

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, September 17, 2014

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

September 17, 2014
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chairman Vincent at 11:05 a.m., September 17, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, Rusty McAllister, and David Olsen. Members absent: Chris Collins and Audrey Noriega.

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

2.1 Howard Marks of Oaktree Capital Management provided an interactive discussion on different investment concepts and provided market commentary from his book, "*The Most Important Thing*".

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 12:43 p.m.

September 17, 2014
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 1:11 p.m., on September 17, 2014, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Katherine Ong, Al Martinez, David Olsen, and Rusty McAllister. Members absent: Chris Collins and Audrey Noriega.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Mark Vincent stated that Diane Cornier worked for the same employer as himself but he did not feel that would impair his vote. David Olsen stated that Albert Chavez worked for the same employer as himself but he did not feel that would impair his vote.

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

1. Approve permanent and total disability retirement for: Lorraine Arnold, Brian Ballentine, Michael Brennan, Sheri Byrne, Gloria Castrejon, Lois Cisneros, Diane Cornier, Gina Dela Cruz, Cynthia Hanych, Debra Jones, David Kohlmeier, Michele Kriethe, Cathy Maloy, Louis McGathey, Kenneth Miller, Jordan Motsinger, Chad Mowbray, Deanna Pomije, Brandy Ray, Susan Ryan, Mary Scarpitti, Tamra Tapia, Joycelyn Tate, Michael Thoen, Sara Weatherford, and Ronald White.
2. Approve reemployment requests by disability recipients: Albert Chavez, Claude Council Sr., Tammy Crowdis, Valerie Duke, Catherine Flannery, Melvin Grant, Christopher Harris, Michele Hines, Kimberley Lyford, Colleen Martin, Michael Moore, Terry Rasner, Wendy Smith, Tracy Somers, Charles Starkey, Jay Wildgrove, and Keyotta Wilson-Porche.

3. INVESTMENTS

- 3.1 Ken Lambert of Peavine Capital Management and Janet Becker-Wold of Callan Associates reviewed the international stock index manager search process and their recommendation of State Street Global Advisors. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to invite State Street Global Advisors to interview for an international stock index management mandate at their October 2014, meeting.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', LRS', and JRS funds.

4. BOARD

- 4.1 Staff mentioned that according to NRS 286.680(6), the System is required to renew its custodial and commercial banking relationships via a Request For Proposals (RFP) every 5-years. The last RFP and banking contracts were completed in 2010 and are set to expire on June 30, 2015. Staff reviewed the RFP process and timeline for this project. No action was taken on this item.
- 4.2 On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board education session and board meeting held August 20, 2014, 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. ADMINISTRATION

- 5.1 Staff reviewed the proposed modifications to PERS' Strategic Plan. Retirement Board member Kathy Ong submitted some proposed changes and staff has provided a copy of those changes to the full Board. Staff is happy to incorporate the recommended changes into the document. After discussion, on motion of Mark Vincent, the Retirement Board voted unanimously of those present to include the modifications suggested by Kathy Ong and adopt PERS' Fiscal Year 2015 Strategic Plan Revision as amended.
- 5.2 Staff presented the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting that was held on August 14, 2014. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the minutes from the Police and Firefighters' Retirement Fund Advisory Committee meeting held August 14, 2014, as submitted.

6. LEGISLATION

- 6.1 Staff updated the Retirement Board on the Bill Draft Request (BDR) list for the 2015 Legislative Session. One BDR has been added since the last report that staff is currently tracking:

BDR #496 – Nevada Supreme Court – Revises provisions relating to the Judicial Retirement System.

There is no bill language available for this BDR to determine its affect on the Judicial Retirement System at this time.

7. RATIFICATION AGENDA

On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda, as submitted:

- 7.1 Approve the Administrative Fund disbursements.
- 7.2 Approve the personnel action taken since the last report.
- 7.3 Retroactively approve the request by Nye County Water District for participation in PERS effective September 1, 2014.

7.4 Retroactively approve the request by Founders Academy for participation in PERS effective May 22, 2014.

7.5 Approve the Final Benefit Audit Report for May 2013.

7.6 Approve the Amended Fee Exhibit for Pathway Capital Management.

8. DENIALS

9. REPORTS

10. PUBLIC COMMENT

10.1 There were no individual statements and/or requests by the members, retired employees and/or the public.

10.2 The Deputy Attorney General had nothing to report.

10.3 Administrative Report by Staff:

Investment Officer: 1. The Investment Officer mentioned that he will begin the process for an independent review of PERS' investment program that is required to be completed every 10-years. The last review was completed in 2005. Staff will be requesting information from investment consulting firms and evaluating proposals over the next few months.

Operations Officer: 1. The Operations Officer invited the Retirement Board members to the Annual Liaison Officer Conference that will be held in Reno at the Peppermill on November 6, 2014. She asked if anyone was interested in attending that they let her know so she could register them for the conference.

10.4 Comments or questions from the Retirement Board members:

David Olsen: 1. Board member Olsen questioned whether the PERS' portfolio owns any Tesla stock. The Investment Officer reported that the Tesla stock is not currently part of the S&P 500 index as they do not meet the criteria.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:09 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on September 17, 2014, was called to order at 11:05 a.m. by Chairman Vincent and recessed at 12:43 p.m. The September 17, 2014, Retirement Board meeting was called to order at 1:11 p.m. by Chairman Vincent and adjourned at 2:09 p.m. by Chairman Vincent.