

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND  
MEETING MINUTES FOR

Thursday, August 20, 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.

August 20, 2015  
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 10:57 a.m., August 20, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, Rusty McAllister, and Audrey Noriega. Members absent: David Olsen.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed PERS' organizational chart and operational processes with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:55 a.m.

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August 20, 2015  
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:29 p.m., on August 20, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, Audrey Noriega and Rusty McAllister. Members absent: David Olsen.

1. PUBLIC COMMENT

There were no public comments offered.

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2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Laurie Burgess, Jay Honore, Kristen Johnston, Amy Owens, Tina Waymire, Paul Amann, and Nathene Newman all work or worked for the same employer as herself but she did not feel that would impair her vote. Al Martinez stated that Linda Foy and Azziem Shah all work or worked for the same employer as himself but he did not feel that would impair his vote. Rusty McAllister stated that John McGee is a fellow firefighter like himself but he did not feel that would impair his vote.

On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve disability retirement for Chris Hollingshead with a one-year review and to:

1. Approve permanent and total disability retirement for: Robert Aker, Lisa Bartoli, Melissa Beverlin, Bruce Bundy, Laurie Burgess, Linda Coates, Jodi Cooley, Molli Davis, Linda Foy, Erik Frederickson, Lydia Galez, Teresa Gehman, Marlene Hansen, Ann Hines, Jay Honore, Kristen Johnston, John McGee, Amy Owens, James Prevot, Bryan Quell, Jennifer Sanford, Azziem Shah, John Smith, Toni Starniri, Jennifer Vershall, Jeffrey Vialard, Tina Waymire, and Mark Weigel.
2. Approve the one year disability review for Charmaine Doerr.
3. Approve reemployment requests by disability recipients: Paul Amann, Brett Carter, Christopher Catanese, Shawn Cromwell, Susan Gerhardt, Jana Gray, Mark Kagan, Lisa Mays, Armando Rodriguez, and Kathleen Swoboda.
4. Deny the reemployment request by disability recipient Nathene Newman.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management presented the 2015 fiscal year end performance review for PERS', LRS', and JRS funds. There was no action taken on this item.
- 3.2 Julia Bonafede and Eileen Neill of Wilshire Consulting provided highlights from their second opinion review of PERS' investment program. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Second Opinion Review prepared by Wilshire Consulting.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS, Legislators, and Judicial funds.

4. BOARD

- 4.1 Staff presented the Internal Audit Plan for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Internal Audit Plan for Fiscal Year 2016, as submitted.
- 4.2 Staff reviewed the proposed changes to the Retirement Board Charter and the Executive Officer Charter. Staff is not recommending any changes to the Retirement Board Chair Charter or the Retirement Board Vice-Chair Charter. Vice Chairman Ong sent staff a few recommendations for changes to the Board Charter and the Executive Officer Charter. Staff agrees with the proposed modifications by Vice Chairman Ong and that they be incorporated into the Charters. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to adopt the Retirement Board Charter and the Executive Officer Charter; and re-adopt the Retirement Board Chair Charter and the Retirement Board Vice-Chair Charter, as amended.
- 4.3 On motion of Kathy Ong, the Retirement Board voted 4-years and 1-abstention to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held July 16, 2015, as submitted. Rusty McAllister abstained from voting on this item as he was not present at the July 16, 2015, meeting.
- 4.4 There were no recommended changes to the Retirement Board meeting dates.
- 4.5 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ACCOUNTING

- 5.1 Staff presented the proposed administrative fees for the Public Employees' Retirement System for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita fee of \$3.12 per month for each Regular member and benefit recipient and \$3.37 for each Police/Fire member and benefit recipient, retroactive to July 1, 2015.
- 5.2 Staff reviewed the proposed administrative fees for the Legislators' Retirement System for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$34.47 per month for fiscal year 2016 for the Legislators' Retirement System.
- 5.3 Staff presented the proposed administrative fees for the Judicial Retirement System for fiscal year 2016. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capital administrative fee of \$46.17 per month for fiscal year 2016 for the Judicial Retirement System.

- 5.4 Staff reviewed the Budget Variance Report for fiscal year 2015. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Budget Variance Report for fiscal year 2015, as submitted.
- 5.5 Staff presented the Notice of Request for Proposal and the Request for Proposal for an internal controls examination that is required by Board policy every 5-years. The last examination took place in 2010. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the release of the Notice of Request for Proposal and the Request for Proposal itself, for an examination of management's assertion about the effectiveness of the System's internal controls over financial reporting.

6. ADMINISTRATION

- 6.1 Staff reviewed PERS' current Strategic Plan and discussed staff's proposed revisions for fiscal year 2016. Staff asked if the Retirement Board would like to add any revisions to PERS' Strategic Plan. The suggested revisions will be incorporated into the document and brought to the Retirement Board for review at their September 17, 2015 meeting. There was no action taken on this item.
- 6.2 Staff presented the Fiscal Year 2015 Service Quality Report. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2015 Service Quality Report, as submitted.
- 6.3 Staff reviewed the Police and Firefighters' Retirement Fund Advisory Committee meeting minutes from July 23, 2015. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held July 23, 2015, as submitted. Kathy Ong was not available for this vote.

7. RATIFICATION AGENDA

On motion of Rusty McAllister, the Retirement Board voted unanimously of those present 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 Final Benefit Audit Report for December 2013.
- 7.4 Approve the Notice of Termination letter to Cortex Applied Research to terminate their contract effective November 20, 2015.

Kathy Ong was not available for this vote.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

10.1 Priscilla Maloney applauded the Board on the Wilshire Consulting Report that stated that PERS' "governance structure is an industry standard", and that "NVPERS has adequate resources and is well managed." Ms. Maloney further stated that Wilshire's statements are a testament to the Retirement Board on how well PERS is governed and the fact that the Retirement Board takes a conservative approach in their asset allocation decisions. Chairman Vincent thanked Ms. Maloney for her remarks.

10.2 PERS' General Counsel, Chris Nielsen, thanked the Retirement Board for the opportunity to work with them. Mr. Nielsen provided a litigation update on PERS' pending cases and mentioned that he has met with PERS' Deputy AG and Chris Wicker, PERS' outside legal counsel.

10.3 Administrative Report by Staff:

Executive Officer:

1. The Executive Officer and the Operations Officer presented Mary Cunningham with a 10-year appreciation plaque. They thanked her for her service and stated that they appreciate all her hard work.
2. The Executive Officer mentioned that the Governor has appointed Tim Ross to the Retirement Board to fill Chris Collins seat. Mr. Ross is from the Washoe County Sheriff's Department.
3. The Executive Officer stated that most of the executive staff attended the NASRA conference in Monterey, California earlier this month. She mentioned that the Investment Officer did a great job on his panel and that the conference was very good.

Operations Officer:

1. The Operations Officer reported that she has completed the newsletter that highlighted the legislative changes from the 2015 session, contains

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information from our PAFR, and includes some disability requirements for reemployment.

- Investment Officer:
1. The Investment Officer stated that the New York Times article on the System's investment program will be coming out this weekend. He also mentioned that the Wall Street Journal called and asked about the investment program.

10.4 Comments or questions from the Retirement Board members:

- Al Martinez:
1. Board member Martinez mentioned that he attended the NASRA conference and enjoyed it very much. He asked that private equities be included as an education topic for the Retirement Board members. Staff will schedule an education session on private equities on a future agenda.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:35 p.m.

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The following is the time schedule for the meeting:

The Retirement Board education session held on August 20, 2015, was called to order at 10:57 a.m. by Chairman Vincent and recessed at 11:55 a.m. The August 20, 2015, Retirement Board meeting was called to order at 12:29 p.m. by Chairman Vincent. There was one break taken at 2:14 p.m. for approximately 8 minutes. Chairman Vincent adjourned the meeting at 2:35 p.m.