

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, April 20, 2017

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

April 20, 2017
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 11:10 a.m., April 20, 2017, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Vikki Courtney, Scott Gorgon, Audrey Noriega, Timothy Ross, and Kay Scherer. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Brad Ramirez of Segal Consulting provided a review and discussion of actuarial assumptions and the actuarial experience study process.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:49 a.m.

April 20, 2017
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:26 p.m., on April 20, 2017, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Vikki Courtney, Scott Gorgon, Audrey Noriega, Timothy Ross, and Kay Scherer. Members absent: None.

1. PUBLIC COMMENT

Jordan Fein, Senior Research Analyst for UNITE HERE Local 11 which is an affiliate of the Culinary Union, addressed the Retirement Board regarding AEW Capital Management, who serves as the asset manager for the Westin Long Beach Hotel where there has been an ongoing labor dispute for over two years.

2. DISABILITIES

2.1 For the record, Audrey Noriega stated that Shari Awong, Rosalind Conway, Tamplyn Davis, Vivian Draper, Margaret Hance, Monetta Henson, Audrey Rush, and Jorge Valdespino work or worked for the Clark County School District, her previous employer, and that she personally knows Shane Minick, but she did not feel that would impair her vote. Vikki Courtney stated that Shari Awong, Rosalind Conway, Tamplyn Davis, Vivian Draper, Margaret Hance, Monetta Henson, Audrey Rush, and Jorge Valdespino work or worked for the same employer as herself, but she did not feel that would impair her vote.

On motion of Kathy Ong, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Shari Awong, Shea Black, Deanne Bradshaw, Mary Burton, Jason Childs, Rosalind Conway, Tamplyn Davis, Daniel Donley, Vivian Draper, Rafael Gomez, Margaret Hance, Monetta Henson, Sheri Johnson, Tonya Jordan-Ferruzza, Shawn Judd, James Lewandowski, Shane Minick, Audrey Rush, Ruben Sandoval, Brenton Smith, Pamela Stahl, Walter Tuzinski, and Jorge Valdespino.
2. Approve reemployment requests by disability recipients: Joseph Arnold, John Blankenship, Robert Chiodini, Mark Houtz, Lance Lehigh, and James Lomax.
3. Deny reemployment requests by disability recipients: Joseph Arnold and Kenneth Miller.

3. INVESTMENTS

3.1 Staff and Julia Bonafede of Jobs Peak Advisors presented due diligence updates on AEW and Invesco Real Estate.

3.2 There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

4. BOARD

4.1 Staff informed the Board that PERS' public employees' recognition week will be May 7-13, 2017. Staff is planning activities in appreciation of their hard work.

Staff has provided a Letter of Commendation for the Board to sign in honor of all PERS' employees. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Letter of Commendation to the Employees of the Public Employees' Retirement System.

- 4.2 On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held March 16, 2017, as submitted.
- 4.3 There were no recommended changes to the Retirement Board meeting dates.
- 4.4 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. LEGISLATION

- 5.1 Staff advised the Retirement Board that Assembly Bill 71 failed the April 14 deadline and no further action can be taken on this bill.
- 5.2 Assembly Bill 464 – this bill revises the provisions governing certain reports required to be submitted by or to certain governmental entities and was requested by the Assembly Committee on Government Affairs. Staff reviewed the bill and indicated that it would change the manner in which the System reports investments in scrutinized companies as identified in NRS 286.721 as engaging in certain business operations related to Iran. The System is currently required to submit copies of an annual report to the Governor and the Director of the Legislative Counsel Bureau. This bill would instead require that the System post the same report on its website each year. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to adopt a neutral position on Assembly Bill 464 as introduced.
- 5.3 Senate Bill 26 – Staff indicated that they testified on this bill before the Senate Committee on Government Affairs. This bill passed out of the Senate and was sent to the Assembly.
- 5.4 Staff advised the Retirement Board that Senate Bill 217 failed the April 14 deadline and no further action can be taken on this bill.
- 5.5 Staff advised the Retirement Board that Senate Bill 297 failed the April 14 deadline and no further action can be taken on this bill.
- 5.6 Senate Bill 384 – this bill provides for the confidentiality of certain information in the records and files of public employee retirement systems and was requested by Senator Ratti. Staff reviewed the bill and indicated that as introduced, SB 384 would make changes to the Public Records Act regarding information in the files of public employers regarding public employees and information held by public retirement systems, including PERS, LRS, and JRS. It provided that the name, last public employer, and amount of annual benefit of a member or retired employee were public

records and all other information contained in a record or file in possession of a public retirement system was confidential regardless of the form, location, and manner of creation or storage of the record or file containing the information. A conceptual amendment was later offered by Senator Ratti that deletes the portion of the bill related to records and files of public employers. The conceptual amendment also made changes to the provisions for public retirement systems. The amendment provides that an identifying number, last public employer, retirement date, years of service, amount of annual benefit, and benefit type are public records. All other information in the record or file would be confidential regardless of the form, location, and manner of creation or storage of the record or file containing the information. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to adopt a position supporting Senate Bill 384 as introduced and as currently amended.

- 5.7 Staff provided an update on the status of Senate Bill 507. No action was taken on this agenda item at this time.
- 5.8 Staff provided an update on the status of Assembly Joint Resolution 10 of the 78th Session (2015). No action was taken on this agenda item at this time.
- 5.9 Staff provided an update on the 2017 legislative session.

6. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously to approve all items on the Ratification Agenda as recommended by staff:

- 6.1 Approve the Administrative Fund disbursements.
- 6.2 Approve the personnel action taken since the last report.

7. APPEALS

- 7.1 In follow up to the February 16, 2017, appeal that was ultimately tabled by the Retirement Board, staff again provided background information on the retirement of David Cook. In summary, Mr. Cook retired July 1, 2011, with over 30 years of service credit. He originally chose Option 3 when he retired and named his daughter, Danielle Cook, as the beneficiary. Mr. Cook completed an option reversion in July of 2015, which was just a few months before he passed away. Ms. Cook wrote a letter to PERS almost a year after her father's death asking if the original retirement option chosen by her father could be restored.

Ms. Cook again testified that she knew that she was named beneficiary because her father had spoken about it frequently and even discussed it prior to his retirement. Ms. Cook provided additional medical documentation to support her claim of Mr. Cook's mental incapacity to assist the Board in making a decision.

After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to deny Ms. Cook's appeal with the option that the denial could be reconsidered if Ms. Cook provides more information including, but not limited to, information from an independent physician as to Mr. Cook's mental incapacity.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

10.1 Individual statements and/or requests by the members, retired employees and/or the public:

Bob Boyle stated that there are people who need to participate and they are unable to attend the meetings. He mentioned that he does not envy the decisions the Retirement Board must make and that staff has a tough job. He feels that Retirement Board meetings need to be live streamed.

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

10.3 Administrative Report by Staff:

Executive Officer: 1. The Executive Officer mentioned that she, the Operations Officer, and the General Counsel met with Segal Consulting in Chicago. She stated that Cathie Eitelberg is retiring in May. Staff met Ms. Eitelberg's replacement, the new resource on national issues, and other Segal staff. She indicated that it was a very good meeting.

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

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:03 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on April 20, 2017, was called to order at 11:10 a.m. by Chairman Vincent and recessed at 11:49 p.m. The April 20, 2017, Retirement Board meeting was called to order at 12:26 p.m. by Chairman Vincent and adjourned at 2:03 p.m.