

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, October 17, 2012

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

October 17, 2012
Retirement Board Education Session

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:56 a.m., October 17, 2012, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, James Green, Rusty McAllister, David Olsen and Katherine Ong. James Green arrived at 10:00 a.m. Members absent: Chris Collins and Bart Mangino.

I. PUBLIC COMMENT

There was no public comment offered.

II. INVESTMENTS

- A. Ken Lambert of Peavine Capital Management reviewed PERS' Real Estate Program.

III. ADMINISTRATION

- A. Staff reviewed PERS' Appeal Process.

IV. PUBLIC COMMENT

There was no public comment offered.

V. RECESS

Chairman Vincent recessed the meeting at 11:15 a.m.

October 17, 2012
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:05 p.m., on October 17, 2012, in the PERS' Board Room, 5820 South Eastern Avenue, Suite 220, Las Vegas. Members present: Mark Vincent, James Green, Rusty McAllister, David Olsen and Katherine Ong. Members absent: Chris Collins and Bart Mangino.

I. PUBLIC COMMENT

There was no public comment offered.

II. DISABILITIES

- A. On motion of James Green, the Retirement Board voted unanimously of those present to:
1. Approve permanent and total disability retirement for: Jeffrey Carmack, Ted Cassidy, Denise Cook, Paul Ekholm, Leah Estill, Terry Fowler, Christina Gibson, Cathy Guentzel, Debra Hyden, Jeff Jones, Mary Kohnke, Benjamin Kriegh, Jr., Quintus Landrum, Teri Littlejohn, Jedediah Lyons, Mary Maragakis, Maria May, Jan Medcalf, Brandy Mills, Steven Rhoads, Franklin Silva, Nick Somers, Catherine Stevenson, Wendy Stewart, Sandra Thompson, and Hazel Tunstall-Hooks.
 2. Approve reemployment requests by disability recipients: Julius Christian, Victor Orel, Jennifer Rulla, and Matthew Steinhardt.

III. INVESTMENTS

- A. Paul Micheals and Ron Carey of Invesco Realty presented an update on their private real estate portfolio for the PERS' fund and provided an overview of the current real estate markets.
- B. Ken Lambert of Peavine Capital Management reviewed the proposed changes to the Investment Objectives and Policies for the Legislators' Retirement Fund. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Investment Objectives and Policies for the Legislators' Retirement System, as amended.
- C. Ken Lambert of Peavine Capital Management reviewed the proposed changes to the Investment Objectives and Policies for the Judicial Retirement Fund. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Investment Objectives and Policies for the Judicial Retirement System, as amended.
- D. Ken Lambert of Peavine Capital Management reviewed the proposed changes to the Interim Investment Directives for the Legislators' and Judicial funds. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Interim Investment Directives for the Legislators' and Judicial funds, as amended. There were no changes to the Interim Investment Directives for the PERS' fund.

IV. BOARD

- A. Staff discussed the Governor's request for all agencies to continue the 2.5% pay decrease, 6 furlough days per year, no merit increases, and no longevity pay in their upcoming biennial budgets which has been in the papers recently. The Retirement Board approved PERS' biennial budget in July without these contingencies. Staff has been contacted by the Director of the Department of Administration regarding changing PERS' budget and so staff has brought the Governor's request to the Board for discussion. After discussion, on motion of Kathy Ong, the Retirement Board voted

unanimously of those present to agree to the Governor's request and directed staff to inform the Department of Administration of the new budget numbers.

- B. Staff reviewed Sheri Vogel's employment for the City of Las Vegas from August 1, 1986 through August 26, 1996 when she was employed as an independent contractor. In reviewing the independent contract, the job duties assigned to Ms. Vogel and the results of the 20-point test that PERS conducted, it was determined by PERS that Ms. Vogel should have been an employee and enrolled in the System by the City of Las Vegas. Staff recommends the City of Las Vegas retroactively enroll and pay all contributions and interest for the 10-year period in question on behalf of Sheri Vogel. On motion of David Olsen, the Retirement Board voted 4-yeas and 1-abstention to direct the City of Las Vegas to retroactively enroll Sheri Vogel into the System from August 1, 1986 through August 26, 1996 and to pay all contributions and interest owed (per NRS 286.537). Mr. Vincent abstained from the discussion and vote on this item as he knows Ms. Vogel and works with her.
- C. On motion of James Green, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board's 27th Annual Planning Seminar and the Retirement Board meeting held September 18-19, 2012, as submitted.
- D. There were no recommended changes to the Retirement Board meeting dates.
- E. Staff requested that the investment education topic for December be moved to the investment topic for November and the November topic be moved to December. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to move the investment education topics as requested by staff.

V. ACCOUNTING

- A. Staff explained that according to the Board's policies, a Request for Proposal (RFP) for Financial Audit Services must be completed every 5-years. We are currently in our fifth year of the contract with CliftonLawrenceAllen and staff requests the Board authorize staff to conduct an RFP financial audit services. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve a search for a Certified Public Accounting firm to perform financial audits for the PERS', Legislators', and Judicial funds.

VI. LEGISLATION

- A. There were no additional bill draft requests concerning the Retirement System since the last report in September.

VII. RATIFICATION AGENDA

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

- A. Approve the Administrative Fund disbursements.

- B. Approve the personnel action taken since the last report.
- C. Approve the independent contract with Print Solutions Inc. to print PERS' Comprehensive Annual Financial Report (CAFR), PERS' Popular Annual Financial Report (PAFR), the Legislators' Retirement System's Annual Financial Report, and the Judicial Retirement System's Annual Financial Report for fiscal year 2012, at a cost not to exceed \$6,000.00.

VIII. APPEALS

- A. Staff reviewed Mr. James P. Norton's request for retirement benefits for work performed as an employee of the City of Reno from April 28, 2006, through December 1, 2011. PERS received a retirement application from Mr. Norton on November 9, 2011 with a retirement date of December 2, 2011. In reviewing Mr. Norton's account inconsistencies were found with the position Mr. Norton held with the City of Reno. After contacting the employer, it was explained that Mr. Norton was working as an intermittent employee and not eligible for PERS.

Mr. Norton was denied a monthly benefit due to staff's determination that his employment with the City was not eligible for PERS' membership. Mr. Norton claims that he worked in a position eligible for PERS' membership and was provided information from PERS stating he was vested and eligible for benefits. In reviewing Mr. Norton's account more closely, a letter dated July 26, 2011 from PERS specifically states that Mr. Norton would be vested on October 27, 2011 and a benefit estimate was mailed to Mr. Norton on October 5, 2011. Mr. Norton relied on this information he received from PERS and planned his retirement accordingly.

After reviewing Mr. Norton's file and information provided to him by the System, staff believes that an error or inequity has occurred in this situation. Staff recommends the Retirement Board grant Mr. Norton's request.

After discussion, on motion of James Green, the Retirement Board voted unanimously of those present to accept Mr. James Norton's appeal, as submitted.

IX. DENIALS

X. REPORTS

XI. PUBLIC COMMENT

- A. There were no individual statements and/or requests by the members, retired employees, and/or the public.
- B. The Deputy Attorney General reported that PERS has two cases pending before the Nevada Supreme Court.
- C. Administrative report by Staff.

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- Executive Officer:
1. The Executive Officer presented Brenda Burt, Manager of the Summerlin Las Vegas office with a 10-year plaque honoring her service and dedication to PERS' members and beneficiaries. Dana mentioned that it was a privilege to give Brenda this plaque as she has been an integral part in opening our Summerlin office and an employee that we have received a lot of positive feedback on from members of the System. Brenda thanked the Board for her award.
 2. The Executive Officer invited Ken Lambert, of Peavine Capital, to discuss plans for next year's seminar with the Board. Ken mentioned that we would like to make the seminar more intimate with less attendees and more in-depth speakers. We are also looking at changing the venue. We will keep the Board apprised of the plans as we progress.
 3. The Executive Officer mentioned that she has planned to start the recruitment for the Investment Operations Officer in November with the hopes of bringing a candidate to the January meeting for the Board's approval.
 4. The Executive Officer stated that she attended the NASRA Executive Committee meeting in September. She will be in charge of planning next year's annual conference that will be held in Portland, Oregon.
 5. The Executive Officer reported that she attended the NCTR annual conference as a speaker earlier this month. Her topic was public pension trends.
 6. The Executive Officer mentioned that she attended a meeting with some Henderson Chamber of Commerce members to discuss PERS. The meeting lasted for approximately two hours.
 7. The Executive Officer stated that Judy Osgood, Policy Analyst from the Governor's Office, met with her and the Operations Officer to discuss a study the Arnold Foundation will be conducting on PERS in conjunction with the PEW Center. The new Superintendent of School Instruction contacted the Arnold Foundation and the Governor is endorsing the study. This study may replace the one that should have been conducted in accordance with AB 405 of the 2011 legislature.

- Operations Officer:
1. The Operations Officer attended the Nevada League of Cities meeting in Elko, Nevada earlier this month and spoke on public pension issues.
 2. The Operations Officer will be attending an AARP meeting in Las Vegas later this month to discuss public pension issues.
 3. The Operations Officer mentioned that COLA's for the Colorado PERA system have been determined to be a contract right by their judicial system. We will keep watching this to see if they appeal the decision.

D. Retirement Board questions and/or comments:

- James Green:
1. Vice-Chairman Green mentioned that he had spoken to a member of the public that suggested we video conference our meetings to the North or South depending on where the meeting is held.

XII. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 2:45 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session on October 17, 2012, was called to order at 9:56 a.m. by Chairman Vincent and recessed at 11:15 a.m. The October 17, 2012, Retirement Board meeting was called to order at 12:05 p.m. by Chairman Vincent and adjourned by Chairman Vincent at 2:45 p.m. There was one break taken at 1:40 p.m. for approximately 10 minutes.