

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND  
MEETING MINUTES FOR

Wednesday, July 16, 2014

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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.

July 16, 2014  
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Vice Chairman Collins at 9:32 a.m., July 16, 2014, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Chris Collins, Al Martinez, Katherine Ong, Audrey Noriega, and David Olsen. Members absent: Rusty McAllister and Mark Vincent.

1. PUBLIC COMMENT

There were no public comments offered.

2. INVESTMENTS

2.1 Ken Lambert of Peavine Capital Management reviewed the private equity portion of the private markets with the Retirement Board.

3. ADMINISTRATION

3.1 Staff reviewed the retirement and benefit payment process with the Retirement Board from the initial application process to the production of the benefit check.

4. PUBLIC COMMENT

There were no public comments offered.

5. RECESS

Vice Chairman Collins recessed the meeting at 11:35 a.m.

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July 16, 2014  
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:02 p.m., on July 16, 2014, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Al Martinez, Chris Collins, Audrey Noriega, Katherine Ong, and David Olsen. Members absent: Rusty McAllister.

1. PUBLIC COMMENT

Doreen Hurstek addressed the Retirement Board regarding her issues in providing a waiver to meet the criteria to review a member's record under NRS 286.117. The Deputy Attorney General informed her that she would have to produce a court order to view any documents contained in a PERS' member's file.

2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Joe Cordova, Cidney Donahoo, Jadish Ealy, Lori McCollem, Dennis Menard, Socorro Rodriguez, Christopher Schofield, Catherine Stevenson, Rene Zender, and Lynn Grinnell worked for the same employer as herself but she did not feel this would impair her vote. Chris Collins stated that Russell Abbondandolo and Felice Aguirre worked for the same employer as himself but he did not feel this would impair his vote. David Olsen stated that Neil Cox and Ken Driskel worked for the same employer as himself but he did not feel this would impair his vote. Mark Vincent stated that Patricia Flores, Richard Voss, and Victoria Alvarez worked for the same employer as himself but he did not feel this would impair his vote. Al Martinez stated that Deirdra Binion, Richard Perry, Elton Scott, and Robert Watkins worked for the same employer as himself but he did not feel this 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: Russell Abbondandolo, Felice Aguirre, Deirdra Binion, Warren Bradshaw, Jr., Joe Cordova, Neil Cox, Michael DeVinney, Cidney Donahoo, Ken Driskel, Jadish Ealy, Patricia Flores, Richard Foster, Rhoda Gilson, Nancy Gower, Blanca Janatsch, Lori McCollem, Dennis Menard, Edwin Nelon, Patty Page, Richard Perry, Tammy Polon, Nancy Reade, Socorro Rodriguez, Christopher Schofield, Elton Scott, Dwayne Smith, Catherine Stevenson, Scott Strebel, Jerry Swanson, Tonya Taylor, Kim Thompson, Jodi Vanfleet, Bernice Varela, Richard Voss, Robert Watkins, Suzanne Wright, and Rene Zender.
2. Approve reemployment requests by disability recipients: Victoria Alvarez, John Blankenship, Kevin Caruso, Gloria Dondero, Susan Greener, Lynn Grinnell, Robert Hix, Scott Jones, Justine Marketti, Tiffany Morey, Timothy Murray, Cathy Rainville, George Reves, Frank Stephens, Tonilyn Strassburg, Lori Sweringen, and Raymond Valdez.
3. Deny reemployment requests by disability recipients: Brett Carter, Gloria Dondero, Victor Ingram, Mark Houtz, and Ann Sousa.

3. INVESTMENTS

- 3.1 Karen Jakobi, Jim Chambliss and Matt Lugar of Pathway Capital Management provided a review of their private equity portfolio for the PERS' fund and discussed the structure and fee base for private equity partnerships.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

4. BOARD

- 4.1 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to elect Mark Vincent Chairman and Chris Collins Vice Chairman of the Retirement Board for fiscal year 2015.
- 4.2 Staff presented the highlights from fiscal year 2014 of their annual review of the following categories:
  - Governance and Board Relations;
  - Executive Management;
  - Funding and Actuarial Valuations;
  - Operations;
  - Investment Program;
  - Internal Audit; and
  - Legislative Program Management.

After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present, to accept the Fiscal Year 2014 Annual Review, as submitted.

- 4.3 On motion of Kathy Ong, the Retirement Board voted 4-yeas and 2-abstentions to approve the minutes of the Retirement Board Education Session and the Retirement Board meeting held June 18, 2014, as submitted. Mark Vincent and Chris Collins abstained from voting as they were not present at this meeting.
- 4.4 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the proposed Retirement Board meeting dates for January 2015 through June 2015, as submitted.
- 4.5 There were no recommended changes to the Retirement Board meeting dates for the remainder of calendar year 2014.
- 4.6 Staff reviewed the recommended changes to the Retirement Board Education Curriculum Calendar. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the proposed changes to the Retirement Board Education Curriculum Calendar for August, October, and December, as submitted.

5. ACCOUNTING

- 5.1 Staff reviewed the proposed biennial budget for the Public Employees' Retirement System for fiscal years 2016 and 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Public Employees' Retirement System's biennial budget for Fiscal Years 2016-2017, as submitted.
- 5.2 Staff reviewed the proposed biennial budget for the Legislators' Retirement System for fiscal year 2016 and 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Legislators' Retirement System's biennial budget for Fiscal Years 2016-2017, as submitted.
- 5.3 Staff reviewed the proposed biennial budget for the Judicial Retirement System for fiscal years 2016 and 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the biennial budget for the Judicial Retirement System's biennial budget for fiscal years 2016 and 2017.

6. ADMINISTRATION

- 6.1 Staff reviewed the independent contract with Kathy Stoner, RN, CCM, to provide medical adviser services to PERS' Disability Program. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the designation of Kathy Stoner, RN, CCM, as a medical adviser for NVPERS and approve the contract for services at an hourly rate of \$60.00 with a total cost not to exceed \$2,000.00 per month for fiscal year 2015.

7. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve all items on 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 request by Storey County Fire Protection District to change their effective PERS' participation date from July 14, 2014 to July 1, 2014.
- 7.4 Approve the Final Benefit Audit Report for May 2012.

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8. APPEALS

- 8.1 Staff provided the background information on the appeal of Chermanise Skeete to have the Retirement Board waive her accounts receivable benefit overpayment. In March 2013, the PERS' Audit Department completed a field audit of the State of Nevada. During the audit it was determined that there were two re-employed retirees working as correctional nurses at the Department of Corrections that exceeded the re-employed retiree earnings limitation.

Ms. Skeete retired from the Department of Corrections on July 7, 2008. During the audit, it was determined that Ms. Skeete was re-employed in the non-PERS eligible position of per diem Correctional Nurse in February 2009. PERS was not notified by the retiree or the public employer about the re-employment until September 5, 2013. In accordance with NRS 286.520(1) and (2), the retired employee and public employer shall notify the System within 30-days of the re-employment. Ms. Skeete was sent a letter on May 15, 2014, indicating that an accounts receivable was set-up in the amount of \$55,927.23 for benefits paid from February 17, 2010 (the date she exceeded the earnings limitation) through December 8, 2013. Ms. Skeete terminated her employment with the Department of Corrections effective December 8, 2013.

Ms. Skeete addressed the Retirement Board and explained that she was only aware of an hour's limitation that her employer mentioned to her that she could not go over. She was very cognizant of this requirement and never intended to exceed the PERS' earnings limitation which she claimed she was not aware of. Ms. Skeete requested the Retirement Board waive her accounts receivable amount as it would create a hardship for her to repay such a large amount of money. She explained again that she did not know of the earnings limitation.

The Retirement Board discussed with Ms. Skeete issues with waiving accounts receivables but a repayment plan could be developed. The Board also discussed the employer's responsibility to report re-employed retirees. The Retirement Board asked the Deputy Attorney General for possible avenues with Ms. Skeete's former employer. The Deputy Attorney General asked for additional time to research the Board's request.

After discussion of this matter, the Retirement Board instructed staff and the Deputy Attorney General to research the statutes and work with Ms. Skeete to possibly develop a repayment plan that could be presented at the October 2014 meeting for the Retirement Board to deliberate on and possibly take action at that time. No action was taken on this item.

- 8.2 The Retirement Board invited Ms. Gloria Callahan to add any additional information on her case that was not discussed under Ms. Skeete's item. Ms. Callahan stated that she also was not familiar with the PERS' earnings limitation for re-employed retirees and was only informed about the hour's limitation that her employer identified. Ms. Callahan retired from the Department of Corrections on July 14, 2003 and was re-employed in the non-PERS eligible position of per

diem Correctional Nurse in February 2004. PERS' account receivable policy allows the System to collect a retroactive benefit overpayment for a period of 6 years, Ms. Callahan was sent a letter on April 29, 2014 indicating that an accounts receivable was set-up in the amount of \$46,076.64 for benefits paid from December 1, 2007 (the date she exceeded the earnings limitation) through November 30, 2013. Ms. Callahan has since suspended payment of her retirement benefit and has continued working for the Department of Corrections.

The Retirement Board asked if there was anything else Ms. Callahan would like to add and Ms. Callahan told the Board that she might not be available for the October meeting as she has planned to be out of town. The Retirement Board thanked her for her time and stated that these items will be placed on the October 15, 2014, Retirement Board meeting agenda for further review. No action was taken on this item.

9. DENIALS

10. REPORTS

11. PUBLIC COMMENT

11.1 There were no individual statements and/or requests by the members, retired employees and/or the public.

11.2 The Deputy Attorney General thanked the Retirement Board for facilitating her attendance at the National Association of Public Pension Attorney's (NAPPA) annual conference in Nashville in June. The Deputy Attorney General provided an update on pending litigation involving PERS.

11.3 Administrative Report by Staff:

- Executive Officer:
1. The Executive Officer stated that she also attended the NAPPA conference in Nashville. The conference was very informative and well attended.
  2. The Executive Officer mentioned that Board Member Al Martinez will be attending the NASRA conference in Asheville, NC during the first week in August. She also mentioned that the Operations Officer, the Assistant Investment Officer and herself will attend the NASRA conference.
  3. The Executive Officer informed the Board that she attended the RPEN luncheon on Monday in Reno and that the members were very happy with PERS' return for the 2014 fiscal year.

11.4 Retirement Board questions and/or comments:

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| Mark Vincent  | 1. | Chairman Vincent shared that employers need to be proactive in determining if they are re-employing PERS' retirees on both sides whether they are contracted with or on the Human Resources side when the individuals are hired.                             |
| Chris Collins | 1. | Vice Chairman Collins mentioned that the Sheriff will be developing a bill for the 2015 legislative session that would provide a death benefit for police and fire members killed in the line of duty.   |
|               | 2. | Vice Chairman Collins also stated that Mr. Collins would be willing to work with Staff to develop language for a bill for the 2015 legislative session that determines what information is confidential from the Supreme Court's decision on public records. |

12. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:48 p.m.

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The following is the time schedule for the meeting:

The Retirement Board education session held on July 16, 2014, was called to order at 9:32 a.m. by Vice Chairman Collins and recessed at 11:35 a.m. The July 16, 2014, Retirement Board meeting was called to order at 12:02 p.m. by Chairman Vincent and was adjourned at 2:48 p.m.