

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND  
MEETING MINUTES FOR

Wednesday, June 17, 2015

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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 17, 2015  
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 11:42 a.m., June 17, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, Rusty McAllister, Katherine Ong, Audrey Noriega and David Olsen. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed PERS' investment program history with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 12:29 p.m.

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June 17, 2015  
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 1:02 p.m., on June 17, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, David Olsen, Katherine Ong, Audrey Noriega and Rusty McAllister. Members absent: None.

1. PUBLIC COMMENT

Warren Wish asked the Retirement Board to reassure the members and beneficiaries of the System that their records are safe and secure in light of the recent cyber attacks. Staff reviewed PERS' security systems both for inside and outside vulnerabilities with the Board. PERS' security services are provided by Verizon Security Solutions which is rated very high.

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2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Victorine Bland, Mary Dowler, Wendy Hafenbreadl, Karen Lawson, Lori Newell, Donna Reber, Rosalinda Soriano, Jenni Verrilli, and Julie Weaver all work or worked for the same employer as herself but she did not feel that would impair her vote. Chris Collins stated that Heidi Campbell-Dolar, Gregory Ziel, and Steven Menger all work or worked for the same employer as himself but he did not feel that would impair his vote. He also stated that he knows Steven Menger personally but did not feel that would impair his vote. Al Martinez stated that Petrus Dahlin, Desiree Brown, Catriva Nelson, and Cheryl Prater all work or worked for the same employer as himself but he did not feel that would impair his vote. Mark Vincent stated that Elizabeth Douglas works or worked for the same employer as himself but he did not feel that would impair his vote.

On motion of Chris Collins, the Retirement Board voted unanimously to remove Steven Menger from the list and have him submit more information on his reemployment request at the July board meeting and to:

1. Approve permanent and total disability retirement for: Philip Ashworth, Denyse Bandettini, Victorine Bland, Hiedi Campbell-Dolar, Marilyn Chadwick, Petrus Dahlin, Paul Dininger, Mary Dowler, Lawrence Foutz, Wendy Hafenbreadl, Linda Harland, Karen Lawson, Lori Newell, Kelly Pinkston, Donna Reber, Jody Smith, Rosalinda Soriano, Jennie Verrilli, Julie Weaver, Patricia Williard, and Gregory Ziel.
2. Approve total disability for Ernestine Corral and James Purdie with a one year review.
3. Approve reemployment requests by disability recipients: Desiree Brown, Elizabeth Dougla, Giovanni Melven, Catriva Nelson, Cheryl Prater, and Steven Schomberg.

3. INVESTMENTS

- 3.1 Jim Chambliss and Matt Lugar of Pathway Capital Management provided an overview of their organization and provided a performance review of their private equity portfolio for the PERS' fund. There was no action taken on this item.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS, Legislators, and Judicial funds.

4. BOARD

- 4.1 Staff reviewed the changes to the System that were included in Senate Bill 406 of the 2015 legislative session. SB 406 provides, amongst other changes, increased

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survivor benefits for certain members killed in the line of duty or in the course of employment. Senate Bill 406 was approved by the Governor on June 9, 2015. Section 29.7 of the bill provides transition language to implement the new option for survivor benefits for survivors of those killed in the line of duty or through the course of their employment, between July 1, 2013 and June 30, 2015. This section was effective upon passage and approval. Staff has identified those survivors who may be eligible for benefits pursuant to Section 29.7. Staff is proposing to allow those survivors 180 days from the date of the notice required pursuant to Section 29.7(3) in order to elect the benefits as provided in Section 29.7(1). After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to authorize staff to send notice to eligible survivors pursuant to Section 29.7(3) of Senate Bill 406 providing 180 days from the date of the notice required pursuant to Section 29.7(3) in order to elect the benefits as provided in Section 29.7(1).

- 4.2 On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Retirement Board meeting held May 20, 2015, as submitted.
- 4.3 There were no recommended changes to the Retirement Board meeting dates.
- 4.4 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ADMINISTRATION

- 5.1 Staff presented the contract renewal with Segal Consulting for actuarial and benefit consulting services for fiscal years 2016 and 2017. On motion of Kathy Ong, the Retirement Board voted unanimously to instruct staff to contract with Segal Consulting for actuarial and benefit consulting services for fiscal years 2016 and 2017 in an amount not to exceed \$396,400 for fiscal year 2016 and in an amount not to exceed \$408,300 for fiscal year 2017, subject to successful negotiations.
- 5.2 Staff reviewed the contract renewal with APEX Computing for information technology consulting services for the System's main offices for fiscal year 2016. On motion of Kathy Ong, 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, for fiscal year 2016.
- 5.3 Staff presented the contract renewal with APEX Computing for information technology consulting services for the System's disaster recovery site for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the consulting contract with APEX Computing, Inc. for the System's disaster recovery site, in an amount not to exceed \$223,600.00 for fiscal year 2016.

5.4 Staff reviewed the proposed changes to PERS' Official Policies. Chairman Vincent opened the public hearing on the Policies and asked for any public comments. None were offered. Board member McAllister asked that the language for the Police and Fire description be the same as the regular member description under policy 1.32. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the proposed revisions to PERS' Official Policies, as amended, and directed staff to file the policy revisions with the Secretary of State in accordance with NRS 286.200 to become effective July 1, 2015.

5.5 Staff presented the proposed changes to the Legislators' Retirement System's Official Policies. Chairman Vincent opened the public hearing on the Policies and asked for any public comments. None were offered. On motion of Kathy Ong, the Retirement Board voted unanimously to approved the proposed revisions to the LRS Official Policies, as submitted, and directed staff to file the policy revisions with the Secretary of State in accordance with NRS 218C.150 and NRS 218C.180 to become effective July 1, 2015.

5.6 Staff reviewed the proposed changes to the Judicial Retirement System's Official Policies. Chairman Vincent opened the public hearing on the Policies and asked for any public comments. None were offered. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the proposed revisions to the JRS Official Policies, as submitted, and directed staff to file the policy revisions with the Secretary of State in accordance with NRS 1A.100 to become effective July 1, 2015.

## 6. LEGISLATION

6.1 Staff reviewed the final status of the bills the System was tracking during the 2015 legislative session. Staff thanked Chairman Vincent for Vice Chairman Collins and Board member McAllister's assistance at the legislature this session. Staff appreciated all their hard work they did on behalf of the members and beneficiaries of the System.

## 7. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously to approve all items on the Ratification Agenda as recommended by staff:

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 PERS' Medical Consultant, B. Bottenberg, D.O. for fiscal years 2016 and 2017.

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- 7.4 Approve the contract renewal with PERS' Medical Consultant, Kathy Stoner, R.N. for fiscal years 2016 and 2017.
  - 7.5 Approve the contract renewal with Verizon Security Solutions for fiscal year 2016.
  - 7.6 Approve the Phase-In Agreement between the Desert Research Institute and Janis Kilmowicz effective July 1, 2015.
  - 7.7 Approve the Assistant Investment Officer position title change to Chief Financial Officer effective July 1, 2015, as provided in Senate Bill 12 of the 2015 Legislative Session.
  - 7.8 Approve the Deceased Recipient Review Report for the quarter ending March 31, 2014.
  - 7.9 Approve the Deceased Recipient Review Report for the quarter ending June 30, 2014.
  - 7.10 Approve the Master Agreement and the Service Agreement with Wells Fargo Bank for Commercial Banking Services for the PERS', Legislators', and Judicial Funds for the period beginning July 1, 2015 through June 30, 2020.
  - 7.11 Approve the Penalty Waiver Request for Storey County in the amount of \$400.70 for late submittal of their wage and contribution report.
  - 7.12 Approve the Penalty Waiver Request for Storey County Fire District in the amount of \$182.48 for late submittal of their wage and contribution report.
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 There was no report from the Deputy Attorney General.
    - 10.3 There was no Administrative Report by Staff.
    - 10.4 There were no comments or questions from the Retirement Board members.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:00 p.m.

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The following is the time schedule for the meeting:

The Retirement Board education session held on June 17, 2015, was called to order at 11:42 a.m. by Chairman Vincent and recessed at 12:29 p.m. The June 17, 2015, Retirement Board meeting was called to order at 1:02 p.m. by Chairman Vincent and adjourned at 3:00 p.m.