in an amount not to exceed \$63,000.00, as submitted.
- 5.6 Staff reviewed the proposed contract with APEX Computing, Inc., for Microsoft Windows 2008 Upgrade: Microsoft Windows Workstation upgrade. On motion of James Green, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., for workstation upgrade in an amount not to exceed \$187,730.00, as submitted.
- 5.7 Staff reviewed the proposed contract with APEX Computing, Inc. for Microsoft Windows 2008 Upgrade: Backup System upgrade. On motion of James Green, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., to upgrade the backup system in an amount not to exceed \$68,800.00, as submitted.

## 6. LEGISLATION

- 6.1 Staff provided a final bill status report for the 2013 legislative session which reflected both passage of the System's budget and all bills for which the Retirement Board had taken a position on.

## 7. RATIFICATION AGENDA

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

- 7.1 Approve the Administrative Fund disbursements.
- 7.2 Approve the personnel action taken since the last report.

- 7.3 Approve the contract renewal with Peavine Capital Management for investment consulting services.
- 7.4 Approve the contract renewal with PERS' Medical Consultant, Bruce Nickles, M.D., for fiscal years 2014 and 2015.
- 7.5 Approve the contract renewal with CEM Benchmarking Inc., for fiscal year 2014.
- 7.6 Approve the contract renewal with Verizon Security Solutions for fiscal year 2014.
- 7.7 Approve the Final Benefit Audit Report for November 2011.
- 7.8 Approve the Final Benefit Audit Report for January 2012.
- 7.9 Approve the Final Benefit Audit Report for March 2012.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

- 10.1 There were no individual statements and/or requests by the members, retired employees and/or the public.
- 10.2 The Deputy Attorney General reported that she will be attending the National Association of Public Pension Attorney's (NAPPA) annual conference next week in Santa Fe, New Mexico.
- 10.3 Administrative report by Staff.

Operations Officer: 1. The Operations Officer informed the Board that Brian Snyder will be retiring in July. She thanked him for his 30-years of service to PERS' members and beneficiaries.

Executive Officer: 1. The Executive Officer mentioned that she has been invited by the Society of Actuaries to participate on a Blue Ribbon Panel on behalf of Public Pension Administrators regarding public pension funding. Several economists have also been invited to participate.  
2. The Executive Officer stated that she will also attend the NAPPA conference in Santa Fe, New Mexico, next week.

3. The Executive Officer mentioned that she and the Operations Officer met with Controller Wallin and several large employers to discuss the GASB standards that will begin in 2014 and 2015 on reporting each employer's share of PERS' unfunded liabilities on their annual financial statements. Comptroller Wallin is spear heading the discussions and PERS appreciates her involvement.
4. The Executive Officer also acknowledged Brian Snyder, Director of Employer and Production Services for his years of service to PERS' members and beneficiaries. Brian will be retiring on July 12, 2013, so this is his last Retirement Board meeting.

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

- Mark Vincent:
1. Chairman Vincent thanked board member Bart Mangino for his years of service on the Retirement Board. Mr. Mangino's term expires at the end of June and he is not eligible for re-appointment.
- James Green:
1. Vice Chairman Green asked staff if the Supreme Court's decision regarding the Sparks judicial branch would affect PERS. Staff responded that the only difference would possibly be the addition of a separate employer but nothing else would change.
- Bart Mangino:
1. Board Member Mangino thanked the Retirement Board and PERS' staff for their support during his time on the Board. Mr. Mangino stated that everyone has been outstanding and he appreciates the opportunity he was given to be able to serve on the Public Employees' Retirement System Board.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 10:55 a.m.

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The following is the time schedule for the meeting:

The Retirement Board's Annual Planning Seminar was held on June 18, 2013, at The Grove at South Creek in Reno and was called to order at 9:00 a.m. by Chairman Vincent and adjourned at

2:50 p.m. The June 19, 2013, Retirement Board meeting was called to order at 9:00 a.m. by Chairman Vincent and adjourned at 10:55 a.m.