

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, November 14, 2012

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

November 14, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:32 a.m., November 14, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. ADMINISTRATION

- A. Staff reviewed the actuarial valuation process for PERS.

III. INVESTMENTS

- A. Staff provided an investment computer technology program overview.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:31 a.m.

November 14, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:11 p.m., on November 14, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, David Olsen abstained from voting on Ronald Millim as he worked with this individual and Mark Vincent abstained from voting on Cheri Edelman as he worked with this individual. Chris Collins stated that he knows Lisa Peterson but did not feel that would impair his vote. On motion of James Green, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Renea Allen, Jo Ann Anderson, Eric Bockenstette, Randall Brandon, Bret Flores, Christine Griffin, Daniel Grimes, Rosemary Grullon, Royse Kincherlow, Jolene Lukens, John Murphy, John Nussbaum, Eleanor Papp, Lisa Peterson, Bernette Reed, Linda Rowden, Jacinto Serrano, Tina Teperoff, Mark Whiteaker, Candy Williams, and Sandra Williams.
 2. Approve reemployment requests by disability recipients: Audrey Bell, Rebecca Burns, Cheri Edelman, Sean Evans, and Charmaine Smith. The Board deferred action on Karlene Chappell's reemployment and requested more information be provided to the Board at a future meeting.
 3. Deny reemployment requests by disability recipients: Nancy Hara-Isa, Ronald Millim, and Mary Sullivan.

III. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management and Janet Becker-Wold of Callan Associates presented the first quarter fiscal year 2013 performance review for the PERS', Legislators', and Judicial funds. There was no action taken on this item.
- B. Ken Lambert of Peavine Capital Management provided an update on the U.S. active growth stock manager search for the PERS' fund. At this time Mr. Lambert suggested that the manager search be put on hold until the end of the summer.
- C. Ken Lambert of Peavine Capital Management reviewed the annual investment cost report for fiscal year 2012. On motion of James Green, the Retirement Board voted unanimously to accept the fiscal year 2012 Investment Cost Report, as submitted.
- D. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

IV. BOARD

- A. Michael Long of Cortex Applied Research, Inc., presented the results of the annual Retirement Board Self-Assessment Report for fiscal year 2012. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to accept the Board Self-Assessment Report for Fiscal Year 2012, as submitted or amended.

-
- B. Michael Long of Cortex Applied Research, Inc., reviewed the results of the annual Retirement Board Governance Compliance Report for fiscal year 2012. There were a few technical changes to some of the Charters that Cortex has recommended. Staff will make the corrections and bring them to the Board in December. After discussion, on motion of James Green, the Retirement Board voted unanimously to accept the 2012 Governance Compliance Report prepared by Cortex Applied Research, Inc., as submitted or amended.
 - C. Brad Ramirez of The Segal Company presented the results of the fiscal year 2012 Actuarial Valuation Report for the Public Employees' Retirement System. After discussion, on motion of James Green, the Retirement Board voted unanimously to accept the June 30, 2012, PERS' Actuarial Valuation Report as prepared by The Segal Company, the System's independent actuary.
 - D. Brad Ramirez of The Segal Company presented the results of the fiscal year 2012 Actuarial Valuation Report for the Judicial Retirement System. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to accept the Actuarial Valuation Report for the Judicial Retirement System as of June 30, 2012, as prepared by The Segal Company.
 - E. Brad Ramirez of The Segal Company presented the results of the Biennial Actuarial Valuation for the Legislators' Retirement System as of June 30, 2012. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to accept the Actuarial Valuation Report for the Legislators' Retirement System as of June 30, 2012, as prepared by The Segal Company.
 - F. On motion of Kathy Ong, the Retirement Board voted 5-yeas and 2-abstentions to approve the minutes of the Retirement Board Education Session and Board meeting held October 17, 2012, as submitted. Chris Collins and Bart Mangino abstained from voting on this item as they were not present at the meeting.
 - G. Staff presented the proposed Retirement Board meeting dates for July 2013 through December 2013. On motion of James Green, the Retirement Board voted unanimously to approve the proposed Retirement Board meeting dates for July 2013 through December 2013, as submitted.
 - H. There were no changes to the Retirement Board meeting dates through June 2013.
 - I. Staff requested a change to the December education curriculum investment topic to High Yield Credit instead of Emerging Markets. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the December Retirement Board Education Curriculum Calendar investment topic change to High Yield Credit, as submitted.
- V. ADMINISTRATION
- A. Staff reviewed the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held October 18, 2012. On motion of James Green, the Retirement

Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held October 18, 2012, as submitted.

VI. LEGISLATION

- A. Staff reported that there are no new bill draft requests related to PERS since the last report.
- B. Staff reviewed the Retirement Board's Funding Policy regarding benefit enhancements. According to their policy, no enhancements may be considered until the System is 85% funded. Based on staff's review, staff is recommending the Board not endorse or sponsor any fiscal legislation for the 2013 legislative session. On motion of Kathy Ong, the Retirement Board voted unanimously to accept staff's recommendation for no Board-sponsored fiscal legislation for the 2013 legislative session.

VII. RATIFICATION AGENDA

On motion of James Green, the Retirement Board voted unanimously to approve the Ratification Agenda, as submitted.

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the independent contract with Safeguard Web and Graphics, LLC, formerly Intraform, Inc., for printing and mailing forms for calendar year 2013.
- D. Approve the independent contract with ImageSource for annual maintenance and support of the imaging system for calendar year 2013 at a cost not to exceed \$52,736.15.
- E. Approve the Amended Management Fee Agreement with Invesco Realty Advisors.
- F. Approve the independent contract with the National Institute on Retirement Security to provide an economic impact study on Nevada PERS at a cost not to exceed \$16,325.00.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

-
- A. Warren Wish, President of NSE Retirees, addressed the Board with his concerns for a study commissioned by the Governor on the System by the Arnold Foundation. Mr. Wish suggested the Board commission its own study by an outside organization.

Marty Bibb, Executive Director of RPEN, thanked the Board and Staff for the historic systemic health of the Retirement System. By doing prudent investments and reduced investment management fees, the System has been able to continue down a healthy path. Mr. Bibb also thanked the Executive Staff for always being available to attend RPEN meetings and speak to the audience on the health and status of the Retirement System. He is very thankful for the outreach to PERS' user groups by the Executive Staff.

- B. The Deputy Attorney General mentioned that there is still no movement in the RGJ vs. PERS case. She also mentioned that the request for consolidation by Jeanette Mraz was approved by the Judge. A court date has been set in February for this case.
- C. Administrative report by Staff.

Operations Officer: 1. The Operations Officer mentioned that the Safeguard Web and Graphics, LLC, contract on the Ratification Agenda will work out to approximately \$50,000.00 depending on the number of pieces printed and mailed by them.

- D. There were no Retirement Board questions and/or comments by members of the Retirement Board.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:37 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on November 14, 2012, was called to order at 9:32 a.m. by Chairman Vincent and recessed at 11:31 a.m. The November 14, 2012, Retirement Board meeting was called to order at 12:11 p.m. by Chairman Vincent. There was one break taken at 2:00 p.m. for approximately 10 minutes during the meeting. The meeting was adjourned by Chairman Vincent at 3:37 p.m.