

The Board of Trustees of the Omaha School Employees' Retirement System held a Sustainability Study Workshop on Wednesday, January 24, 2019, at 3:45 p.m. at Teachers' Administrative Center, 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given November 28, 2018.

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President Erikson announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees is scheduled for Wednesday, February 6, 2019 at 4:00 p.m., at the Teachers Administrative Center, 3215 Cuming Street, Board conference room – 2nd floor, Omaha, Nebraska. The agenda will be kept current and available for public inspection in the Retirement Office at the Teacher Administrative Center during regular working hours. He further announced that pursuant to Section 84-1412 of the Nebraska Statutes, the public is hereby informed that a current copy of the Nebraska Open Meetings Act is posted in the Board of Education meeting room on the north wall.

The meeting was called to order at 3:45 p.m. Present at roll call: Erikson - Purdy - Rea – Ripa - 4 present. Absent at roll call: Havlovic (excused) – Herchenbach - Logan - 3

Staff Present: Cecelia M. Carter, Executive Director

Others Present: Patrice Beckham, Cavanaugh Macdonald

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Mr. Erikson opened the meeting welcoming those in attendance and turned the meeting over to Ms. Carter.

Ms. Carter explained the workshop will encompass two aspects, the first being an overview of informal research conducted by a member of OSERS staff outlining the cost of living provisions and recent adjustments to other public pension plans across the U.S. Ms. Carter highlighted some of the more dramatic provisions and/or changes. The research covered 65 other public pension plans.

Mr. Herchenbach arrived at 3:55 p.m.

After discussion and questions on other public pension plans rules on cost of living adjustments, Ms. Carter turned the meeting over to Ms. Patrice Beckham of Cavanaugh Macdonald, the actuary to the Board of Trustees.

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Ms. Beckham explained she was going to review the fiscal impact of different scenarios on the Omaha School Employees' Retirement plan. Ms. Beckham reviewed the following scenarios with the understanding that "if all actuarial assumptions are met":

1. A-1: Comparison of Current Provisions (Full Actuarial Contributions) v. 30-Year Layered Amortization Starting 1/1/2020 -
 - a. Fiscal impact results in approximately \$21.1 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 96.06%
2. A-2: Comparison of Current Provisions (Full Actuarial Contributions) v. Additional Contribution of \$20M per Year Annually at 8/31 and 30-Year Layered Amortization Starting 1/1/2020 -
 - a. Fiscal impact results in approximately \$278.1 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 87.7%
3. A-3: Comparison of Current Provisions (Full Actuarial Contributions) v. District Statutory Contribution 105% of Employee and 30-Year Layered Amortization Starting 1/1/2020 -
 - a. Fiscal impact results in approximately \$790.3 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 58.2%
4. A-4: Comparison of Current Provisions (Full Actuarial Contributions) v. District Statutory Contribution 105%, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020 -

- a. Fiscal impact results in approximately \$21.3 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 96.0%

5. A-5: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, 1-Yr Delay of COLA for Actives, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020 –
 - a. Fiscal impact results in approximately \$121.2 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 96.1%

6. A-6: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, Actives Retiring Post-2020 Have 1-Yr Delay or Age 62 for COLA, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020
 - a. Fiscal impact results in approximately \$193.5 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 96.3%

7. A-7: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, Actives Retiring Post-2020 Have 1-Yr Delay or Age 62 for COLA, \$20 Million Contribution per Year and 30-Year Layered Amortization Starting 1/1/2020
 - a. Fiscal impact results in approximately \$278.1 million savings to the District over the 30 year period
 - b. Funding ratio by 2048 expected to be 96.5%

Dr. Logan arrived at 4:05 p.m. during Ms. Beckham's presentation.

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After the seven presentations and questions with the Board of Trustees, Ms. Beckham engaged the Board in questions regarding the impact of introducing new optional retirement options for future retirees. This is to include options which would permit a form of a lump sum payment at retirement, in addition to a reduced

monthly benefit payment. Ms. Beckham wanted to first ensure there was interest before the analysis work was engaged. The Board concurred there was interest.

Mr. Erikson called for any new business.

There being no further business to come before the Board, the meeting adjourned at 5:03 p.m.

/s/

Cecelia M. Carter
Executive Director

PENDING BOARD APPROVAL