

PUBLIC EMPLOYEES' RETIREMENT BOARD  
EDUCATION SESSION AND MEETING MINUTES FOR  
Tuesday, June 16, 2009 and Wednesday, June 17, 2009

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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 Chairwoman Susan DeFrancesco at 3:00 p.m., June 16, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Purisimo Hernandez, David Kallas, Mark Vincent, and Warren Wish. Members absent: Charles Silvestri and George Stevens.

June 16, 2009  
Board Education Session

I. INVESTMENTS

- A. Staff reviewed the evolution of PERS' investment program.

II. ADMINISTRATION

- A. Staff discussed GASB accounting statements 25 and 27 which relate to financial reporting by public pensions and local governments.
- B. Staff reviewed the history behind establishing Social Security and how the Government Pension Offset and the Windfall Elimination Provision may affect PERS' retirement benefits.

III. PUBLIC COMMENT

IV. RECESS

Chairwoman DeFrancesco recessed the meeting at 5:00 p.m.

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June 17, 2009  
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairwoman Susan DeFrancesco at 8:00 a.m., June 17, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Susan DeFrancesco, Purisimo Hernandez, David Kallas, Charles Silvestri, George Stevens, Mark Vincent, and Warren Wish. Members absent: None.

I. DISABILITIES

- A. On motion of Warren Wish, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirement for: Tyrone Bush, Sr., Janet Cameron, Ginger Cape, Rosemary Cavin, Joseph Chavez, Mark Garrigan, Janell Infantino, Susan Justad, Joel Lederman, Craig Newlin, Laura Pellman, Rhonda Pollock, Sada Popich, Jacqueline Porter, Angela Portocarrero, Yvonne Pratt, Clark Sanford, Kerry Sarras, LeeAnn Shull, Lyle Stever, Lisha Stone, Richard Taylor, Thoma Tom, and Kathryn Wilburg.
2. Approve reemployment requests by disability recipients: Glinda Bullock, Gloria Dondero Pedro, Barbara Fallaw, Gerald Heredia, Lance Hughes, Mark Stafford-Mercer, Hiedy Warner, and Jane Wirth.
3. Deny reemployment request by disability recipient Angela Broxterman.

## II. INVESTMENTS

- A. Greg Golden and Jonathan Cangalosi of Golden Capital provided a performance update on their active core equity portfolio in the PERS' fund.
- B. Scott Wallace, Jim Reilly, and James Thyne of AllianceBernstein presented a performance update on their active growth equity portfolio in the PERS' fund.
- C. Staff reviewed the proposed modifications to the Investment Objectives and Policies for the PERS' fund. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve the Investment Objectives and Policies for the PERS' fund, as submitted.
- D. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

## III. BOARD

- A. Board member David Kallas requested that items III. B and V. E from the May Board meeting be placed on the July 2009 meeting agenda for discussion as they were deferred. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the minutes of the Retirement Board's education session and Board meeting held May 20 and 21, 2009, as submitted.
- B. There were no recommended changes to the Retirement Board meeting dates.
- C. There were no recommended changes to the Retirement Board education curriculum calendar.

## IV. ADMINISTRATION

- A. Staff discussed the mandatory furlough plan for state employees implemented by Senate Bill 433 of the 2009 legislature and PERS' proposed position exemptions from the mandatory furloughs. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously to approve the following employee position

exemptions from mandatory furloughs based on the fact findings that the position is necessary to the protection of public health, safety, or welfare; the public health, safety, or welfare will be significantly diminished if mandatory furlough leave is implemented for employees in this position; no alternatives exist to provide for the protection of public health, safety, or welfare; and the agency has identified and will implement other methods to reduce overall costs equal to the savings produced by furlough leave under the program:

1. Manager of Information Systems
  2. Retirement Examiner II (Manager of Production Services)
  3. Retirement Examiner II (Manager of Counseling Services, Carson City)
  4. Retirement Examiner II (Manager of Las Vegas Office, Eastern)
  5. Retirement Examiner II (Manager of Las Vegas Office, Summerlin).
- B. Staff reviewed the contract renewal with The Segal Company for actuarial and benefit consulting services for fiscal years 2010 and 2011. On motion of Purisimo Hernandez, the Retirement Board voted unanimously to instruct staff to contract with The Segal Company for actuarial and benefit consulting services for fiscal years 2010 and 2011 in amounts not to exceed those stated in the memorandum, subject to successful negotiations.
- C. Staff reviewed the contract renewal with PERS' Medical Consultant, Bruce Nickles, M.D., for fiscal years 2010 and 2011. On motion of Charles Silvestri, the Retirement Board voted unanimously to approve a contract with Bruce Nickles, M. D., for two years beginning July 1, 2009, and ending June 30, 2011, at a monthly rate of \$2,251.31 in fiscal year 2010, and \$2,363.88 for fiscal year 2011.
- D. Staff reviewed the contract renewal with CEM Benchmarking for fiscal year 2010. On motion of Warren Wish, the Retirement Board voted unanimously to approve the contract with CEM Benchmarking, Inc., for performance benchmarking services for fiscal year 2010 at a cost not to exceed \$35,000.00, subject to successful negotiation.
- E. Staff reviewed the contract renewal with APEX Consulting for information technology consulting services for fiscal year 2010. On motion of David Kallas, the Retirement Board voted unanimously to approve the consulting contract with APEX Computing, Inc., for the System's main offices, in an amount not to exceed \$858,000.00.
- F. Staff reviewed the contract renewal with APEX Consulting for information technology consulting services for PERS' disaster recovery site for fiscal year 2010. On motion of Mark Vincent, the Retirement Board voted unanimously to approve the contract with APEX in an amount not to exceed \$223,600.00.

V. LEGISLATION

- A. Staff provided a review of the 2009 legislative session and the final outcome of bills the Retirement Board took a position on.

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- B. Staff reviewed the final version of Senate Bill 427 which relates to public employees; making changes to the Public Employees' Retirement System; making various changes related to the Public Employees' Benefits Program; making various changes related to relations between local government employers and employee organizations; and provides other matters properly related to. Staff highlighted the sections of the bill that pertain to the Public Employees' Retirement System. After discussion, on motion of Charles Silvestri, the Retirement Board voted unanimously to adopt a neutral position on Sections 1.5 through Section 7 of Senate Bill 427. At the request of Board member David Kallas, staff will provide a legislative summary at the July Board meeting in PERS' Las Vegas, Eastern office.

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 Phase-In Agreement between the State of Nevada Division of Museums and History and Gene Ackerman effective July 1, 2009.
- D. Approve the Southern Nevada Area Communications Council's request for membership in PERS effective June 1, 2009.
- E. Approve a contract with Small World Solutions for death audit reporting services.

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. Roger Maillard, President, AFSCME/Retiree Chapter, complimented the Executive Staff on their professionalism and support during the 2009 legislative session. Mr. Maillard also complimented the Retirement Board and thanked them for their support during the session.

Danny Coyle, President, AFSCME/Local 4041, thanked the Executive Staff for the great job they did during a difficult legislative session. Mr. Coyle also complimented the Retirement Board and thanked them for their support during the session.

- B. The Deputy Attorney General reported that the Dallas Augustine case is continuing, the Anne Cates case is before the Ninth Circuit Court, and the Doug Smith case has had the

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answer to the complaint filed. The Deputy Attorney General also reported that she will be attending the NAPPA conference next week in Portland, Oregon.

C. Administrative report by Staff:

Executive Officer: The Executive Officer mentioned that she and the Operations Officer and will be speaking to the District Court Judges and the Supreme Court Justices on Monday, June 29<sup>th</sup> at their meeting.

Investment Officer: The Investment Officer notified the Retirement Board that Blackrock is in the process of buying Barclays Global Investors. Staff will keep the Board informed.

Operations Officer: The Operations Officer stated that she and the Director of Member and Retiree Services spoke to the Justices of the Peace and the Municipal Judges on Monday, June 15<sup>th</sup>. The meeting went very well.

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

David Kallas: Board member, David Kallas requested a copy of the Senate Finance Committee meeting minutes of the hearing held on Senate Bill 427 on May 21<sup>st</sup>. Staff will see if the minutes are available.

X. ADJOURNMENT

The meeting was adjourned by Chairwoman DeFrancesco at 11:40 a.m.

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The following is the time schedule for the meeting:

The Retirement Board Education Session held on June 16, 2009, was called to order at 3:00 p.m. by Chairwoman DeFrancesco and recessed at 5:00 p.m. The June 17, 2009, Retirement Board meeting was called to order at 8:00 a.m. by Chairwoman DeFrancesco. Two breaks were taken, one at 9:25 a.m. for approximately five minutes and one at 10:40 a.m. for approximately ten minutes. The meeting was adjourned at 11:40 a.m.