

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, October 15, 2014

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

October 15, 2014
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 10:30 a.m., October 15, 2014, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Chris Collins, Al Martinez, Audrey Noriega, Rusty McAllister and David Olsen. Members absent: Katherine Ong.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed and discussed the duties and responsibilities of the Executive Officer and the Board Chairman during the legislative session.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:50 a.m.

October 15, 2014
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:15 p.m., on October 15, 2014, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, Al Martinez, Chris Collins, Audrey Noriega, Rusty McAllister, and David Olsen. Members absent: Katherine Ong.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Audrey Noriega stated that Francis Akerman, John Carr, Jeanae Gibson, Veronica Gonzalez, Vanessa Luke, Hazel Reece, Kelli Schwallie, Luis Soto, Glinda Bullock, Shari Grady, Janna Thomas (Sheppard), Johnetta Watkins and Joyce Williams work or have worked for the same employer as herself but she did not feel this would impair her vote. Chris Collins stated that Kelli Hickle, Brenda Roser-Eyre, Valerie Snedeker, and Brandi Tosti work or worked for the same employer as himself but he did not feel this would impair his vote. David Olsen stated that Michael Spanier worked for the same employer as himself but he did not feel this would impair his vote. Mark Vincent stated that James Erbeck worked for the same employer as himself but he did not feel this would impair his vote. Al Martinez stated that Valery Prisco, Jacqueline Gluck, and Teresa Leonard work or have worked for the same employer as himself but he did not feel this would impair his vote.

On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the permanent and total disability retirements and reemployment of disability recipients as recommended by staff except for Audrie McCullough whose disability retirement is approved with a one-year review:

1. Approve permanent and total disability retirement for: Francis Akerman, Donald Bommel, Susan Burdick, Ellen Burgstead, John Carr, Brian Clark, David Cowan, James Erbeck, David Garrick, Jeanae Gibson, Veronica Gonzalez, Joel Guldner, Robin Harris, Kelli Hickle, Theresa Lewis, Vanessa Luke, Alan Olds, Valery Prisco, Hazel Reece, Brenda Roser-Eyre, Kelli Schwallie, Valerie Snedeker, Luis Soto, Michael Spanier, Brandi Tosti, and Carol Walters.
2. Approve reemployment requests by disability recipients: Ronald Ahrens, John Blankenship, Glinda Bullock, Alicia DePaulis, David Dunbar, Jacqueline Gluck, Shari Grady, Scott Jones, Teresa Leonard, Kathy Osbon, Sarah Perez, Janna Thomas, and Johnetta Watkins.
3. Deny reemployment request by disability recipient Joyce Williams.

3. INVESTMENTS

- 3.1 Staff introduced Michael Feehily and Sean Naughton of State Street Global Advisors who provided an overview of their organization and discussed their investment process as it relates to an international stock index mandate. After discussion, on motion of Rusty McAllister, the Retirement Board voted unanimously of those present to retain State Street Global Advisors for management of an international stock index mandate.
- 3.2 Staff reviewed the recommended changes to the PERS' fund Interim Investment Directives necessary since the Retirement Board retained State Street Global Advisors under agenda item 3.1. On motion of Mark Vincent, the Retirement

Board voted unanimously of those present to approve the Interim Investment Directives, for the PERS' Fund, as submitted.

4. BOARD

- 4.1 Staff reviewed the 2nd Opinion Executive Summary Report prepared by LRWL, Inc., on PERS' information technology systems. Several recommendations were included in the report and some of them have already been implemented. Staff will report periodically to the Board on the progress of implementing the rest of the improvements suggested by LRWL. On motion of Chris Collins, the Retirement Board voted unanimously of those present to accept the Executive Summary from LRWL, Inc., as submitted.
- 4.2 On motion of Rusty McAllister, the Retirement Board voted 4-yeas and 2-abstentions, to approve the minutes of the Retirement Board Education Session and Board Meeting held September 17, 2014, as submitted. Chris Collins and Audrey Noriega abstained from voting as they were not present at the September 17, 2014 meeting.
- 4.3. The Board discussed the possibility of changing the meeting day from the third Wednesday of the month to a different day during the third week of the month. Keeping it on Wednesday and moving it either forward or back creates some difficulties in preparing reports for the board meetings. There was no action taken on this item.
- 4.4 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ADMINISTRATION

- 5.1 Staff reviewed the Annual Human Resources Report for fiscal year 2014. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to accept the Annual Human Resources Report for Fiscal Year 2014, as submitted.
- 5.2 Staff presented the Consumer Price Index report in accordance with NRS 286.5756(3). There was no action taken on this item.
- 5.3 Staff reviewed the proposed contract with APEX Computing, Inc., for the implementation of the 1099R Annual Tax Processes into the C*A*R*S*O*N System. On motion of Rusty McAllister the Retirement Board voted unanimously of those present to approve the contract with APEX Computing, Inc., to implement the 1099R Annual Tax Processes into C*A*R*S*O*N for an amount not to exceed \$172,800, as submitted.
- 5.4 Staff presented the proposed contract with APEX Computing Inc., for the implementation of the Network Firewall Reconfigure project. On motion of Mark

Vincent, the Retirement Board voted unanimously of those present to approve the contract with APEX Computing, Inc., to implement the Network Firewall Reconfigure Project for an amount not to exceed \$172,320, as submitted.

- 5.5 Staff reviewed the proposed contract with the State of Nevada Risk Management Division to provide Workers' Compensation Insurance to the employees of the Public Employees' Retirement System for a period of three years beginning January 1, 2015. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve a contract with the Risk Management division of the Department of Administration to provide Workers' Compensation Insurance Coverage for the employees of the Public Employees' Retirement System effective January 1, 2015, for a period of three years.

6. LEGISLATION

- 6.1 Staff reported that no new BDRs have been added to the list that may affect the Public Employees' Retirement System since last month's report.

7. RATIFICATION AGENDA

On motion of Chris Collins, 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 Retroactively approve the request by Mater Academy of Nevada for membership in PERS effective July 1, 2014.
- 7.4 Retroactively approve the request by Leadership Academy of Nevada for membership in PERS effective October 1, 2014.
- 7.5 Approve the Independent Contract with Cindy Yadon, for the period October 16, 2014 through June 30, 2015 for an amount not to exceed \$20,000.00.
- 7.6 Approve the Independent Contract with Mary Patricia Machal for the period October 16, 2014 through June 30, 2015 for amount not to exceed \$20,000.00.

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 the amount of \$55,927.23. This item was deferred from the July 2014 meeting.

Ms. Skeete addressed the Board and requested that her accounts receivable be waived as she was not aware of the earnings limitation. She stated that her employer had told her that she only needed to watch the number of hours that she worked and never mentioned an earnings limitation.

The Retirement Board explained to Ms. Skeete that PERS is obligated to retrieve the funds that were overpaid to her as fiduciaries of the Retirement System. After discussion, on motion of Rusty McAllister, the Retirement Board voted 5-yeas and 1-nay to establish a payment plan with Ms. Chermanise Skeete for an amount of \$50.00 per month until completion of the accounts receivable. Chris Collins voted no because he stated he would not support a motion that required Ms. Skeete to repay the full amount of her benefit overpayment.

- 8.2 Staff provided the background information on the appeal of Gloria Callahan to have the Retirement Board waive her accounts receivable benefit overpayment in the amount of \$46,076.64. This item was deferred from the July 2014 meeting.

Ms. Callahan introduced her husband, Mr. Gordon, who provided copies of some documents related to Ms. Callahan's reemployment and original retirement. He stated that Ms. Callahan was unaware of the earnings limitation on her reemployment and that her employer encouraged her to watch the number of hours she worked and they never mentioned an earnings limitation. Mr. Gordon reviewed the documents he provided. He asked the Board to determine there was an error or inequity and waive his wife's account receivable amount.

The Retirement Board reiterated that they are obligated to collect the overpayment. The Deputy Attorney General instructed the Board that this situation did not meet the error or inequity statute. After discussion, on motion of Rusty McAllister, the Retirement Board voted 5-yeas and 1-nay to establish a payment plan with Ms. Gloria Callahan for an amount of \$50.00 per month until completion of the accounts receivable. Chris Collins voted no because he stated he would not support a motion that required Ms. Callahan to repay the full amount of her benefit overpayment.

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 provided an update on pending litigation involving PERS.

11.3 There was no Administrative Report by Staff.

11.4 Retirement Board questions and/or comments:

Rusty McAllister: 1. Board member McAllister asked if staff would place an agenda item on a future agenda to discuss a possible BDR.

12. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:45 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on October 15, 2014, was called to order at 10:30 a.m. by Chairman Vincent and recessed at 11:50 a.m. The October 15, 2014, Retirement Board meeting was called to order at 12:15 p.m. by Chairman Vincent and was adjourned at 2:45 p.m.