

PUBLIC EMPLOYEES' RETIREMENT BOARD EDUCATION SESSION AND
MEETING MINUTES FOR

Thursday, November 21, 2024

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

November 21, 2024
Education Session

The Retirement Board Education Session of the Public Employees' Retirement Board meeting was called to order by Chair Stevens at 9:04 a.m., November 21, 2024, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Stevens, Brian Wallace (by videoconference), Jessica Colvin, Dawn Huckaby, Todd Ingalsbee (9:12 a.m.) Norma Santoyo, and Cameron Wagner (by videoconference). Members absent: none

1. PUBLIC COMMENT

There were no public comments offered.

2. EDUCATION TOPIC

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

3. PUBLIC COMMENT

There were no public comments offered.

4. RECESS

Chair Stevens recessed the meeting at 9:46 a.m.

November 21, 2024
Board Meeting

The Retirement Board meeting of the Public Employees' Retirement Board was called to order by Chair Stevens at 10:01 a.m., November 21, 2024, in the PERS' Board Room, 693 W. Nye Lane, Carson City. Members present: Mark Stevens, Brian Wallace (by videoconference), Jessica Colvin, Dawn Huckaby, Todd Ingalsbee, Norma Santoyo, and Cameron Wagner (by videoconference). Members absent: none.

1. PUBLIC COMMENT

Good morning. Kent Ervin, Nevada Faculty Alliance.

Good morning, Chair Stevens, members, Executive Officer Leiss.

After today's actuarial valuation, the phase-in of the 2021 assumption changes is complete for the next biennium. We are glad that the increase in contribution rates for the next biennium for regular employees is slightly less than the expected 2%+2%. However, it means a 1.75% decrease in take-home pay for most state employees and a 1.75% increase in the state's costs. That is a significant hit to employee finances and a significant headwind for the state budget. We will be advocating for a cost-of-living adjustment to cover both the retirement contribution increase and recent inflation.

Unfortunately, the unfunded liability rose again despite strong investment performance and the new more conservative assumptions. The 19.25% contribution rate for current Regular employees is a bitter pill. They are not receiving better benefits in return for higher contributions.

I appreciate the charts on pages 54-57 of the Segal report projecting future unfunded liabilities and annual amortization payments. PERS will need a plan to smooth out the sharp drops in amortization payments in 2034 and 2042. For the Regular plan in particular, the drop in annual payments in 2034 followed by annual increases would create a challenge for state budgeting. 2034 may present an opportunity, however, to shift to a more conservative amortization method. That's assuming that the actuarial assumptions are now on target long-term and there is no new major financial crisis of course.

During the upcoming legislative session, as usual, we will be working to avert any new threats to PERS and its funding.

Thank you.

2. DISABILITIES

- 2.1 For the record, Dawn Huckaby stated that Applicant Nos. 3 and 10, works or worked for the same employer as herself, but she did not feel that would impair her vote. For the record, Jessica Colvin stated that Applicant Nos. 18 and 23, works or worked for the same employer as herself, but she did not feel that would impair her vote. For the record, Norma Santoyo stated that Applicant Nos. 6 and 12, works or worked for the same employer as herself, but she did not feel that would impair her vote.

On motion of Todd Ingalsbee, the Retirement Board voted unanimously to:

1. Approve permanent and total disability retirements for Applicant Nos. 1-15, as recommended by staff for the month of November 2024
2. Approve reemployment requests by disability recipients, Applicant Nos. 16-27, as recommended by staff for the month of November 2024
3. Deny reemployment request by disability recipients, Applicant No. 28, as recommended by staff for the month of November 2024

3. INVESTMENTS

- 3.1 Staff and Julia Bonafede of Jobs Peak Advisors presented the 1st quarter fiscal year 2025 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 On motion of Todd Ingalsbee, the Retirement Board voted unanimously to adopt the Board's Actuarial Funding Policy, as submitted.
- 4.2 Brad Ramirez and Max Morphis of Segal reviewed the results of the 2024 Actuarial Valuation Report for the Public Employees' Retirement System. After discussion, on motion of Todd Ingalsbee, the Retirement Board voted unanimously to accept the PERS' Actuarial Valuation and Review as of June 30, 2024, as prepared by Segal, the System's independent actuary.
- 4.3 Brad Ramirez and Max Morphis of Segal presented the results of the 2024 Actuarial Valuation Report for the Judicial Retirement System. After discussion, on motion of Todd Ingalsbee, the Retirement Board voted unanimously to accept the Actuarial Valuation and review for the Judicial Retirement System as of June 30, 2024, as prepared by Segal.
- 4.4 Brad Ramirez and Max Morphis of Segal reviewed the results of the 2024 Actuarial Valuation Report for the Legislators' Retirement System. On motion of Todd Ingalsbee, the Retirement Board voted unanimously to accept the Actuarial Valuation and review for the Legislators' Retirement System as of June 30, 2024, as prepared by Segal.
- 4.5 On motion of Norma Santoyo, the Retirement Board voted unanimously to approve the minutes of the Retirement Board Education Session and Retirement Board meeting held October 17, 2024, as submitted.
- 4.6 On motion of Norma Santoyo, the Retirement Board voted unanimously to approve the proposed Retirement Board meeting dates for June 2025 through December 2025, as amended.
- 4.7 There were no recommended changes to the Retirement Board meeting dates.
- 4.8 There were no recommended changes to the Retirement Board Education Curriculum calendar.

5. ADMINISTRATION

- 5.1 On motion of Todd Ingalsbee, the Retirement Board voted unanimously to approve the minutes of the Police and Firefighters' Retirement Fund Advisory Committee meeting held October 24, 2024, as submitted.
- 5.2 Staff provided an update on Employer Monthly Retirement Reports. There was no action on this item.
- 5.3 Staff provided an update on the pension administration system project. There was no action on this item.

6. LEGISLATION

- 6.1 There was no action taken on this item.

7. RATIFICATION AGENDA

On motion of Todd Ingalsbee, the Retirement Board voted unanimously to approve all items on the Ratification Agenda as recommended by staff:

- 7.1 Approve the Administrative Fund disbursements.
- 7.2 Approve the personnel action taken since the last report.
- 7.3 Approve the Deceased Recipient Review Report of the 3rd Quarter of 2024.

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 PERS' General Counsel provided an update on pending litigation.

10.3 Administrative Report by Staff:

Executive Officer: The Executive Officer, Tina Leiss, mentioned attending the NC PERS Public Safety Conference in Palm Springs, CA.

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

11. ADJOURNMENT

The meeting was adjourned by Chair Stevens at 11:51 a.m.

The following is the time schedule for the meeting:

The Retirement Board education session held on November 21, 2024, was called to order at 9:04 a.m. by Chair Stevens and recessed at 9:46 a.m. The November 21, 2024, Retirement Board meeting was called to order at 10:01 a.m. by Chair Stevens and adjourned at 11:51 a.m.