

PUBLIC EMPLOYEES' RETIREMENT BOARD
MEETING MINUTES FOR
Tuesday, August 18, 2009 and Wednesday, August 19, 2009

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 Chairman Stevens at 3:00 p.m., August 18, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Susan DeFrancesco, David Kallas, Charles Silvestri, and Warren Wish. Members absent: Purisimo Hernandez.

August 18, 2009
Education Session

I. INVESTMENTS

- A. Staff reviewed the current asset allocation for the PERS' fund and investment risk.

II. ADMINISTRATION

- A. Oliver Owen, Information Technology Manager, reviewed PERS' disaster recovery plan discussing the past, present and future of the plan.

III. PUBLIC COMMENT

There were no public comments offered.

IV. RECESS

Chairman Stevens recessed the meeting at 4:30 p.m.

August 19, 2009
Board Meeting

The Retirement Board Meeting of the Public Employees' Retirement Board was called to order by Chairman Stevens at 8:15 a.m., August 19, 2009, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: George Stevens, Mark Vincent, Susan DeFrancesco, David Kallas, Charles Silvestri, and Warren Wish. Members absent: Purisimo Hernandez.

I. DISABILITIES

- A. On motion of David Kallas, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Mary Burnham, Brenda Clark, Coral Everson, Jason Frey, Maria Garza, Corey-Lynn Kern, Hannelore Klausky, Juanita Maestas, Kelsey McGuire, Renee Milonas, Connie Noyes, Samuel Park, Jr., Gordon Paynter, Lanell Savage, Beverley Smith, and Frances Wilson.
2. Approve reemployment requests by disability recipients: Patricia Cassem, Linda Conry, Purisimo Hernandez, Burtus Moxley, Stanley Nelson, Randy Paar, Patricia Peterman, and Marsha Williams.

II. INVESTMENTS

- A. Staff mentioned that Eileen Kwei has left Callan and introduced Janet Becker-Wold who will be working with staff in her place. Staff and Paul Troup and Janet Becker-Wold of Callan Associates presented the fiscal year 2009 performance review for the PERS', LRS', and JRS funds.
- B. There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', or Judicial funds.

III. BOARD

- A. Debby Thomsen, PERS' Principal Auditor, presented the Internal Audit Plan for fiscal year 2010. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the Internal Audit Plan for fiscal year 2010, as submitted.
- B. Staff reviewed the draft letter requesting an Attorney General Opinion that relates to the Retirement Board's fiduciary policies. After discussion, on motion of David Kallas, the Retirement Board voted unanimously of those present to approve the letter requesting an Attorney General Opinion, as amended.
- C. On motion of David Kallas, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board meeting held July 14 and 15, 2009, as submitted.
- D. Susan DeFrancesco announced that she would not be able to attend the September 2009 meetings. There were no recommended changes to the Retirement Board meeting dates.
- E. There were no recommended changes to the Retirement Board education curriculum calendar.

IV. ACCOUNTING

- A. Staff presented the budget variance report for fiscal year 2009. On motion of Warren Wish, the Retirement Board voted unanimously of those present to:

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1. Accept the Budget Variance Report for fiscal year 2009, as submitted;
 2. Transfer \$33,571.00 in budgetary authority from Salaries to Operating Expenses.
- B. Staff reviewed the budget supplement request for the 2010-2011 biennium that is required to implement changes approved by the 2009 Legislature in Senate Bill 427. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to:
1. Approve the budget supplement of \$1,682,560 (\$1,674,000 in Information Technology Operations and \$8,560 in Operating) for fiscal year 2010 and \$488,720 (\$471,600 in Information Technology Operations and \$17,120 in Operating) for fiscal year 2011.
 2. Direct staff to notify the Interim Finance Committee of the Legislature of the budget supplement.

V. ADMINISTRATION

- A. Staff reviewed PERS' annual strategic plan and presented staff's proposed revisions. After discussion, there were no additional items suggested for inclusion in this year's strategic plan revision. Staff will prepare a draft for the September meeting for the Board's review.
- B. Staff presented the proposed contract with Apex Computing, Inc., to implement computer modifications to comply with Senate Bill 427 of the 2009 Legislature. On motion of Mark Vincent, the Retirement Board voted unanimously of those present to approve the Contract for Services with Apex Computing Inc., at a cost not to exceed \$2,145,600, subject to successful negotiation.

VI. RATIFICATION AGENDA

On motion of David Kallas, the Retirement Board voted unanimously of those present to:

- A. Approve the Administrative Fund disbursements.
- B. Approve the personnel action taken since the last report.
- C. Approve the Final Benefit Audit Report for May 2008.
- D. Approve the Final Benefit Audit Report for June 2008.
- E. Approve the Final Benefit Audit Report for July 2008.
- F. Approve the Deceased Recipient Review Report for the quarter ending June 30, 2009.

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- G. Approve the penalty waiver request for the Carson City School District in the amount of \$133.75.

VII. DENIALS

VIII. REPORTS

IX. PUBLIC COMMENT

- A. There were no individual statements and/or requests by the members, retired employees and/or the public.
- B. The Senior Deputy Attorney General had nothing to report.
- C. Administrative report by Staff:

- Executive Officer:
 - 1. The Executive Officer mentioned that while she attended the NASRA annual conference earlier in August the focus of discussion was on sustainability in the public pension industry.
 - 2. The Executive Officer stated that the SEC has created a new department to oversee municipal securities and public pensions. Currently, the SEC does not have jurisdiction over public pension systems and they are conducting a confidential questionnaire with a number of public pension systems. The Executive Officer shared some of the sample questions with the Board.
 - 3. The Executive Officer reported that we completed the IRS Questionnaire for the Legislator's Retirement System but we have not heard anything back at this time.
 - 4. The Executive Officer mentioned that if GASB changes their rules regarding reporting liabilities at their market value could impact public pension system's unfunded liabilities.
 - 5. The Executive Officer shared some raw demographics from the information sent to PERS' actuary to enable them to complete the 2009 actuarial valuation which will be presented to the Board in November. The executive staff will be holding a conference call in September with The Segal Company to discuss the trends.
 - 6. The Executive Officer mentioned that a response has been generated to Andy Anderson regarding his request for the Retirement Board to determine his

position as a critical labor shortage position. A copy of PERS' response was distributed to the Board. The Executive Officer indicated to the Board that they have no jurisdiction or authority to grant his position as a critical labor shortage position. Mr. Anderson needs to have that done by his governing body which is the Board of Examiners.

7. The Executive Officer reported that an overpayment of PERS' benefits has been directed to the Attorney General's Office for review and investigation.

- Operations Officer:
1. The Operations Officer mentioned that normally the Retirement Board would receive nominations and/or requests for reappointments for the Police and Firefighter's Retirement Fund Advisory Committee members around this time but due to the passage of Senate Bill 427 by the 2009 legislature those will be presented to the Board at a future meeting. The Operations Officer explained that the SB 427 changes need to be incorporated into the Board's Police and Firefighter's Retirement Fund Advisory Committee policy before continuing with any reappointments or new nominations.

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

- Charles Silvestri:
1. Mr. Silvestri asked how the PERS' Summerlin office was doing. Staff reported that the office appointment volumes are increasing. Staff also reminded the Board that the Summerlin office shares in answering phone calls and provides presentations in the Las Vegas area as does the Eastern Avenue office.

X. ADJOURNMENT

The meeting was adjourned by Chairman Stevens at 11:15 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on August 18, 2009, was called to order at 3:00 p.m. by Chairman Stevens and recessed at 4:30 p.m. The August 19, 2009, Retirement Board

meeting was called to order at 8:15 a.m. by Chairman Stevens. One break was taken at 9:45 a.m. for approximately ten minutes. The meeting was adjourned at 11:15 a.m.