

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, May 20, 2015

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

May 20, 2015
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 11:21 a.m., May 20, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, Rusty McAllister, Katherine Ong, Audrey Noriega and David Olsen. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Staff reviewed PERS' disaster recovery site and PERS' technology program with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 12:07 p.m.

May 20, 2015
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:36 p.m., on May 20, 2015, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Al Martinez, David Olsen, Katherine Ong, Audrey Noriega and Rusty McAllister. Members absent: None.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, David Olsen stated that Dana Adolph, Monica Munyao and Michael Spanier all work or worked for the same employer as himself but he did not feel that would impair his vote. Audrey Noriega stated that Mona Allen-Merklein, D'Shon Bowie, Theresa Hein, Alison Howland, Michael Vargo, Loren Johnson and Stacey Koenen all work or worked for the same employer as herself but she did not feel that would impair her vote. Audrey also disclosed that she personally knows Loren Johnson but she did not feel that would impair her vote. Chris Collins stated that John Ducas, Ruth Manzo, Melissa Causey, Benny Hunt and William Oettinger all work or worked for the same employer as himself but he did not feel that would impair his vote. Al Martinez stated that Michelle Douglas, Vanessa Kendrick and Ali Jahanfard all work or worked for the same employer as himself but he did not feel that would impair his vote. Mark Vincent stated that Keith Masagatani and Sharon Wheaton all work or worked for the same employer as himself but he did not feel that would impair his vote.

Staff removed Michelle Romjue from the list of disability retirement applicants at her request. On motion of Mark Vincent, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Dana Adolph, Mona Allen-Merklein, Bryan Aramini, Jennifer Bailey, Sharon Bohling, D'Shon Bowie, Arthur Cabrales, Albert Calleja, Richard Clarke, Michelle Douglas, John Ducas, Jeremy Hansen, Theresa Hein, Alison Howland, Vanessa Kendrick, Paula Klimczak, Arturo Lopez, Luetta Mann, Ruth Manzo, Keith Masagatani, Monica Munyao, Debra Rister, Michael Spanier, Michael Vargo, Tami Vaughn-DeVries, and Patricia Welden.
2. Approve reemployment requests by disability recipients: Jeanette Andrews, Steven Aufiero, Melissa Causey, Alicia DePaulis, Benny Hunt, Ali Jahanfard, Loren Johnson, Margaret Jones, Stacey Koenen, Allen Littlejohn, Vicki Morandi, William Oettinger, Scott Palsgrove, Susan Ransone, Christine Spraggins, Patrick Tanner, Sharon Wheaton, Jane Wirth, and Colleen Wissenback.
3. Denial of reemployment request by disability recipients: Sheree Lamb and Scott Palsgrove.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital provided the 3rd quarter performance review for fiscal year 2015 for the PERS, Legislators, and Judicial funds. There was no action taken on this item.
- 3.2 Staff reviewed the Securities Lending Annual Report for fiscal year 2015. On motion of Kathy Ong, the Retirement Board voted unanimously to accept the fiscal year 2015 securities lending report as submitted.

- 3.3 Staff reviewed the Securities Lending Fee Agreement with BNY Mellon. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the Securities Lending Fee Agreement with BNY Mellon as submitted.
- 3.4 John Fox of BNY Mellon provided an overview and review of PERS' Securities Lending Program. There was no action taken on this item.
- 3.5 There were no recommended changes to the Interim Investment Directives for the PERS, Legislators, and Judicial funds.

4. BOARD

- 4.1 On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the special Retirement Board meeting held April 8, 2015, as submitted.
- 4.2 On motion of Kathy Ong, the Retirement Board voted unanimously to approve the minutes of the Retirement Board meeting held April 15, 2015, as submitted.
- 4.3 Staff provided the internal audit report findings on an independent contractor versus employee status on behalf of Tia Flores of the Coral Academy of Science. Staff has determined that Tia Flores should have been enrolled in PERS as she was a full time employee as determined by the 20-point test adopted by the Board. Ms. Flores should be enrolled in PERS beginning on her effective date of employment and going forward. Mr. Tendegan, the Executive Director of the Coral Academy of Science, addressed the Retirement Board regarding Ms. Flores status and stated that paying the interest and contributions in a lump sum for Ms. Flores would create a hardship for the school. Mr. Tendegan requested a 3-year contract to pay back the monies owed on behalf of Ms. Flores. Ms. Flores addressed the Retirement Board regarding her situation and agreed to a 3-year contract for the Coral Academy to pay her back contributions owed to PERS. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously to determine that Ms. Flores was an employee of Coral Academy and directed the Coral Academy of Science to retroactively enroll Tia Flores into the System from her effective date of employment through August 1, 2013 and to pay contributions and interest owed on behalf of Ms. Flores over a 3-year period (per NRS 286.537).
- 4.4 Staff provided the internal audit report findings on an independent contractor versus employee status on behalf of Ray Valdez of the Coral Academy of Science. Staff has determined that Ray Valdez should have been enrolled in PERS as he was a full time employee as determined by the 20-point test adopted by the Board. Mr. Valdez should be enrolled in PERS beginning on his effective date of employment through June 2014. Mr. Tendegan, the Executive Director of the Coral Academy of Science, addressed the Retirement Board regarding Mr. Valdez status and stated that paying the interest and contributions in a lump sum for Mr. Valdez would create a hardship for the school. Mr. Tendegan requested a

3-year contract to pay back the monies owed on behalf of Mr. Valdez. Mr. Valdez addressed the Retirement Board regarding his situation and did not agree to payment plan contract for the Coral Academy to pay his back contributions owed to PERS. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously to determine that Ray Valdez was an employee of Coral Academy of Science and directed the Coral Academy of Science to retroactively enroll Ray Valdez into the System from his effective date of employment through June 2014 and to pay contributions in the approximate amount of \$87,144.53 and interest owed in the approximate amount of \$36,572.50 (per NRS 286.537) within 90 days.

- 4.5 There were no recommended changes to the Retirement Board meeting dates.
- 4.6 There were no recommended changes to the Retirement Board Education Curriculum Calendar.

5. ADMINISTRATION

- 5.1 Staff reviewed the Police and Firefighters' Retirement Fund Advisory Committee meeting minutes for the meeting held April 23, 2015. On motion of Rusty McAllister, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held April 23, 2015, as submitted.
- 5.2 Staff reviewed the proposed independent contract with APEX Computing, Inc., for the Database Stored Procedures Optimization Project. On motion of Kathy Ong, the Retirement Board voted unanimously to approve the contract with APEX Computing, Inc., to implement the Database Stored Procedures Optimization project in an amount not to exceed \$151,200 as submitted.

6. LEGISLATION

- 6.1 Staff reviewed Senate Bill 406 that has been amended to allow for spouses or survivor beneficiaries of individuals "killed in the line of duty," "killed in the course of employment", "killed in the course of judicial service", and "killed in the course of legislative service" on or after July 1, 2013, are eligible to select the additional benefit option. Staff has provided copies of the draft definitions for the killed in the line of duty language that would be added to the PERS', Legislators', and Judicial Official Policies. A public hearing will take place at the Board's June 17th meeting for discussion and final language decisions. Staff is requesting the Board authorize staff to notify employers of this hearing should Senate Bill 406 pass the legislature as it becomes effective on July 1, 2015. The Retirement Board directed staff to notify employers of the public hearing to be held at the June 17, 2015, to finalize the definitions of "killed in the line of duty", "killed in the course of employment", "killed in the course of judicial service" and "killed in the course of legislative service."

- 6.2 Staff provided an update on the other bills that may affect the Public Employees' Retirement System from the 2015 legislative session.
- 6.3 There were no legislative matters that developed after publication of the agenda and which, due to scheduling must be acted upon at this time.

7. RATIFICATION AGENDA

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

- 7.1 Approve the Administrative Fund disbursements.
- 7.2 Approve the personnel action taken since the last report.
- 7.3 Approve the Deceased Recipient Report for the 4th quarter of 2013.
- 7.4 Approve the request for membership in PERS by the Mt. Charleston Fire Protection District effective May 19, 2015.
- 7.5 Approve the Investment Performance Guidelines and Fee Exhibit with Payden & Rygel.
- 7.6 Approve the Investment Performance Guidelines and Fee Exhibit with UBS.
- 7.7 Approve the Custodial Banking Agreement with BNY Mellon effective July 1, 2015 through June 30, 2020.

Mark Vincent and Kathy Ong were not present for this vote.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

- 10.1 Priscilla Maloney, of AFSCME Local 4041, addressed the Board and mentioned that her board had a board meeting yesterday and their position is that AFSCME is still opposed to SB 406 officially as they feel no changes are necessary. She thanked the Retirement Board and staff for their hard work at the legislature on behalf of all public employees and retirees.

Marty Bibb, of RPEN, thanked the Retirement Board and staff for actively working tirelessly at the legislature this session on behalf of all public employees

and retirees. RPEN still believes no changes are necessary to PERS and will continue to oppose any bills that would weaken PERS.

10.2 There was no report from the Deputy Attorney General.

10.3 Administrative Report by Staff:

1. The Executive Officer announced that the registration for the NASRA annual conference which will take place August 1-5, 2015 in Monterey, California has opened. The Executive Officer requested that if any Board members would like to attend that they notify Karen so she can register them and book a hotel room for the conference. Al Martinez mentioned he would like to attend.

10.4 Comments or questions from the Retirement Board members:

Vice Chairman Collins: 1. Vice Chairman Collins thanked both Priscilla and Marty for all their assistance at the legislature and working with the Executive Staff on certain bills. He mentioned that without their help PERS would not be as successful as they have been at the legislature.

11. ADJOURNMENT

The meeting was adjourned by Vice Chairman Collins at 2:51p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on May 20, 2015, was called to order at 11:21 a.m. by Chairman Vincent and recessed at 12:07 p.m. The May 20, 2015, Retirement Board meeting was called to order at 12:36 p.m. by Chairman Vincent. There was one break taken at 2:32 p.m. for approximately 4 minutes. Vice Chairman Collins adjourned the meeting at 2:51 p.m.