

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, March 21, 2012

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

March 21, 2012
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:30 a.m., March 21, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Staff reviewed PERS' private real estate program.

III. ADMINISTRATION

- A. Staff reviewed the GASB exposure drafts and the timeline for implementation.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:35 a.m.

March 21, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:03 p.m., on March 21, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, James Green, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: None.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, Chris Collins abstained from voting on Joseph Brobeck, Sr., Timothy Nicothodes, Gregory Reeves, Tamara Shaw, and William Unangst as they are all Las Vegas Metro employees. Rusty McAllister abstained from voting on Eric Bauer, Richard Hardman, Lori Swearingen, and Ryan Wynn as they are all members of his union. James Green abstained from voting on Roger Williams due to his knowledge and long term relationship with Mr. Williams. On motion of Kathy Ong, the Retirement Board voted unanimously to:
1. Approve permanent and total disability retirement for: Laurie Anderson, Rita Bailey, Eric Bauer, Heidi Bitschenauer, Joseph Brobeck, St., Kathryn Fairweather, Karyn Gold, Roger Hall, Richard Hardman, Michael Hegy, Connie Holtmann-Spangler, Thomas Hrdina, Jr., Elzieta Kicinski, Susan LaBuda, Margo Larson, Selefuti Lemapu, Mary Monaghan, Timothy Nicothodes, Travis Reed, Gregory Reeves, Donna Rivers, Demetry Saddler, Mary Santana, Evonne Scott, Tamara Shaw, Lori Swearingen, William Unangst, Kathleen Williams, Roger Williams, Kenneth Winthrop, Jr., John Woodard, and Ryan Wynn.
 2. Approve reemployment requests by disability recipients: Desiree Brown, Rebecca Burns, Rhyonnye Drumgole, Ellen Eakman, Mildred Edwards, Jannine Haggard, Sandra Nyblom, and Colleen Reinink.

III. INVESTMENTS

- A. Staff reviewed and discussed BlackRock's organizational changes that may affect PERS' private real estate portfolio. Due to these changes and other personnel changes, staff is recommending termination of BlackRock's real estate portfolio. Jack Chandler, CIO of BlackRock, explained the purpose of the organizational and personnel changes. Kathy Malitz of BlackRock provided a performance update on the real estate portfolio and Bill Finelli, Global COO for BlackRock shared his perspective on BlackRock's organizational changes. After discussion, on motion of James Green, the Retirement Board voted unanimously to:
1. Terminate BlackRock Realty effective upon transfer of PERS' real estate assets to a replacement manager.
 2. Restrict BlackRock Realty from purchasing new assets on Nevada PERS' behalf.
 3. Authorize staff to conduct a search for an active private real estate manager.
- B. Staff reviewed the proposed investment consulting agreement with Peavine Capital Management. On motion of Katherine Ong, the Retirement Board voted unanimously to approve the proposed contract with Peavine Capital Management, as submitted.

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- C. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

IV. BOARD

- A. On motion of Bart Mangino, the Retirement Board voted 6-yeas and 1-abstention to approve the minutes of the Retirement Board education session and Board meeting held February 15, 2012, as submitted. Mark Vincent abstained from voting as he was not present at the February 15, 2012, meeting.
- B. There were no recommended changes to the Retirement Board meeting dates.
- C. On motion of James Green, the Retirement Board voted unanimously to change the Administration education topic for May to "*Actuarial Funding Policy*" from "*Budget Process/Public Agency Review*".

V. ADMINISTRATION

- A. Chairman Vincent opened the public hearing on PERS' Official Policies for public comments on the proposed changes. There were no comments offered. On motion of Katherine Ong, the Retirement Board voted unanimously to approve the proposed revisions to PERS' Official Policies, as submitted and direct staff to file the policy revisions with the Secretary of State in accordance with NRS 286.200.
- B. Staff reviewed PERS' disability process study results. After discussion, staff will redraft the new forms to include additional information suggested by the Retirement Board for review at a future meeting. No action was taken on this item.
- C. Staff described the recruitment plan for the executive staff positions; Administrative Analyst and Investment Officer. Staff provided a history on both positions. The job descriptions for these positions are being reviewed to see if they still meet their purpose in the organization. Recruitment for the Investment Officer will not be done until after the September Planning Seminar and the Asset Allocation discussions at the September Board meeting. This was an information only item; no action was taken.

VI. LEGISLATION

- A. Staff reviewed the current process to request BDR's for the 2013 legislative session. Staff is seeking approval to request two BDR's on behalf of the Retirement Board through the Department of Administration for the 2013 legislative session. On motion of Kathy Ong, the Retirement Board voted unanimously to direct staff to submit two bill draft requests to the Department of Administration by May 1, 2012.

VII. RATIFICATION AGENDA

On motion of James Green, the Retirement Board voted unanimously to approve the Ratification Agenda, as submitted.

- A. Approve the Administrative Fund disbursements.
- B. Approve personnel action since the last report.
- C. Approve the Phase-In Agreement request between Douglas County Sewer Improvement District No. 1 and Cheryl Giedt-Nafie effective February 17, 2012.
- D. Approve the Phase-In Agreement request between UNR and Gregory Wilson effective March 1, 2012.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A. Individual statements and/or requests by the members, retired employees, and/or the public:
 - 1. Warren Wish addressed the Board and thanked Ken Lambert for his years of service to the System and the members and beneficiaries of PERS. Since Ken has assumed the position of Investment Officer when the previous Investment Officer retired, the investment program has been managed wonderfully and has brought immense wealth to the System. As a retiree, Mr. Wish hopes the System finds the right fit in a new investment officer and thanks Ken for his dedicated service to the System.
- B. The Deputy Attorney General had nothing to report.
- C. Administrative report by Staff.
 - Operations Officer:
 - 1. The Operations Officer reported that the Supreme Court requested additional written brief in the Judge Smith Case and PERS' brief was filed on March 20, 2012.
 - Executive Officer:
 - 1. The Executive Officer mentioned that the Center for Public Integrity released a state integrity report on Nevada and due to weak ethic laws and financial disclosure laws graded Nevada a D-.
 - 2. The Executive Officer reported that she has met with The Segal Company and scheduled all the projects including an experience study.

3. The Executive Officer mentioned she attended the NASRA Winter Administrators meeting in Washington, DC. The meeting was very well attended.
4. The Executive Officer reported that she and the Investment Officer traveled to San Francisco to complete due diligence visits with BlackRock, Mellon Capital, and Dodge & Cox.

D. Retirement Board questions and/or comments by members:

1. Chairman Vincent thanked Patti Keyes for her 31+-years of service to PERS on behalf of the Retirement Board members.
2. Vice-Chairman Green asked the status of the RGJ appeal to the Supreme Court. Staff responded that there has been no movement in the case.

Sub-Committee Chairman Green reported that the Retirement Board Sub-Committee reviewing executive compensation has requested staff propose modifications to NRS 286.160 with new titles, propose language clarifying the role of IRBC, and propose language for the Board to perform a salary survey every 2-4 years on the executive officer position within the Western Regional States and when determining the pay scale to review the median salary of the survey.

3. Sub-Committee Chairman Collins reported that the Retirement Board Sub-Committee reviewing the Board's Charters and Policies has approved their mission and set priorities for reviewing the policies and charters starting with the Funding Policy.

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 3:26 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on March 21, 2012, was called to order at 9:30 a.m. by Chairman Vincent and recessed at 11:35 a.m. The March 21, 2012, Retirement Board meeting was called to order at 12:03 p.m. by Chairman Vincent. There was one break taken at 1:55 p.m. for approximately 15 minutes during the meeting. The meeting was adjourned by Chairman Vincent at 3:26 p.m.