

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR
Wednesday, August 15, 2012

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

August 15, 2012
Retirement Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 10:00 a.m., August 15, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: James Green.

I. PUBLIC COMMENT

There was no public comment offered.

II. BOARD

- A. The Retirement Board evaluated the Executive Officer's performance for fiscal year 2012 in seven major categories: Executive Management, Operations, Investment Program, Legislative Program Management, Actuarial Management, Public Relations and Board Relations. After discussion, on motion of Bart Mangino, the Retirement Board voted unanimously of those present to rate the Executive Officer's performance for fiscal year 2012 as follows:

Executive Management		
Leadership	~	6-Exceeds
Strategic Planning	~	6-Exceeds
Budget	~	6-Exceeds
Policy	~	6-Exceeds
Operations	~	6-Exceeds
Investment Program	~	6-Exceeds
Legislative Program Mgmt	~	6-Exceeds
Actuarial Management	~	6-Exceeds
Public Relations	~	6-Exceeds
Board Relations	~	6-Exceeds

III. PUBLIC COMMENT

There was no public comment offered.

IV. RECESS

Chairman Vincent recessed the meeting at 10:57 a.m.

August 15, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 11:40 a.m., on August 15, 2012, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Chris Collins, Bart Mangino, Rusty McAllister, David Olsen and Katherine Ong. Members absent: James Green.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. For the record, Rusty McAllister abstained from voting on Timothy Murray due to his personal relationship with him. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Dennis Bichsel, Manuel Camacho, Robert Campbell, Jr., Vicky Carter, Tammy Crowdis, Teresa Dalton, Christopher DeMeo, Enedina Diaz, Timothy Giarmo, Julie Gray, Robert Hoferer, Jr., James McCutcheon, Andrew Mote, Dallas Mulanax II, Timothy Murray, Lewis Orndoff, Alicia Richardson, Robert Sandberg, Walter Stebritz, Herbert Stoll, Karen Szewczyk, Suzanna Taylor, Brian Uptain, Raymond Valdez, Sherrie Varner, Lynn Vind, Rosemary Williams, James Wilson, and Sharon Wilson.
 2. Approve reemployment requests by disability recipients: Mary Bayer, George Boldyrew, Melanie Clemens, Ronald Dreher, Russell Elsner, Leanna Steinhardt, and Barbara Vasilevsky.
 3. Denial of reemployment requests by disability recipients Melanie Clemens and Kimberly Kennedy.

III. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management and Janet Becker-Wold of Callan Associates presented the fiscal year end performance review for the PERS', Legislators', and Judicial funds for fiscal year 2012. There was no action taken on this item.
- B. Ken Lambert of Peavine Capital Management reviewed the proposed changes to the Interim Investment Directives for the PERS' fund. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Interim Investment Directives for the PERS' fund, as amended. There were no changes to the Legislators' and/or the Judicial fund's Interim Investment Directives.

IV. BOARD

- A. Kabrina Feser, Principal Auditor, provided the Board with an actual performance summary compared to the Internal Audit Plan for fiscal year 2012. This item was provided as information only.
- B. Kabrina Feser, Principal Auditor, presented PERS' Fiscal Year 2013 Internal Audit Plan. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the Internal Audit Plan for fiscal year 2013, as submitted.
- C. Staff reviewed the status of the Retirement Board Sub-Committee reviewing the Retirement Board's Policies and Charters. The Sub-Committee completed their review of all the Board's Policies and Charters which will be presented to the Retirement Board for their approval and re-adoption at their September 19, 2012 meeting. Chairman Vincent thanked the Sub-Committee and staff for their work on this task. Sub-Committee Chairman Collins, also thanked the Sub-Committee members and the staff for their assistance in reviewing the Board's Policies and Charters.
- D. On motion of Kathy Ong, the Retirement Board voted 5-yeas and 1-abstention of those present to approve the minutes of the Retirement Board's education session and meeting held July 18, 2012, as submitted. Rusty McAllister abstained from voting on this item as he was not present at the Board's July 18th meeting.
- E. There were no recommended changes to the Retirement Board meeting dates.
- F. On motion of Rusty McAllister, the Retirement Board voted unanimously to retroactively approve the deletion of the education topics scheduled for the August meeting so the Retirement Board could complete the Executive Officer's performance evaluation.

V. ACCOUNTING

- A. Staff presented the Budget Variance Report for fiscal year 2012. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Budget Variance Report, as submitted. The Executive Officer praised the Operations Officer for her diligence and skillful management of PERS' biennial budget.

VI. ADMINISTRATION

- A. Staff presented the proposed additions to PERS' Official Policies. Chairman Vincent opened the public hearing at 1:20 p.m. on PERS' Official Policies. Tom Taelour, CFO of the Regional Transportation Commission of Washoe County, asked for clarification on the policy additions. Staff responded to Mr. Taelour's concerns and Mr. Taelour was satisfied with staff's explanation of the policy additions. Chairman Vincent closed the public hearing on PERS' Official Policies. On motion of Kathy Ong, the Retirement Board approved the proposed additions to PERS' Official Policies, as

submitted, and directed staff to file the policy additions with the Secretary of State in accordance with NRS 286.200.

- B. Staff presented the proposed additions to the LRS Official Policies. Chairman Vincent opened the public hearing on the LRS Official Policies. There was no public comment offered. Chairman Vincent closed the public hearing on the LRS Official Policies. On motion of Chris Collins, the Retirement Board voted unanimously of those present to approve the proposed additions to the LRS Official Policies, as submitted, and directed staff to file the policy additions with the Secretary of State in accordance with NRS 218C.150 and NRS 218C.180.
- C. Staff presented the proposed additions to the JRS Official Policies. Chairman Vincent opened the public hearing on the JRS Official Policies. There was no public comment offered. Chairman Vincent closed the public hearing on the JRS Official Policies. On motion of Chris Collins, the Retirement Board voted unanimously of those present to approve the proposed additions to the JRS Official Policies, as submitted, and directed staff to file the policy additions with the Secretary of State in accordance with NRS 1A.100.
- D. Staff reviewed the process for PERS' Annual Strategic Plan revision. Staff presented some suggestions and asked if the Board had any additional suggestions for inclusion in the Strategic Plan. Staff will make the suggested modifications to the Strategic Plan and present it to the Board at their September meeting for review and approval.
- E. Staff presented the Service Quality Report for fiscal year 2012. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Service Quality Report for Fiscal Year 2012, as submitted.
- F. Staff reviewed the External Audit Recommendations Report. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the report on the status of recommendations contained in PERS' external auditors' management letter dated December 1, 2011, as submitted.
- G. Staff presented the proposed independent contract with The Segal Company for Internal Revenue Code 415(b) testing. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the independent contract with The Segal Company for Section 415(b) testing services for calendar year 2012 benefit allowances, in an amount not to exceed \$100,000.00, retroactive to June 1, 2012, as submitted.
- H. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held July 26, 2012, as submitted.

VII. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Ratification Agenda, as submitted.

- A. Approval of Administrative Fund disbursements.
- B. Approval of personnel action taken since the last report.
- C. Approval of the July 2011 – December 2011 Option Reversion Internal Audit Report.
- D. Approval of the Final Benefit Audit Report for March 2011.
- E. Approval of the Final Benefit Audit Report for April 2011.
- F. Approval of the Final Benefit Audit Report for May 2011.

VIII. DENIALS

IX. REPORTS

X. PUBLIC COMMENT

- A. The Deputy Attorney General mentioned that PERS' reply is due by August 24th in RGJ vs. PERS case. She also informed the Board of a new PERS' case they are defending.
- B. Administrative report by Staff.

Executive Officer: 1. The Executive Officer stated she and the Operations Officer attended the annual NASRA conference held in Olympic Valley, California earlier this month. The Executive Officer gave a welcome speech to all the attendees. The conference was well attended and the information presented was well received.

Operations Officer: 1. The Operations Officer mentioned that the Executive Officer's welcome speech was the best out of the three speeches presented.

- C. There were no Retirement Board questions and/or comments by members of the Retirement Board.
- D. There were no individual statements and/or requests by the members, retired employees, and/or the public

XI. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:16 p.m.

The following is the time schedule for the meeting:

The Retirement Board meeting on August 15, 2012, was called to order at 10:00 a.m. by Chairman Vincent and recessed at 10:57 a.m. The August 15, 2012, Retirement Board meeting was re-called to order at 11:40 a.m. by Chairman Vincent and adjourned by Chairman Vincent at 2:16 p.m.