

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, October 21, 2021

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

October 21, 2021
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chair Ross at 9:45 a.m., October 21, 2021, in the PERS' Board Room, 5740 S. Eastern Avenue, Suite 120, Las Vegas. Members present: Timothy Ross, Yolanda King, Dawn Huckaby, Todd Ingalsbee, Mark Stevens, and Brian Wallace. Members absent: Norma Santoyo.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff and Julia Bonafede of Jobs Peak Advisors presented an overview of U.S. Stocks.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chair Ross recessed the meeting at 10:30 a.m.

October 21, 2021
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chair Ross at 10:49 a.m., on October 21, 2021, in the PERS' Board Room, 5740 S. Eastern Avenue, Suite 120, Las Vegas. Members present: Timothy Ross, Yolanda King, Dawn Huckaby, Todd Ingalsbee, Norma Santoyo (by videoconference), Mark Stevens, and Brian Wallace. Members absent: none.

1. PUBLIC COMMENT

Kent Ervin, K-E-N-T E-R-V-I-N, state President of the Nevada Faculty Alliance, the independent association of faculty at NSHE colleges and universities. We work to empower faculty to be fully engaged in our mission to help students succeed. Strong retirement benefits and a stable retirement system are essential for the recruitment and retention of high-quality faculty. About 15% of NSHE faculty and all of our Classified colleagues are members of PERS.

Thank you for your service and your diligence in overseeing the state pension system.

Last month's Actuarial Experience Study confirmed that several of PERS's assumptions have been too optimistic with the combined effect of pushing expenses into the future. The Board adopted revised assumptions more in line with real experience, but the new assumptions will increase the Unfunded Actuarial Accrued Liability or UAAL. PERS active employees and the State can ill afford contribution rate increases to pay off the UAAL, so it is essential that PERS takes steps to moderate the contribution rates over the long term. Further increases in contribution rates like those over the past decade are unsustainable.

Fortunately, PERS has had several years of high investment returns providing a cushion on the UAAL and contribution rates. PERS must also take a hard look at the long-term outlook for contribution rates over the next 20 to 25 years and take steps to contain increases in the contribution rates while maintaining fiscal responsibility.

The recommendation in today's report from your actuary is to spread the effects of the assumption changes over four years. That seems reasonable, but it is unclear to us exactly how that will affect the annual UAAL payments and contribution rates over the next 20 years. The Board and members of the system should be provided those projections. The time horizon for PERS is decades, not just the next four years. Additional steps to stabilize contribution rates for the long-term sustainability of PERS may be necessary, possibly including switching to a more conservative amortization method for paying off the UAAL over the next 20 to 25 years.

I encourage PERS and the Board to be proactive in securing the future stability of the system.

Thank you.

2. DISABILITIES

- 2.1 For the record, Dawn Huckaby stated that Applicant No. 10 works or worked for the same employer as herself, but she did not feel that would impair her vote.

On motion of Brian Wallace, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirements for Applicant Nos. 1-4, as recommended by staff for the month of October 2021.
 2. Approve reemployment requests by disability recipients, Applicant Nos. 5-16, as recommended by staff for the month of October 2021.
- 2.2 On motion of Brian Wallace, the Retirement Board voted unanimously to approve the dependent child benefit under the provision of NRS 286.673(5).

3. INVESTMENTS

- 3.1 Staff and Julia Bonafede of Jobs Peak Advisors provided a Manager Due Diligence for Alliance Bernstein. There was no action take 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 an overview of the City of Las Vegas-Audit Findings-Reportable Compensation issue regarding Rescueman's pay. The Retirement Board heard oral arguments by Morgan Davis, Assistant City Attorney for Las Vegas and Jeff Allen representing the Professional Firefighters of Nevada organization. The Retirement Board heard additional public comment relevant to the issue from all participants. After discussion, on motion of Brian Wallace the Retirement Board voted (Todd Ingalsbee refrained from voting) to recognize Rescueman's pay as PERS compensable as a form of base pay pursuant to NRS 286.025 to all eligible employees having completed Rescueman shifts, regardless of whether such shifts would alter the employees' final benefit pursuant to NRS 286.551, retroactive to June 30, 2019.
- 4.2 Staff presented proposed changes to the Retirement Board's Actuarial Funding Policy. On motion of Yolanda King, the Retirement Board voted unanimously to re-adopt the Board's Board Self-Assessment Policy, as amended.
- 4.3 On motion of Mark Stevens, the Retirement Board voted unanimously to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held September 16, 2021, as submitted.

4.4 There were no recommended changes to the Retirement Board meeting dates.

4.5 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. ACCOUNTING

5.1 After discussion, On motion of Dawn Huckaby, the Retirement Board voted unanimously to approve a search for a Certified Public Accounting firm to perform financial audits for the PERS', Legislators', and Judicial funds, as submitted.

6. ADMINISTRATION

6.1 Staff reviewed the Fiscal year 2021 Service Quality Report. On motion of Todd Ingalsbee, the Retirement Board voted unanimously of those present (Brian Wallace was no present for this vote) to accept the Fiscal Year 2021 Service Quality Report, as submitted.

6.2 Staff provided an update on the pension administration system project. There was no action on this item.

7. RATIFICATION AGENDA

On motion of Brian Wallace, 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.

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:

Operations Officer: 1. The Operations Officer stated that the Northwest Pension Peer Conference was held in Lake Tahoe October 12th – 15th.

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

11. ADJOURNMENT

The meeting was adjourned by Chair Ross at 1:25 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on October 21, 2021, was called to order at 9:45 a.m. by Chair Ross and recessed at 10:30 a.m. The October 21, 2021, Retirement Board meeting was called to order at 10:49 a.m. by Chair Ross and adjourned at 1:25 p.m.