

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Wednesday, March 16, 2011

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

March 16, 2011
Education Session

On behalf of the Retirement Board, Chairman Stevens welcomed Chris Collins to the Retirement Board.

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Stevens at 10:00 a.m., March 16, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Chris Collins, James Green, Bart Mangino, David Olsen, and Charles Silvestri. Members absent: None.

I. INVESTMENTS

- A. Staff reviewed the international stock management asset class for the PERS' fund.

II. ADMINISTRATION

- A. Staff reviewed the Federal Retirement Thrift Savings Plan for federal government employees.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Chairman Stevens recessed the meeting at 11:30 a.m.

March 16, 2011
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 12:00 p.m., March 16, 2011, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Chris Collins, James Green, David Olsen, Bart Mangino, and Charles Silvestri. Members absent: None.

I. DISABILITIES

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- A. For the record, David Olsen disclosed he would be abstaining on Sean McDaniels and Ronald Pacheco. On motion of Mark Vincent, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Ronald Ahrens, Mark Ambe, Patrick Beckman, Gary Bishop, Patricia Cate, Debra Collins, Shonna Donohue, Timothy Dowd, Robert Fry, Tamera Gray, Christopher Harris, Kathleen Hatch, Janice Hill, Betsy Johnson, Marilyn Kline, Sean McDaniels, Steven Menger, Barbara Moore, Raymond Robert, Jr., Inelda Sam, Annita Stanfill, Susan Swenson, Gerald Thornton, Laurel Van Derske-Carpinelli, Marlene Wiercinski, and William Wilson, Jr.
 2. Approve reemployment requests by disability recipients: Anthony Cincotti, Michael Gillins, Angie Green, Ronald Pacheco, Tami Phillips, and Celeste Smith.
 3. Deny the reemployment request by disability recipient Carolyn Johnson.

II. INVESTMENTS

- A. Franklin Templeton, JP Morgan, and MFS provided presentations and were interviewed by the Retirement Board for an active international stock mandate for the PERS' fund. On motion of David Olsen, the Retirement Board voted 4 yeas and 3 nays to retain Franklin Templeton to oversee an active international stock portfolio for the PERS' fund. Charles Silvestri, James Green, and Bart Mangino voted no.
- B. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the amended Interim Investment Directives for the PERS' fund in keeping with the action taken under agenda item II. A.

III. BOARD

- A. Debby Thomsen, PERS' Principal Auditor, presented PERS' findings from a Washoe County employer audit performed in January 2009. The results of the audit found that Washoe County was including assignment differential pay and acting supervisor pay/special salary adjustment pay in their retirement contribution reports to PERS. Staff determined that these payment types did not meet the definition of compensation as stated in NRS 286.025(2a)(2c) or in PERS' Official Policies 3.1. Washoe County was notified of the findings and has submitted corrected contribution reports. Washoe County does not agree with PERS' results.

David L. Watts-Vial, Deputy District Attorney, addressed the Board on behalf of Washoe County disagreeing with PERS' findings from the 2009 audit. Mr. Watts-Vial sent PERS a couple of letters in 2010 stating Washoe County's perspective and requested Washoe County be able to appeal the findings of the audit to the Retirement Board. Mr. Watts-Vial contends that the payment types are contributable under PERS

and requests that the Retirement Board find that Washoe County properly included these pay types within the meaning of NRS 286.025 and PERS' Official Policy 3.1.

Katy Fox and Sherry Mendez of Washoe County provided human resource information to the Board regarding current payroll and accounting practices. They also shared information from the previous PERS' audit in 2004.

After discussion, on motion of James Green the Retirement Board voted unanimously of those present to approve staff's audit finding regarding assignment differential pay. In a separate motion, by James Green the Retirement Board voted unanimously of those present to defer action on the second audit finding regarding acting pay/special salary adjustment pay until the April meeting and requested more information from staff and Washoe County. Bart Mangino was not present for these votes.

- B. This item was deferred to the April Retirement Board meeting.
- C. This item was deferred to the April Retirement Board meeting.
- D. 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 February 16, 2011, as submitted. Bart Mangino was not present for this vote.
- E. On motion of Charles Silvestri, the Retirement Board voted unanimously of those present to approve the meeting location changes for the October and November 2011 Retirement Board meetings, due to the Liaison Officer meeting being held in Las Vegas in November, as submitted. Bart Mangino and James Green were not present for this vote.
- F. There were no recommended changes to the Retirement Board Education Curriculum Calendar.

IV. LEGISLATION

- A. Staff reviewed and discussed the merits of Assembly Bill 206 requested by the Assembly Committee on Government Affairs which revises provisions governing the employment of retired public employees. The bill requires a designating authority to establish a salary class plan that provides an alternative pay scale for those positions designated as critical need positions by the designating authority. This new provision does not impact the Retirement System. Staff recommends the Board adopt a neutral position on Assembly Bill 206. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to adopt a neutral position on Assembly Bill 206. Bart Mangino was not present for this vote.
- B. Staff provided an update on the Bill Draft Request List for the 2011 legislative session and reviewed the Governor's proposal for PERS' reform. The following four BDRs have been added that may impact the System:

BDR #964 – Requested by the Assembly Speaker – Revises provisions governing the Public Employees’ Retirement System.

BDR #1028 – Requested by the Assembly Committee on Ways and Means – Revises provisions governing the Public Employees’ Retirement System.

BDR #1177 – Requested by Budget and Planning, Division of Administration – Revises provisions relating to the administration of the Judicial Retirement System.

BDR #1222 – Requested by Budget and Planning, Division of Administration – Eliminates eligibility for certain Public Employees’ Benefits Program subsidies for certain retirees who are reemployed.

- C. There were no additional legislative items that required action at this time.

V. RATIFICATION AGENDA

On motion of Mark Vincent, the Retirement Board voted unanimously of those present to approve the Ratification Agenda, as submitted. Bart Mangino was not present for this vote.

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve out of state travel for Charles Silvestri to participate as a moderator at the Pension Bridge Annual Conference on April 12-13, 2011, in San Francisco, California, at no cost to the System.

VI. DENIALS

VII. REPORTS

VIII. PUBLIC COMMENT

- A. Carla Fells, Executive Director of the Washoe County Employees Association, addressed the Board regarding PERS’ findings of the 2009 Washoe County audit.

Margaret Spitzer, Washoe County Employee, explained her situation and impact from PERS’ findings of the 2009 Washoe County audit to the Board.

- B. The Deputy Attorney General had nothing to report.

- C. There was no Administrative report by Staff.
- D. There were no questions and/or comments by members of the Retirement Board.

IX. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 4:40 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on March 16, 2011, was called to order at 10:00 a.m. by Chairman Stevens and recessed at 11:30 a.m. The March 16, 2011, Retirement Board meeting was called to order at 12:00 p.m. by Chairman Stevens. Two breaks were taken; one at 1:20 p.m. and one at 2:23 p.m. for about 10 minutes each. The meeting was adjourned at 4:40 p.m.