

PUBLIC EMPLOYEES' RETIREMENT BOARD  
MEETING MINUTES FOR  
Tuesday, January 19, 2010 and Wednesday, January 20, 2010

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

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Vice-Chairman Vincent at 3:00 p.m., January 19, 2010, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, James Green, David Kallas, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: George Stevens.

January 19, 2010  
Education Session

I. ADMINISTRATION

- A. Staff reviewed the history of the creation of the Police and Firefighters' Retirement Fund Advisory Committee and the purpose and process of the Committee.

II. INVESTMENTS

- A. Staff discussed PERS' bond management program.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Vice-Chairman Vincent recessed the meeting at 4:45 p.m.

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January 20, 2010  
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 8:05 a.m., January 20, 2010, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: George Stevens, Mark Vincent, James Green, David Kallas, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: None. James Green arrived at 9:45 a.m.

I. DISABILITIES

- A. For the record, Mr. Kallas abstained from the vote on Deidra Streets-AlMubdi as she was a former employee with Mr. Kallas. On motion of David Kallas, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Stephen Callen, Rhyonnye Drumgole, Richard Eady, George Ehly, Michael Gillins, Kathryn Kantor, Joseph Kubla, Luke Miller, Tommy Morris, Stephen Nemeth, Janine Nissl, Keith Pearson, Marlene Redmond, Alina Soto, Deidra Streets-ALMubdi, and Daniel Thayer.
2. Approve reemployment requests by disability recipients: Lynn Boyd, Rebecca Burns, Susan Chandler, Ann Larkin, David McNeill, Terry Rasner, Shanna Wallin-Reed, and Pamela Woodward.  
Mr. Green was not present for this vote.

## II. INVESTMENTS

- A. Warren Koontz of Loomis, Sayles presented a performance update on their active equity portfolio for the PERS' fund.
- B. Joseph Carieri and Don Plotsky of Western Asset Management presented a performance update on their active domestic bond portfolio for the PERS' fund.
- C. There were no changes to the Interim Investment Directives to the PERS', Legislators', and Judicial funds.

## III. BOARD

- A. Staff presented a request for proposals (RFP) for a second opinion actuarial review of PERS' retained actuary pursuant to the Retirement Board's Monitoring and Reporting Policy. Staff requested authorization to distribute the proposal to appropriate public pension actuarial firms. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to authorize staff to distribute the RFP to appropriate public pension actuarial firms, as submitted. Mr. Green was not present for this vote.
- B. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board's education session and meeting held December 15 and 16, 2009, as submitted. Mr. Green was not present for this vote.
- C. There were no recommended changes to the Retirement Board meeting dates.
- D. There were no recommended changes to the Retirement Board education curriculum calendar.

## IV. ACCOUNTING

- A. Staff presented the budget variance report. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to accept the Budget Variance Report, as submitted. Mr. Green was not present for this vote.

- B. Staff reviewed the contract renewal with Clifton Gunderson, LLP who provides audited financial statements to the PERS', Legislators', and Judicial funds. On motion of David Kallas, the Retirement Board voted unanimously of those present to retain Clifton Gunderson, LLP to provide audit services for the PERS', LRS', and Judicial funds for fiscal year ending June 30, 2010, for a fee not to exceed \$130,400.00. Mr. Green was not present for this vote.

V. ADMINISTRATION

- A. Staff reviewed the proposed modifications to PERS' Official Policies dated July 1, 2008 which include modifications required by the passage of SB 427 of the 2009 legislative session. Chairman Stevens opened the public hearing on the proposed changes to PERS' Official Policies at 11:05 a.m. in accordance with NRS 286.200. There were no public comments offered. A second public hearing will be provided in Carson City at the Retirement Board's February meeting where action will be taken on the policies.
- B. Staff summarized the proposed changes to the Judicial Retirement System's Official Policies and requested authorization from the Retirement Board to notify employers of the proposed changes. On motion of David Kallas, the Retirement Board voted unanimously to authorize staff to notify employers of the proposed revisions to the JRS Official Policies in accordance with NRS 1A.100.
- C. Staff summarized the proposed changes to the Legislators' Retirement System's Official Policies and requested authorization from the Retirement Board to notify the employer of the proposed changes. On motion of Mark Vincent, the Retirement Board voted unanimously to authorize staff to notify the employer of the proposed revisions to the LRS Official Policies in accordance with NRS 218.2374 and NRS 218.2377.
- D. Staff reviewed the changes to the Police and Firefighters' Retirement Fund Advisory Committee members from Senate Bill 427. SB 427 changed the length of a Police and Firefighters' Retirement Fund Advisory Committee member's terms from 3-years to 4-years. Staff recommends extending each current Police and Firefighters' Retirement Fund Advisory Committee member's terms by 1-year to accommodate the requirement under SB 427. After discussion, on motion of Mark Vincent the Retirement Board voted 6-yeas and 1-abstention to increase the current Police and Firefighters' Retirement Fund Advisory Committee members' terms by one year for Rich Tiran (new expiration June 30, 2010), Bill Loncar (new expiration June 30, 2011), John Chase (new expiration June 30, 2011), Rusty McAllister (new expiration June 30, 2012), and to extend Chris Collins current appointment from 2008 to expire June 30, 2012, contingent upon his acceptance, which makes them all 4-year terms which is in compliance with Senate Bill 427 of the 2009 legislature. David Kallas abstained from this vote.
- E. Staff reviewed the contract with Woodburn and Wedge for legal services. On motion of Charles Silvestri the Retirement Board voted unanimously to approve the Legal Counsel Agreement between the System and W. Chris Wicker, Woodburn and Wedge, at a cost not to exceed \$75,000.00, effective November 25, 2009, as submitted.

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VI. RATIFICATION AGENDA

On motion of David Kallas, the Retirement Board voted unanimously to:

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the Final Benefit Audit Report for August 2008.
- D. Approve the Final Benefit Audit Report for September 2008.
- E. Approve the Final Benefit Audit Report for October 2008.
- F. Approve the Final Benefit Audit Report for December 2008.
- G. Approve Southern Nevada Regional Housing Authority's request for membership in PERS, effective January 1, 2010.
- H. Approve the contract renewal with the Employer's Insurance Company to provide workers compensation insurance to PERS.

VII. APPEALS

- A. Staff reviewed the background information on Mr. Daniel G. Hackett's request for an accounts receivable write-off in the amount of \$50,958.20. Mr. Hackett is a disability retiree. Mr. Hackett has incurred an overpayment of his disability benefit by returning to work in a PERS' eligible position with a Nevada public employer. Mr. Hackett returned to work on July 17, 2006, and continued to collect his disability retirement benefit from PERS, through October 31, 2008.

As a disability recipient, Mr. Hackett was required to notify PERS of any instance of employment. Mr. Hackett did receive approval to work as an Investigator for Frasco Investigative Services on July 21, 2004, and also as a Training Manager for S.O.A. Protective Services on May 23, 2005. Mr. Hackett had submitted a Statement of Employment and Earnings form each year since 2005, in which he listed his Board approved occupation and the amount of earnings. When Mr. Hackett began his employment with the Nevada Department of Public Safety, he did not include this position in his 2007 or 2008 Statement of Employment and Earnings form which delayed staff's discovery of his employment.

Once staff discovered that Mr. Hackett was working in a PERS eligible position and was still receiving his disability retirement benefit, the benefit was suspended and a calculation was performed that determined he was overpaid \$50,958.20. A letter was sent to Mr. Hackett on November 12, 2008, explaining that the System is required to suspend his benefit in accordance with NRS 286.650 and that he must repay the

System the overpaid benefits. Mr. Hackett is requesting that the Retirement Board waive his benefit overpayment.

Mr. Hackett addressed the Retirement Board and explained that he was told by his Human Resources department that he did not have to report his employment with the Department of Public Safety. Mr. Hackett claims that he was misinformed and that an error or inequity has occurred. He was misinformed by the Human Resources department that he only had to report his outside employment and earnings. He requests that the Retirement Board waive his accounts receivable amount of \$50,958.20.

The Senior Deputy Attorney General stated that according to NRS 286.650 the System needs to be reimbursed the disability retirement benefits that Mr. Hackett received during his employment in a PERS eligible position with the Department of Public Safety.

After discussion, on motion of Charles Silvestri, the Retirement Board voted 6-yes and 1-no to deny Mr. Daniel Hackett's request for a write-off of his accounts receivable in the amount of \$50,958.20. David Kallas voted no.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A. Esther Rodriguez, Esquire, addressed the Retirement Board on behalf of her client, Mr. Todd A. Plimpton. Mr. Plimpton requested that he be allowed to purchase service credit of prior service as a Pershing County School Board member. Staff has denied Mr. Plimpton's request as he was ineligible to do so. Ms. Rodriguez requested the Retirement Board place this item on an upcoming Board agenda so Mr. Plimpton may appeal staff's decision.

Andy Anderson addressed the Retirement Board and asked what the cost impact would be to the System for an individual retired from the Police and Firefighter's Retirement Fund who then goes to work for a public employer in the PERS' fund. Staff explained that the reemployment restrictions are not specific to one fund. They are for the entire System and are cost containment measures that the Legislature placed in the Retirement Act. There is a cost to the System if someone continues to receive their monthly retirement benefit and work in a PERS eligible position.

- B. The Senior Deputy Attorney General mentioned that an individual that received benefits in error is continuing to make repayments and the Judge will continue to review this case approximately every six months.

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C. Administrative report by Staff:

- Executive Officer:
1. The Executive Officer mentioned that the President has nominated her to serve as a board member on the Federal Retirement Thrift Investment Board. She will go through a confirmation process and will keep the Board informed of her progress.
  2. The Executive Officer stated that the Interim Retirement and Benefits Committee of the Legislature have scheduled a meeting for February 2, 2010. She reviewed PERS' agenda items and invited all Board members to attend.
  3. The Executive Officer mentioned that she is in the process of developing three new programs that include an Employee Advisory Council, an Employer Advisory Council, and a PERS' Ambassador Program which would utilize retirees.
- Investment Officer:
1. The Investment Officer mentioned that the PERS fiscal year to date return is 14.4% through December 31, 2009.
- Operations Officer:
1. The Operations Officer reported that depositions for the Judge Smith case were taken last week and the trial is scheduled for March 8-10, 2010 in Las Vegas.
  2. The Operations Officer mentioned that the Harper case will be starting discovery soon and the request for punitive damages has been dismissed.

D. Questions and/or comments by members of the Retirement Board.

- David Kallas:
1. Mr. Kallas requested that Mr. Todd Plimpton's request be placed on an upcoming Retirement Board agenda to be heard as an official appeal.
  2. Mr. Kallas requested that the Attorney General Opinion be placed on the February agenda.
- James Green:
1. Mr. Green mentioned that he would like to attend the NASRA annual conference being held in Seattle, Washington in August.

XI. ADJOURNMENT

The meeting was adjourned by Vice-Chairman Vincent at 12:25 p.m.

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The following is the time schedule for the meeting:

The Retirement Board education session held on January 19, 2010, was called to order at 3:00 p.m. by Vice-Chairman Vincent and recessed at 4:45 p.m. The January 20, 2010, Retirement Board meeting was called to order at 8:05 a.m. by Chairman Stevens. Two breaks were taken; one at 9:15 a.m. for approximately 10 minutes and one at 10:05 a.m. for approximately five minutes. The meeting was adjourned at 12:25 p.m.