

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, August 15, 2024

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

August 15, 2024
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chair Stevens at 9:04 a.m., August 15, 2024, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Stevens, Brian Wallace, Jessica Colvin, Dawn Huckaby (9:14 a.m. by videoconference), Todd Ingalsbee (9:28 a.m.), and Cameron Wagner (by videoconference) Members absent: Norma Santoyo

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed network security, disaster recovery, virtualization, backup system, and video conferencing with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chair Stevens recessed the meeting at 9:52 a.m.

August 15, 2024
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chair Stevens at 10:02 a.m., August 15, 2024, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Stevens, Brian Wallace, Jessica Colvin, Dawn Huckaby (9:14 a.m. by videoconference), Todd Ingalsbee (9:28 a.m.), and Cameron Wagner (by videoconference) Members absent: Norma Santoyo.

1. PUBLIC COMMENT

There was no public comments offered.

2. DISABILITIES

2.1 For the record, Jessica Colvin stated that Applicant Nos. 1 and 26 work 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 of those present to:

1. Approve permanent and total disability retirements for Applicant Nos. 1-13 as recommended by staff for the month of August 2024.
2. Approve reemployment requests by disability recipients, Applicant Nos. 14-26, as recommended by staff for the month of August 2024.
3. Deny reemployment requests by disability recipients, Applicant Nos. 27-28, as recommended by staff for the month of August 2024.

3. INVESTMENTS

3.1 Staff and Julia Bonafede of Jobs Peak Advisors presented the fiscal year 2024 performance review for the PERS', Legislators', and Judicial funds. There was no action taken 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 the Internal Audit Plan for Fiscal Year 2025. After discussion, on motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve the Fiscal Year 2025 Internal Audit Plan, as submitted.
- 4.2 Staff provided the PERS' executive management review and plan to the Board. Staff presented highlights from the previous fiscal year in seven different categories:
1. Governance and Board Relations;
 2. Executive Management;
 3. Funding and Actuarial Valuations;
 4. Operations;
 5. Investment Program;
 6. Internal Audit; and
 7. Legislative Management.

Staff also mentioned areas that the executive staff will be focusing on for review in the upcoming fiscal year. On motion of Brian Wallace, the Retirement Board voted unanimously of those present to accept the Executive Management Review and Plan, as submitted.

- 4.3 On motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held July 18, 2024, as amended.
- 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 Staff presented the proposed administrative fees for the Public Employees' Retirement System for fiscal year 2025. After discussion, on motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve a per capita fee of \$5.26 per month for each Regular member and benefit recipient and \$5.53 per month for each Police/Fire member and benefit recipient, retroactive to July 1, 2024.
- 5.2 Staff reviewed the proposed administrative fees for the Legislators' Retirement System for fiscal year 2025. After discussion, on motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$52.19 per month for fiscal year 2025 for the Legislators' Retirement System.
- 5.3 Staff presented the proposed administrative fees for the Judicial Retirement System for fiscal year 2025. After discussion, on motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve a per capita administrative fee of \$45.73 per month for fiscal year 2025 for the Judicial Retirement System.
- 5.4 Staff reviewed the Budget Variance Report for fiscal year 2024. On motion of Brian Wallace, the Retirement Board voted unanimously of those present to transfer \$180,858, from IT to Personnel and accept the Budget Variance Report for FY 2024, as submitted.

6. ADMINISTRATION

- 6.1 Staff reviewed PERS' annual Strategic Plan revision process with the Board and mentioned that the Retirement Board can make suggestions for revisions to PERS' Strategic Plan. The suggested revisions will be incorporated into the document and presented to the Retirement Board in September for approval. There was no action taken on this item.
- 6.2 On motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held July 25, 2024, as submitted.
- 6.3 The Board opened the public hearing on the proposed revisions to PERS' Official Policies at 11:38 a.m. There was no public comment. On motion of Brian Wallace, the Retirement Board voted unanimously of those present, to approve the proposed revisions to PERS' Official Policies, as submitted, and directing staff to file the policy revisions with the Secretary of State in accordance with NRS 286.200 to become effective September 1, 2024.
- 6.4 There was no action on this item.

6.5 There was no action on this item.

6.6 There was no action on this item.

7. LEGISLATION

7.1 Update on the Bill Draft Request List for the 2025 Legislative Session. There was no action on this item.

8. RATIFICATION AGENDA

On motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda as recommended by staff:

8.1 Approve the Administrative Fund disbursements.

8.2 Approve the personnel action taken since the last report.

8.3 Approval of the Project Change Request from Tegrit Software Ventures, Inc., for Updated Payment Milestones.

8.4 Approval of the Option Reversion Audit for January 2024 – June 2024.

8.5 Approval of the Beneficiary Audit for January 2024 – June 2024.

9. DENIALS

10. REPORTS

11. PUBLIC COMMENT

- 11.1 Kent Ervin, Nevada Faculty Alliance, representing professional employees at Nevada's public colleges and universities. All of our Classified colleagues and roughly 15% of faculty are PERS members.

First, congratulations on another strong year of investment performance and for sticking with PERS's disciplined and low-cost approach to investing. The proof is in the pudding—PERS has been in the top tenth percentile compared with peers over both short and long time periods. Steve Edmundson gave you all the caveats, but it is still very good news. I would also like to echo member Colvin's positive comments about the administration of PERS.

Inflation seems to have cooled down. The Western Region CPI was actually down for the past quarter. That's good news for PERS and the economy. It also appears that payroll growth is exceeding assumptions.

PERS pensions are essential for securing retirement for state employees, but the high employee contribution rates are a concern for active employees. We saw historic COLAs for state employees for FY24 & FY25, although for NSHE faculty the 11% COLA for FY25 is being delayed from July to October. However, looking over the past 15 years state COLAs have still trailed inflation by nearly 10% cumulatively. Increases in the employee retirement contribution rates have further eroded take-home pay for state employees.

Looking ahead, the expected phased-in increase of PERS contribution rates by 2%+2% for the next biennium, higher for police/fire and depending on the experience study, will further hurt take-home pay for state employees and is a headwind for the next state budget.

There's not much that can be done about that because PERS already did the heavy lifting of shifting to more fiscally conservative assumptions in 2022 and extending the payback period for the unfunded liability. If all assumptions come true, contribution rates will remain high through 2040 and then fall off a cliff. In the meantime, we encourage PERS and your actuaries to consider all available options for moderating the contribution rates in fiscally responsible ways.

Thank you.

11.2 PERS' General Counsel provided an update on pending litigation.

11.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer thanked the member Santoyo for attending the NASRA Conference in PA.

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

12. ADJOURNMENT

The meeting was adjourned by Chair Stevens at 11:56 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on August 15, 2024, was called to order at 9:04 a.m. by Chair Stevens and recessed at 9:52 a.m. The August 15, 2024, Retirement Board meeting was called to order at 10:02 a.m. by Chair Stevens and adjourned at 11:56 a.m.