

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Wednesday, December 11, 2013

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

December 11, 2013
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board was called to order by Chairman Vincent at 9:38 a.m., December 11, 2013, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Al Martinez, Rusty McAllister, Audrey Noriega, David Olsen and Katherine Ong. Members absent: Chris Collins.

1. PUBLIC COMMENT

There were no public comments offered.

2. INVESTMENTS

2.1 Ken Lambert, of Peavine Capital Management and Jay Kloepfer, of Callan Associates, Inc., reviewed PERS' asset allocations and investment assumptions with the Retirement Board.

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chairman Vincent recessed the meeting at 11:30 a.m.

December 11, 2013
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chairman Vincent at 12:09 p.m., on December 11, 2013, in the PERS' Board Room, 693 West Nye Lane, Carson City. Members present: Mark Vincent, Al Martinez, Rusty McAllister, Audrey Noriega, David Olsen and Katherine Ong. Members absent: Chris Collins.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

2.1 For the record, Audrey Noriega disclosed that Peggy Branch, Gretchen Castrejon, Mark Cohea, Yolanda Ferguson, Dana Karr, Laura Moscato, Sandra-Lee Puglia, Annie Smith, Lynnmarie Tragale, Nathene Newman and Sue Williams all work or worked for the same employer but she did not feel this would impair her vote. Al Martinez disclosed that Zane Moser works for the same employer but he did not feel this would impair his vote. Staff requested that disability retirement applicant number five be removed from the disability list for this month at the request of the individual. Rusty McAllister asked that applicant twenty-nine be removed from the reemployment list and that they provide more information to the Board at the January 15, 2014, meeting regarding their reemployment request. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirement for: Anthony Archuleta, Peggy Branch, Gretchen Castrejon, Mark Cohea, Yolanda Ferguson, Sandra Guerin, Jeanette Hartzell, Shelley Horton, Terry Houston, Dana Karr, Cynthia May, Jamesina Metzker, Kevin Morgan, Laura Moscato, Zane Moser, Cynthia Murphy, Sandra-Lee Puglia, Letecia Rapuano, Philip Scichilone, Jr., Annie Smith, Alejandro Solis, Stephanie Stephens, Karen Storms, and Lynnmarie Tragale.
2. Approve reemployment requests by disability recipients: Mary Hoyt, David LeMaster, Nathene Newman, Tony Severin, NancyLynn Southard, Steven Syzdek, Thoma Tom, Steve Tsapatoris, Jay Wildgrove, and Sue Williams.

3. INVESTMENTS

3.1 Ken Lambert of Peavine Capital presented the recommended changes to the Investment Objectives and Policies for the PERS', LRS', and JRS funds. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to:

1. Approve the proposed modifications to the PERS, Legislators and Judicial Investment Objectives and Policies, as amended.
2. Authorize the investment staff to rebalance the PERS, Legislators and Judicial funds as soon as possible.
3. Authorize staff to remove the international bond asset class and to distribute the funds to our current U.S. bond managers in the current U.S. bond structure.

3.2 Ken Lambert of Peavine Capital reviewed the proposed modifications to the Interim Investment Directives for the PERS', LRS', and JRS funds. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Interim Investment Directives for the PERS', LRS, and JRS funds, as amended.

- 3.3 Staff reviewed the proposed amendment to the Investment Consulting Agreement with Peavine Capital Management. After discussion, on motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the Amendment to the Investment Consulting Agreement with Peavine Capital Management, effective January 1, 2014.

4. BOARD

- 4.1 Staff reviewed the Operations Officer recruitment process and recommended Cheryl Price to be confirmed by the Retirement Board as PERS' Operations Officer. Staff highlighted Cheryl's background, experience, and qualifications. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to confirm Cheryl Price as Operations Officer of the Public Employees' Retirement System of Nevada, effective December 11, 2013.
- 4.2 Staff requested that the audit findings report on Coral Academy regarding Ray Valdez be deferred until February 19, 2014, at the employer's request.
- 4.3 Staff requested that the audit findings report on Coral Academy regarding Tia Flores be deferred until February 19, 2014, at the employer's request.
- 4.4 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 November 13, 2013, as submitted.
- 4.5 Rusty McAllister mentioned that he will not be at the January 15, 2014, meeting. There were no recommended changes to the Retirement Board meeting dates.
- 4.6 Staff reviewed the proposed Retirement Board Education Curriculum Calendar for calendar year 2014. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the proposed Retirement Board Education Curriculum Calendar for calendar year 2014, as submitted.

5. ACCOUNTING

- 5.1 Thomas Rey of CliftonLarsonAllen, reviewed the fiscal year 2013 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System, and the Judicial Retirement System. Mr. Rey also thanked the Chief Accountant and the finance staff that helped with the audits and made the process very smooth. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to accept the Fiscal Year 2013 audited financial statements for the Public Employees' Retirement System, the Legislators' Retirement System and the Judicial Retirement System as prepared by CliftonLarsonAllen.

6. ADMINISTRATION

- 6.1 Staff reviewed the IRS plan determination letters' process for filing and requesting the plan determination letters. Staff is requesting authorization to begin the process with PERS' tax counsel, Groom Law Group, to obtain IRS plan determination letters for PERS, LRS, and JRS. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to authorize staff to begin the process of filing for plan qualification letters from the Internal Revenue Service for the PERS' fund, the Legislators' Retirement System, and the Judicial Retirement System with the assistance of tax counsel.
- 6.2 Staff reviewed the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held November 26, 2013. On motion of Rusty McAllister, the Retirement Board voted 5-yeas and 1-abstention to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held November 26, 2013, as submitted. Mark Vincent abstained from voting on this item as one individual in the minutes now reports directly to him.
- 6.3 Staff reviewed the Independent Contract with APEX Computing for the Visual Basic 6 Upgrade to PERS' computer system. On motion of Rusty McAllister, the Retirement Board voted unanimously of those present to approve the contract with APEX Computing for the Visual Basic 6 Upgrade for an amount not to exceed \$348,400.00.
- 6.4 Staff reviewed the Independent Contract with APEX Computing for the Database Security: User Logins Segmentation to PERS' computer system. On motion of Kathy Ong, the Retirement Board voted unanimously of those present to approve the contract with APEX Computing for the Database Security: User Logins Segmentation for amount not to exceed \$249,600.00.

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 Approve Doral Academy Charter School's Request for membership in the Public Employees' Retirement System, effective July 1, 2013.
- 7.4 Approve Learning Bridge Charter School's Request for membership in the Public Employees' Retirement System, effective August 22, 2013.
- 7.5 Approve the Amendment to the Independent Contract with Apex Computing for Microsoft Windows 2008 Upgrade: Reporting System Upgrade.

7.6 Approve the Amendment to the Independent Contract with Apex Computing for Microsoft Windows 2008 Upgrade: Accounting System Upgrade.

7.7 Approve the Amended Securities Lending Fee Agreement with BNY Mellon.

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 provided an update on pending litigation involving PERS.

10.3 Administrative Report by Staff:

- Executive Officer:
1. The Executive Officer mentioned that an Interim Retirement and Benefits Committee meeting has been scheduled for January 16, 2014. Staff will provide our normal agenda items and also include the AonHewitt Comparable Study and the Experience Study prepared by Segal Consulting.
 2. The Executive Officer reported that she spoke at the RPEN's Washoe Chapter luncheon on Monday, December 9, 2013.
 3. The Executive Officer also mentioned that she will be discussing repurposing the Administrative Analyst position at the January education session with the Board.
 4. The Executive Officer reported that she and staff are working with PERS' legal counsel to determine what reports PERS generates that contain the information the RGJ has requested in the Supreme Court Decision regarding public records request.

- Operations Officer:
1. The Operations Officer mentioned that there were 202 attendees at this year's liaison officer conference held last month in Las Vegas. She received approximately 155 conference evaluations that all contained glowing remarks of good or better.

10.4 There were no Retirement Board questions and/or comments offered.

11. ADJOURNMENT

The meeting was adjourned by Chairman Vincent at 1:42 p.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on December 11, 2013, was called to order at 9:38 a.m. by Chairman Vincent and recessed at 11:30 a.m. The December 11, 2013, Retirement Board meeting was called to order at 12:09 p.m. by Chairman Vincent and adjourned at 1:42 p.m.