

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, December 13, 2018

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

December 13, 2018
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Vice Chair Ross at 10:53 a.m., December 13, 2018, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Katherine Ong (by telephone), Timothy Ross, Lee-Ann Easton, Scott Gorgon, Yolanda King, and Brian Wallace. Members absent: Dawn Huckaby.

1. PUBLIC COMMENT

Peggy Lear Bowen spoke to the Retirement Board regarding the benefit verification process to see if recipients are dead or alive. She mentioned working with PEBP for verification because people utilize their insurance benefits. She also mentioned homelessness and suggested that PERS should accept P.O. boxes.

2. EDUCATION TOPIC

2.1 Richard Green of MGO provided a review of the financial statements and the audit process to the Retirement Board.

3. PUBLIC COMMENT

Mike Ramirez said that the Retirement Board is doing a great job and to keep it up.

Peggy Lear Bowen stated that she had a cautionary note for the Retirement Board that some entities, like PEBP, are considering not having a separate auditing group and will audit from within.

4. RECESS

Vice Chair Ross recessed the meeting at 11:49 a.m.

December 13, 2018
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Vice Chair Ross at 12:20 p.m., on December 13, 2018, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Katherine Ong (by telephone), Timothy Ross, Lee-Ann Easton, Scott Gorgon, Dawn Huckaby, Yolanda King, and Brian Wallace. Members absent: None.

1. PUBLIC COMMENT

Priscilla Maloney, AFSCME Retirees, stated that her Board asked her to put some things on the record regarding Agenda Items 6.1 and 6.2. She mentioned that the AFSCME Board feels that AB 75 is a rehash of AB 190 from the 2015 session. She said that the fiscal note for AB 190 showed the price tag for doing a defined contribution like that, at that time, was \$751,929,898. Ms. Maloney doubts it will be less expensive now. The larger issue on AB 75 is the testimony submitted in support of AB 190 by some outside parties was that AB 190 would do nothing to reduce the unfunded liability which was the purported policy reason for looking at a defined contribution system. She then mentioned SB 83 and said that this is another attempt such as was done in 2015 with AB 3 to change the composition of the Board. Ms. Maloney stated that staff submitted some very detailed and helpful historical testimony. She mentioned that at the time the Board was opposed to that bill. She stated that the AFSCME Retirees are in opposition to AB 75 and SB 83.

Kent Ervin, representing the Nevada Faculty Alliance, the statewide independent association of faculty at all eight NSHE institutions, provided a ditto to Ms. Maloney's remarks. He stated that about 15 percent of faculty and all of their classified staff are in the PERS system and they support the strong and sustainable system that we have now. As he mentioned at the Interim Retirement and Benefits Committee yesterday, the State gets better value as far as retirement outcomes from a defined benefit plan than they do from a defined contribution plan for a variety of reasons such as cost, market risk, an individual's investment errors or risk of not being the best investor, and the longevity risk. Mr. Ervin said that they are in favor of keeping the strong statutory and constitutional system for PERS that is in place now.

Peggy Lear Bowen mentioned utilizing the Attorney General's office for legal services.

2. DISABILITIES

2.1 For the record, Yolanda King stated that Ronald Van Syckle, Lennie Wilson, and Christine Ferch work or worked for the same employer as herself, but she did not feel that would impair her vote. Tim Ross stated that he knows Donald Player, but he did not feel that would impair his vote.

On motion of Scott Gorgon, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Mayra Carpenter, Sharon Clinkscales, Robert Cox Jr., Laura Daun, Andrew Franklin, Shama Gantt, Jo Gentry, Truely Harrison, Heidi Heinz, Brian Herbig, Laura Hults, Ann Liao, Donald Player, Christopher Reahm, Dyrima Reed, Jesus Soto, Donald Thomas, Ronald Van Syckle, Joni Ward, Diane Williams, and Lennie Wilson.
2. Approve reemployment requests by disability recipients: James Burritt, Shelby Darden, Gina Dela Cruz, Christine Ferch, Samantha Hall, and David LeMaster.

3. INVESTMENTS

- 3.1 Staff presented the annual investment cost report for fiscal year 2018. On motion of Lee-Ann Easton, the Retirement Board voted unanimously to accept the Fiscal Year 2018 Investment Cost Report, as submitted.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

4. BOARD

- 4.1 Leslie Thompson of Gabriel, Roeder, Smith & Company presented the Actuarial Review/Audit of the June 30, 2017 Actuarial Valuation and the Experience Study. Brad Ramirez of Segal Consulting made a couple of comments regarding the actuarial review, answered questions, and stated that they will draft a formal response. On motion of Lee-Ann Easton, the Retirement Board voted unanimously to accept the Actuarial Review of the June 30, 2017 Actuarial Valuation and the June 30, 2016 Experience Study performed by Gabriel, Roeder, Smith & Company, as submitted.
- 4.2 On motion of Scott Gorgon, the Retirement Board voted 6 yeas and 1 abstention to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held November 15, 2018, as submitted. Lee-Ann Easton abstained from voting on this item.
- 4.3 There were no recommended changes to the Retirement Board meeting dates.
- 4.4 On motion of Lee-Ann Easton, the Retirement Board voted unanimously to approve the proposed Retirement Board Education Curriculum Calendar for calendar year 2019, as amended. The March and April Education topics will be switched.

5. ACCOUNTING

- 5.1 Staff introduced Richard Green of MGO who presented the fiscal year 2018 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. After discussion, on motion of Yolanda King, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2018 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. Scott Gorgon was absent for this vote.

6. LEGISLATION

- 6.1 Staff stated that Assembly Bill 75 was prefiled. No action was taken on this agenda item at this time.
- 6.2 Staff stated that Senate Bill 83 was prefiled. No action was taken on this agenda item at this time.
- 6.3 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 Scott Gorgon, the Retirement Board voted unanimously 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 Deceased Recipient Review Report for the third quarter of 2018.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

- 10.1 Individual statements and/or requests by the members, retired employees and/or the public:

Peggy Lear Bowen again mentioned utilizing the Attorney General's office for legal services. She also spoke regarding the makeup of the PEBP Board.

- 10.2 PERS' General Counsel provided an update on pending litigation.

- 10.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer mentioned that the Interim Retirement and Benefits Committee held a meeting the day before. She stated that Steve Edmundson, Cheryl Price, and herself attended the meeting in Las Vegas. She said they thought the meeting went quite well and there were few questions.

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

11. ADJOURNMENT

The meeting was adjourned by Vice Chair Ross at 1:37 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on December 13, 2018, was called to order at 10:53 a.m. by Vice Chair Ross and recessed at 11:49 a.m. The December 13, 2018, Retirement Board meeting was called to order at 12:20 p.m. by Vice Chair Ross and adjourned at 1:37 p.m.