

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, December 19, 2012

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

December 19, 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., December 19, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: Chris Collins.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management reviewed high yield credit products.

III. ADMINISTRATION

- A. Staff reviewed the history of PERS' Disability Program and the study performed in 2004.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:40 a.m.

December 19, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:08 p.m., on December 19, 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, prior to the Retirement Board meeting Mr. Justin Ryba withdrew his disability retirement request. For disclosure purposes, Chris Collins mentioned that he either worked with or for the same employer as Donald Cullison, Kerri Farley, Lisa Flahive, Cathryn Meza, and Pasquale Varrati but did not feel this would impair his vote. Mr. McAllister also disclosed that he either worked with or for the same employer as Robin Lawson but he did not feel this would impair his vote. On motion of Bart Mangino, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Michelle Bossler, John Burns, Shawn Campbell, Sr., Mary Carpi, Adelle Cluff, William Cooper, Donald Cullison, Kacy Curry, Kerri Farley, Lisa Flahive, Lance Francescon, B. Christian Francis, Henry Frehner, Angelia Fuller, Francisco Hernandez, Tina Hewitt, Barbara Hofheins, Shonna Joiner, Jerry Jones, Joseph Kosloske, Scan Lagier, Nina McDonald, Patrick McGuinness, Cathryn Meza, Trista Nowakowski, Kathleen Pichler, Crystal Rodgers, Adalberto Sanchez, Frances Saunders, John Scheuer, Andrew Stewart, James Taylor, Rebecca Towers, Leo Weir, and Anthony Wilkinson.
 2. Cancellation of disability retirement benefits for LoRita Hines.
 3. Approve reemployment requests by disability recipients: Kenneth Allgood, Desiree Brown, Manual Camacho, Robin Lawson, Jennie Stallcop, and Pasquale Varrati. The Board deferred action on Christina Gibson until more information can be provided to the Board.

III. INVESTMENTS

- A. Joseph Carieri and Donald Plotsky of Western Asset Management provided an active U.S. bond presentation and discussed high yield bonds.
- B. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

IV. BOARD

- A. Staff reviewed the recruitment process for the Investment Officer position. Staff received sixteen individual applicants for the position. After reviewing the resumes and conducting interviews, staff is recommending Stephen Edmundson be confirmed as the System's Investment Officer pursuant to NRS 286.160(1). On motion of Kathy Ong, the Retirement Board voted unanimously to confirm the appointment of Stephen Edmundson, as the Investment Officer of the Public Employees' Retirement System of Nevada beginning December 19, 2012, at step 5 in the Investment Officer's pay schedule.
- B. Staff highlighted the proposed changes to the Retirement Board Charter that were suggested by Cortex Applied Research at the November meeting. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Retirement Board Charter, as submitted.

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- C. Staff highlighted the proposed changes to the Retirement Board Chair Charter that were suggested by Cortex Applied Research at the November meeting. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Retirement Board Chair Charter, as submitted.
 - D. Staff highlighted the proposed changes to the Retirement Board Self-Assessment Policy that were suggested by Cortex Applied Research at the November meeting. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Retirement Board Self-Assessment Policy.
 - E. Staff invited Gerald Gardner, Chief of Staff for Governor Sandoval, to address the Retirement Board regarding a possible study of the System that the Governor would like the Board to conduct. After discussion, on motion of Chris Collins, the Retirement Board voted unanimously to direct staff to meet with the Governor's Office to determine the scope and cost of the study and bring that information back to the Retirement Board at their January 16th meeting.
 - F. On motion of James Green, the Retirement Board voted unanimously to approve the minutes of the Retirement Board Education Session and Board meeting held November 14, 2012, as submitted.
 - G. There were no recommended changes to the Retirement Board meeting dates.
 - H. Staff presented the proposed Retirement Board Education Curriculum Calendar for 2013. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the proposed Retirement Board Education Curriculum Calendar for calendar year 2013, as submitted.

V. ACCOUNTING

- A. Staff introduced Tom Rey from CliftonLarsonAllen who presented the Fiscal Year 2012 Audited Financial Statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. Mr. Rey mentioned to the Board during his presentation that in the five years he has been working with PERS, the Board and everyone involved should be proud because PERS is actually a really good System. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to accept the Fiscal Year 2012 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. Chairman Vincent thanked Mr. Rey for his comments.

VI. ADMINISTRATION

- A. Staff reviewed the proposed independent contract with Apex Computing for the Microsoft Windows 8 Upgrade to the Accounting System. After discussion, on motion of James Green, the Retirement Board voted unanimously to approve the contract with

Apex Computing Inc., to upgrade and modify the accounting system in amount not to exceed \$138,000.00, as submitted.

- B. Staff reviewed the proposed independent contract with Apex Computing for the Microsoft Windows 8 Upgrade to the Reporting System. After discussion, on motion of James Green, the Retirement Board voted unanimously to approve the contract with Apex Computing Inc., to upgrade and modify the reporting system in amount not to exceed \$282,800.00, as submitted.
- C. Staff reviewed the proposed independent contract with Apex Computing for the Microsoft Windows 8 Upgrade to the Imaging System. After discussion, on motion of James Green, the Retirement Board voted unanimously to approve the contract with Apex Computing, Inc., to upgrade and modify the imaging system in an amount not to exceed \$296,400.00, as submitted.
- D. Staff reviewed the proposed independent contract with Apex Computing for the Microsoft Windows 8 Upgrade to the Workflow System. After discussion, on motion of James Green, the Retirement Board voted unanimously to approve the contract with Apex Computing Inc., to upgrade and modify the workflow system in an amount not to exceed \$297,600.00, as submitted.

VII. LEGISLATION

- A. Staff reported that there are three new bill draft requests related to PERS since last month's report. They are:

BDR #559 – Senator Segerblom – Revises provisions governing the employment of retired employees.

BDR #624 – Assemblyman Kirner – Adjusts the salaries of certain members of state boards and commissions.

BDR #646 – Assemblyman Kirner – Makes various changes relating to the Public Employees' Retirement System.

VIII. 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 Phase-In Agreement between the State of Nevada Department of Enterprise IT Services and David Miller effective November 7, 2012.

- D. Approve the Deceased Recipient Review Report for the quarter ending March 31, 2012.
- E. Approve the request by East Fork Fire Protection District for membership in PERS effective December 1, 2012.
- F. Approve the request by Pinecrest Academy for membership in PERS effective August 13, 2012.

IX. DENIALS

X. REPORTS

XI. PUBLIC COMMENT

- A. Warren Wish told the Retirement Board that he thought they demonstrated the highest form of fiduciary responsibility through the dialogue and discussion they had with Mr. Gardner on the potential study of PERS.
- B. The Deputy Attorney General mentioned that the RGJ vs. PERS case has been assigned to all the Supreme Court Justices.
- C. Administrative report by Staff.

- Executive Officer:
- 1. The Executive Officer presented Oliver Owen with an appreciation plaque for his ten years of service to PERS. She thanked Oliver for his continued service as the Manager of the Information Technology Division.
 - 2. The Executive Officer wished all the staff and the Retirement Board a Merry Christmas and Happy New Year.

- Administrative Analyst:
- 1. The Administrative Analyst provided an update on the 9th Annual Liaison Officer Conference that was held on November 15th at the Peppermill with a record number of 247 attendees that represented 88 employers. The conference was a huge success with 90-100% ratings on the conference evaluation forms.

D. Retirement Board Comments:

- Mark Vincent:
- 1. Chairman Vincent on behalf of the Retirement Board thanked all the staff for all the work they

do for all the members and beneficiaries of the System. The Board appreciates all the staff and wishes them a very Merry Christmas and a Happy New Year.

XII. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:52 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on December 19, 2012, was called to order at 9:36 a.m. by Chairman Vincent and recessed at 11:40 a.m. The December 19, 2012, Retirement Board meeting was called to order at 12:08 p.m. by Chairman Vincent. There were two breaks taken for approximately 5 minutes each; one at 1:55 p.m. and one at 2:30 p.m. during the meeting. The meeting was adjourned by Chairman Vincent at 2:52 p.m.