

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Wednesday, August 17, 2011

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

August 17, 2011
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 10:00 a.m., August 17, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Bart Mangino, Katherine Ong, and Chris Collins. Members absent: David Olsen and Rusty McAllister.

I. PUBLIC COMMENT

There was no public comment offered.

II. BOARD

- A. For the record, Board member Katherine Ong attended the board meeting but did not participate in the Executive Officer's performance evaluation and vote because she was not a Board member during fiscal year 2011. The Retirement Board evaluated the Executive Officer's performance for fiscal year 2011 in seven major categories: Executive Management, Operations, Investment Program, Legislative Program Management, Actuarial Management, Public Relations and Board Relations. After discussion, on motion of Bart Mangino, the Retirement Board voted unanimously of those present and participating to rate the Executive Officer's performance for fiscal year 2011 as follows:

Executive Management		
Leadership	~	4-Exceeds
Strategic Planning	~	4-Exceeds
Budget	~	4-Exceeds
Policy	~	4-Exceeds
Operations	~	4-Exceeds
Investment Program	~	4-Exceeds
Legislative Program Mgmt	~	4-Exceeds
Actuarial Management	~	4-Exceeds
Public Relations	~	4-Exceeds
Board Relations	~	4-Exceeds

III. PUBLIC COMMENT

There was no public comment offered.

IV. RECESS

Chairman Vincent recessed the meeting at 11:00 a.m.

August 17, 2011
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was reconvened by Chairman Vincent at 12:30 p.m., August 17, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Bart Mangino, Katherine Ong, and Chris Collins. Members absent: David Olsen and Rusty McAllister.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, Mark Vincent abstained from voting on Cheri Edelman, James Green abstained from voting on Ronald Russo and Chris Collins abstained from voting on Kristen Zidzik due to their knowledge of these individuals. On motion of James Green, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Helen Athans, Brett Carter, Carol Catania, Sally Coates, Mary Cook, Daniel Erwine, Christine Ferch, Nick Galvez, Cynthia Harker, Rona Harvey, Susan Haynie, Marianne Isaacs, Mary Jewell, Enrique Lamas, Lynette Lloyd, Lisa MacDonald, Doyle Martin, Anne Peer, Ronald Russo, Linda Smith, Jeffrey Snow, Michael Strebel, Tami Tatham, Terrill Tinnell, Charles Voight, and Kristen Zidzik.
 2. Approve dependent child survivor benefits for George Ullom V, dependent child of George Ullom IV.
 3. Approve reemployment requests by disability recipients: Cheri Edelman, Shelly Hooks, Teresa Landsaw, David Meeks, and Shanna Wallin-Reed.

III. INVESTMENTS

- A. Staff and Bill Howard of Callan Associates provided the year end investment performance report for fiscal year 2011 for the PERS', Legislators', and Judicial funds.
- B. Staff reviewed the securities class action filing audit contract between Securities Class Action Services LLC/Institutional Shareholder Services and the Public Employees' Retirement System. On motion of Katherine Ong, the Retirement Board voted unanimously of those present to approve the contract with Securities Class Action Service/Institutional Shareholder Services to conduct a securities class action filing audit for the System.
- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

IV. BOARD

- A. On motion of Bart Mangino, the Retirement Board voted unanimously of those present to elect James Green Vice Chairman of the Retirement Board for fiscal year 2012.
- B. Debby Thomsen, PERS' Principal Auditor, presented the internal audit plan for fiscal year 2012. On motion of James Green, the Retirement Board voted unanimously of those present to approve the internal audit plan for fiscal year 2012, as submitted.
- C. On motion of Chris Collins, the Retirement Board voted 4-yeas and 1-abstention of those present to approve the minutes of the Retirement Board Sub-Committee meeting held June 15, 2011, as submitted. Katherine Ong abstained from voting on this item as she was not a Retirement Board member in June.
- D. Mark Vincent, Retirement Board Sub-Committee Chairman, presented a status report. He indicated that the Sub-Committee has reviewed and approved a draft letter to the Attorney General regarding legal analysis of Board and Staff's responsibilities regarding RBIF and NVPERS and approved a proposal by McLagan to conduct a position and compensation study of the seven positions listed at NRS 286.160(1).
- E. Staff reviewed the proposal letter from McLagan to perform a compensation and position study. On motion of Katherine Ong, the Retirement Board voted unanimously of those present to approve alternative #2 from the McLagan proposal to perform an independent compensation and position study of the seven non-classified positions listed at NRS 286.160(1) and include some private sector positions for comparison.
- F. Staff reviewed the draft letter to the Attorney General for legal analysis. On motion of James Green, the Retirement Board voted unanimously of those present to approve the draft letter to the Attorney General for legal analysis of Board and Staff's responsibilities and authority concerning RBIF and NVPERS, as submitted.
- G. On motion of Katherine Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board education session and Board meeting held July 20, 2011, as submitted.
- H. Chris Collins indicated that he may have a conflict with the September Retirement Board meeting. There were no recommended changes to the Retirement Board meeting dates.
- I. There were no recommended changes to the Retirement Board Education Curriculum Calendar.

V. ACCOUNTING

- A. Staff presented the budget variance report. On motion of James Green, the Retirement Board voted unanimously of those present to accept the Budget Variance Report for fiscal year 2011, as submitted.

VI. ADMINISTRATION

- A. Staff reviewed their recommendations for additions/changes to PERS' Strategic Plan. The Retirement Board suggested risk assessment, succession planning, use of technology, retention of staff/compensation, and PERS' human resources function also be added to the Strategic Plan. Staff will incorporate these additions/changes to PERS' Strategic Plan and present the revised plan to the Board at the September 21, 2011 meeting.
- B. On motion of James Green, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held July 28, 2011, as submitted.

VII. RATIFICATION AGENDA

- A. Approve the Administrative Fund disbursements.
- B. Approve personnel action since the last report.
- C. Approve the penalty waiver request for City of Henderson in the amount of \$662.47.
- D. Approve the Oasis Academy Charter School's request for membership in PERS effective August 1, 2011.
- E. Approve the Board of Dispensing Opticians request for membership in PERS effective July 1, 2011.
- F. Approve the Deceased Recipient Review Report for the 2nd Quarter of 2011.

For the record, James Green abstained from voting on item VII. C. On motion of Katherine Ong, the Retirement Board voted unanimously of those present to approve the Ratification Agenda, as submitted.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A. The Deputy Attorney General reported that a member has brought suit against PERS in Federal Court and that we have filed for dismissal. There have been a couple of interventions filed in the RGJ vs. PERS case.

B. Administrative report by Staff.

- Executive Officer:
1. The Executive Officer mentioned that she attended the National Association of State Retirement Administrators' (NASRA) annual conference in Lake Geneva, Wisconsin last week. The 2012 conference has been scheduled to take place in Squaw Creek, California. She encouraged the Board members to attend the conference next year as they provide both broad and specific topics on the public pension industry that would be of interest to all members.
 2. The Executive Officer mentioned that the National Conference on Teacher Retirement's (NCTR) annual conference will be held in Baltimore, Maryland in October which is similar to the NASRA conference.
 3. The Executive Officer mentioned that the National Conference on Public Employee Retirement Systems (NCPERS) will be held in May 2012. This conference has more of a public safety focus.
 4. The Executive Officer stated that the National Association of Bond Lawyers' (NABL) task force will meet next week in Washington, DC regarding pension disclosures which she is a participant on.
 5. The Executive Officer highlighted the "Facts You Should Know" on state and local bankruptcy, municipal bonds, and state and local pensions pamphlet endorsed by numerous organizations such as NASRA, NACO, GFOA, and the National Governors Association that was distributed to the Board.
 6. The Executive Officer read into the record a letter received by former Retirement Board member Charles Silvestri.
- Investment Officer:
1. The Investment Officer praised Steve Edmundson, Assistant Investment Officer, for all his efforts during the past week's volatile markets. Steve implemented PERS' investment rebalancing in an efficient manner and generated \$20 million in profit for the PERS' fund.
 2. The Investment Officer reviewed the draft agenda for PERS' Annual Planning Seminar scheduled for September.

Operations Officer: 1. The Operations Officer mentioned that with Rusty McAllister's recent appointment to the Retirement Board the Police and Firefighters' Retirement Fund Advisory Committee will have three vacancies to fill on the Committee.

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

Chris Collins: 1. Board member Collins advised the Retirement Board that he may not be able to attend the annual planning conference and the September 21, 2011, meeting as he is scheduled to be in Washington, DC.

D. Warren Wish, retiree and former Retirement Board member, made a couple of suggestions to incorporate into PERS' Strategic Plan:

1. Add stronger language in the System's mission statement regarding maintaining the System's defined benefit structure; and
2. Add language to page 17 in the strategic plan that discusses how the System will manage outside entities performing studies on the System where the results are reported to the legislature.

X. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:15 p.m.

The following is the time schedule for the meeting:

The Retirement Board meeting held on August 17, 2011, was called to order at 10:00 a.m. by Chairman Vincent and recessed at 11:00 a.m. The August 17, 2011, Retirement Board meeting was reconvened at 12:30 p.m. by Chairman Vincent. There was one break taken at 1:45 p.m. for approximately 10 minutes. The meeting was adjourned at 3:15 p.m.