

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, November 18, 2021

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

November 18, 2021
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chair Ross at 8:36 a.m., November 18, 2021, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Timothy Ross, Yolanda King, Dawn Huckaby, Norma Santoyo (9:04 a.m.), Mark Stevens, and Brian Wallace. Members absent: Todd Ingalsbee

1. PUBLIC COMMENT

Kent Ervin, representing the Nevada Faculty Alliance, the independent association of faculty at NSHE colleges and universities, expressed his concerns for the Actuarial Valuation Report for the Public Employees' Retirement System prepared by Segal that would be presented following his comments.

2. EDUCATION TOPIC

2.1 Brad Ramirez and Todd Tauzer of Segal provided a presentation on the actuarial valuation process to the Retirement Board.

3. PUBLIC COMMENT

Kent Ervin, representing the Nevada Faculty Alliance, the independent association of faculty at NSHE colleges and universities, presented a banking and mortgage example to demonstrate his interpretations of the actuarial valuation process presentation.

4. RECESS

Chair Ross recessed the meeting at 9:47 a.m.

November 18, 2021
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chair Ross at 10:03 a.m., on November 18, 2021, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Timothy Ross, Yolanda King, Dawn Huckaby, Norma Santoyo, Mark Stevens, and Brian Wallace. Members absent: Todd Ingalsbee.

1. PUBLIC COMMENT

There were no public comments offered.

2. DISABILITIES

- 2.1 For the record, Yolanda King stated that Applicant Nos. 22 and 25 works or worked for the same employer as herself, but she did not feel that would impair her vote. Norma Santoyo stated that Applicant Nos. 11 and 21 works or worked for the same employer as herself, but she did not feel that would impair her vote. Tim Ross stated that Applicant No. 23 works or worked for the same employer as himself, but he did not feel that would impair his vote. Brian Wallace stated that Applicant No. 9 was a friend and abstained from voting on Applicant No.9.

On motion of Yolanda King, the Retirement Board voted unanimously of those present to:

1. Approve permanent and total disability retirements for Applicant Nos. 1-13, as recommended by staff for the month of November 2021
2. Approve reemployment requests by disability recipients, Applicant Nos. 14-25, as recommended by staff for the month of November 2021

3. INVESTMENTS

- 3.1 Staff presented the 1st quarter fiscal year 2022 performance update for the PERS', Legislators', and Judicial funds. There was no action taken on this item.
- 3.2 There were no recommended changes to the Interim Investment Directives for the PERS', Legislators', and Judicial funds.

4. BOARD

- 4.1 Brad Ramirez and Todd Tauzer of Segal reviewed the results of the 2021 Actuarial Valuation Report for the Public Employees' Retirement System. After discussion, on motion of Mark Stevens, the Retirement Board voted unanimously of those present to accept the PERS' Actuarial Valuation and Review as of June 30, 2021, as prepared by Segal, the System's independent actuary.
- 4.2 Brad Ramirez and Todd Tauzer of Segal presented the results of the 2021 Actuarial Valuation Report for the Judicial Retirement System. After discussion, on motion of Mark Stevens, the Retirement Board voted unanimously of those present to accept the Actuarial Valuation and review for the Judicial Retirement System as of June 30, 2021, as prepared by Segal.
- 4.3 Brad Ramirez of Segal reviewed the results of the 2021 Actuarial Valuation Report for the Legislators' Retirement System. On motion of Mark Stevens, the Retirement Board voted unanimously of those present to accept the Actuarial Valuation and review for the Legislators' Retirement System as of June 30, 2021, as prepared by Segal.
- 4.4 On motion of Brian Wallace, the Retirement Board voted unanimously of those present to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held October 21, 2021, as submitted.
- 4.5 On motion of Yolanda King, the Retirement Board voted unanimously of those present to approve the proposed Retirement Board meeting dates for July 2022 through December 2022, as submitted.
- 4.6 There were no recommended changes to the Retirement Board meeting dates.
- 4.7 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. ADMINISTRATION

- 5.1 After discussion, On motion of Brian Wallace, the Retirement Board voted unanimously of those present to authorize staff and/or outside counsel to take any necessary legal action in *Geoff Winkler, as receiver for Profit Connect Wealth Services, Inc., vs. William Roshak et. Al.*, Civil Action No. 2:21-cv-02000-JCM-EJY.
- 5.2 On motion of Norma Santoyo, the Retirement Board voted unanimously of those present to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held October 26, 2021, as submitted.
- 5.3 Staff provided an update on the pension administration system project. There was no action on this item.

6. RATIFICATION AGENDA

On motion of Mark Stevens, the Retirement Board voted unanimously of those present to approve all items on the Ratification Agenda as recommended by staff (Todd Ingalsbee was not present for this vote):

6.1 Approve the Administrative Fund disbursements.

6.2 Approve the personnel action taken since the last report.

6.3 Approve the Deceased Recipient Review Report for the second quarter of 2021.

7. DENIALS

8. REPORTS

9. PUBLIC COMMENT

9.1 Kent Ervin, representing the Nevada Faculty Alliance, the independent association of faculty at NSHE colleges and universities. We work to empower faculty to be fully engaged in our mission to help students succeed. Strong retirement benefits and a stable retirement system are essential for the recruitment and retention of high-quality faculty and state employees generally.

Thank you for your service and your diligence in overseeing the state pension system.

PERS's revised actuarial assumptions are more in line with real experience. That puts PERS on a more solid footing in the long-term future, which we strongly support. But the new assumptions also lead to higher unfunded liability and higher contribution rates over the shorter term. PERS active employees and the State can ill afford a contribution rate increase by 8 percentage points, whether or not phased in, so it is essential that PERS takes steps to moderate the contribution rates over the long term. Employees and politicians will have a hard time understanding why contributions rates would go up after such a great investment performance year.

Fortunately, PERS has the deferred investment gains to provide a cushion. We need a hard look at the long-term outlook for contribution rates over the next 20 or more years and steps to contain increases in the contribution rates while maintaining fiscal responsibility. As policy stands now, the contribution rates are potentially going up steeply now, but if assumptions are met the unfunded liability (UAAL) payments will drop dramatically in the mid-2030s when the big 2004 UAAL tranche is paid off. That up and down in future contribution rates needs to be contained.

Therefore, I am very pleased to hear from Segal, the executive officer, and board members today that you will be taking a close look at funding and amortization policies in the coming months. We support those efforts. Thank you.

9.2 PERS' General Counsel provided an update on pending litigation.

9.3 There was no Administrative Report by Staff.

9.4 There were no comments or questions from the Retirement Board members.

10. ADJOURNMENT

The meeting was adjourned by Chair Ross at 11:50 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on November 18, 2021, was called to order at 8:36 a.m. by Chair Ross and recessed at 9:47 a.m. The November 18, 2021, Retirement Board meeting was called to order at 10:03 a.m. by Chair Ross and adjourned at 11:50 a.m.