

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, August 17, 2017

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

August 17, 2017
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 9:34 a.m., August 17, 2017, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Vikki Courtney, Scott Gorgon, and Timothy Ross. Members absent: Audrey Noriega and Kay Scherer.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed network security, disaster recovery, virtualization, backup system, and video conferencing with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 10:29 a.m.

August 17, 2017
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 11:03 a.m., on August 17, 2017, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Vikki Courtney, Scott Gorgon, and Timothy Ross. Members absent: Audrey Noriega and Kay Scherer.

1. PUBLIC COMMENT

Kent Ervin, representing the Nevada Faculty Alliance, called the Retirement Board's attention to an article recently published at plansponsor.com. The headline was Taxpayers Not Burdened by Public Pensions. Mr. Ervin stated that according to a study by the National Conference on Public Employee Retirement System public pensions are generally cost-effective and pump trillions of dollars into local economies. He mentioned a few points from the study. The organization cites research by the National Institute on Retirement Security "indicating that every dollar paid in pension benefits creates \$2.21 in economic output. This results in about \$3.7 trillion of pension fund assets invested in the U.S. economy by public pension funds." Those numbers are national, not just Nevada. He mentioned that money is invested in the national economy; that's a fundamentally fiscally conservative way to fund public pensions as opposed to Social Security where instead of being invested in the national economy it is invested in the national debt. Secondly, the article indicates the economic activity generated by spending by the retiree pensioners in 2014 resulted in \$190 billion in tax revenues and at the same time \$120 billion was contributed toward pension systems in taxpayer contributions. He indicated there is a net benefit to the taxpayers from the pension amounts. Now, 2.21 economic multiplier, he is always skeptical of economic multipliers whether for talking about tourism dollars or taxpayer give outs to industries to come to the state, but the opponents of the public pension system would only count the taxpayer cost and not put on the balance sheet anything that use zero for the economic benefits and the taxpayer dollars that come in on the other side of the equation. It is important to include both sides. NCPERS maintains that if "governments continue to dismantle public pensions, they will inflict \$3 trillion in damage on our economy by 2025. In short, while public pensions are cost effective and beneficial, dismantling pensions is costly and short-sighted for taxpayers." He wanted to put that on the public record.

2. DISABILITIES

2.1 For the record, Vikki Courtney stated that Kathleen Pickner works or worked for the same employer as herself, but she did not feel that would impair her vote.

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: James Clark, Tracey Ford-Perry, Jon Hoover, Margaret Macdonald, William Marsh, George McFadden, Alane Olson, Kathleen Pickner, James Reed, Katherine Rohrer, and Walter Tront.
2. Approve dependent child disability retirement for Colin Crawford.
3. Approve reemployment requests by disability recipients: Victoria Alvarez, Joseph Arnold, James Bichsel, James Burritt, Colby Glennon, Marlene Hansen, Victor Ingram, Ted Martinez, Michael Medrano, and Tony Severin.
4. Deny reemployment requests by disability recipients: Anthony Crisp and Wayne LeBaron.

3. INVESTMENTS

- 3.1 Staff and Julia Bonafede of Jobs Peak Advisors presented the fiscal year 2017 performance review for the PERS', Legislators', and Judicial funds. 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 presented the Internal Audit Plan for fiscal year 2018. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Fiscal Year 2018 Internal Audit Plan, as submitted.
- 4.2 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held July 20, 2017, as submitted.
- 4.3 After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the locations of Retirement Board meetings for the rest of the calendar year, as submitted.
- 4.4 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 2018. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita fee of \$4.05 per month for each Regular member and benefit recipient and \$4.38 per month for each Police/Fire member and benefit recipient, retroactive to July 1, 2017.
- 5.2 Staff reviewed the proposed administrative fees for the Legislators' Retirement System for fiscal year 2018. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$39.95 per month for fiscal year 2018 for the Legislators' Retirement System.
- 5.3 Staff presented the proposed administrative fees for the Judicial Retirement System for fiscal year 2018. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$50.69 per month for fiscal year 2018 for the Judicial Retirement System.

5.4 Staff reviewed the Budget Variance Report for fiscal year 2017. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

- (1) Accept the Budget Variance Report for FY 2017, as submitted;
- (2) Transfer \$93,703 from Salaries to Operating Expenses;
- (3) Transfer \$4,570 from Salaries to Furniture & Equipment; and
- (4) Transfer \$381,737 from Information Technology to Attorney General Cost Allocation

6. ADMINISTRATION

6.1 Staff reviewed PERS' current Strategic Plan and discussed staff's proposed revisions for fiscal year 2018. 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 21, 2017, meeting. There was no action taken on this item.

6.2 Staff presented the Fiscal Year 2017 Service Quality Report. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2017 Service Quality Report, as submitted.

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 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 with CEM Benchmarking Inc. for fiscal year 2018 for pension administration benchmarking services in an amount not to exceed \$45,000.

7.4 Approve the request by Doral Academy of Northern Nevada for membership in PERS effective July 1, 2017.

7.5 Approve the request by Mater Academy of Northern Nevada for membership in PERS effective July 1, 2017.

7.6 Authorize entering into a Lease With Meadow Wood Crown Plaza, Inc., for disaster recovery (DR) site at a cost not to exceed \$2,163.20 per month over a period of 36 months, starting September 1, 2017.

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 PERS' General Counsel provided an update on pending litigation.

10.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer stated that she and the Operations Officer, General Counsel, and Tim Ross traveled to Baltimore to attend the NASRA Conference. She stated that she thought it was a very good program and mentioned some of the topics that were covered. She said they appreciated the opportunity to attend the educational conference and got a lot out of it.

10.4 There were no comments or questions from the Retirement Board members.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 12:29 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on August 17, 2017, was called to order at 9:34 a.m. by Chairman Vincent and recessed at 10:29 a.m. The August 17, 2017, Retirement Board meeting was called to order at 11:03 a.m. by Chairman Vincent and adjourned at 12:29 p.m.