

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, April 3, 2019, at 9:00 a.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 March 6, 2019.

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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, May 1, 2019 at 9:00 a.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 9:01 a.m. Present at roll call: Erikson – Havlovic – Herchenbach - Logan - Purdy - Rea – Ripa - 7 present.

Staff Present: Cecelia M. Carter, Executive Director, James Ellis, Retirement Specialist.

Others Present: Peter Langdon, Esq., McGrath North

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Mr. Erikson opened the meeting welcoming those in attendance.

Mr. Purdy made a motion the OSERS' Board of Trustees go into Closed Session for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with legal counsel, and Cecelia Carter litigation matters and financial matters of retirees and the System. Mr. Rea seconded and the motion was adopted by the following roll call: Aye: Erikson – Havlovic – Herchenbach - Logan - Purdy - Rea – Ripa - 7. Nay: 0.

Mr. Erikson reminded the public of the need for closed session.

The Board came back into session at 9:23 a.m. Present at roll call were: Erikson – Havlovic – Herchenbach - Logan - Purdy - Rea – Ripa - 7 present.

Mr. Rea made a motion to ratify the April pension payments in the amount of \$10,311,364.06 paid to 4,825 payees; ratify the April staff payroll in the amount of \$30,017.11; approve 3 new retirements effective April 1, 2019; ratify April terminations of pension benefits due to death of the retiree; approve April refunds to 38 former members of OSERS in the aggregate of \$579,050.34; and approve OSERS accounts payables for the month of March in the aggregate of \$33,695.11. Mr. Havlovic seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy - Rea – Ripa – 7. Nay: 0

New Retirements

EMPLOYEE NUMBER	NAME	EMP TYPE	AGE	RET MONTH	RET YRS	AVERAGE SALARY	OPT	CHOSEN BENEFIT OMAHA	STATE
	<i>Cheryl Larmore</i>	T		4	15				
	<i>Julie Shanklin</i>	Para		4	6				
	<i>Cyndonna Tefft</i>	T		4	5				
Count									3
Average			65		8.7	\$23,605.84		\$319.05	\$29.99
Median			65		6	\$24,456.50		\$178.19	\$20.46
Addition to Pension Payroll								\$1,047.11	

Deaths

EMPLOYEE	NAME	AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Joan Avey		1985	Feb-19				
	Patricia Davis		1995	Feb-19				
	Judith Berry		2003	Feb-19				
	Rebecca Holland		2003	Jan-19				
	Diane Johnson		2014	Feb-19				
	John Griffin		1999	Feb-19				
Terminated from Retiree Payroll – April 2019								(\$12,318.18)

EMPLOYEE			RET	DATE OF	BENEFIT	Survivor	Survivor's	Overpayment	
	NAME		AGE	YEAR	DEATH	OSERS	Beneficiary	Benefit \$	Benefit \$
	David	Lines		1994	Feb-19				
	James	Berzina		2001	Feb-19				
	Kevin	Vann		2018	Feb-19				
Continued Retirement to Beneficiary – April 2019						(\$6,638.50)		\$6,283.00	

Refunds to Former Members

ID	First Name	Last	End Balanc	Term Date	Dist Type	Accrued Service
	Liana	Baylon		1/11/2019	Direct	0.2
	Shan'e	Perkins		9/5/2018	Direct	0.5
	Ycelsa	Medina		12/21/2018	Direct	0.7
	Elizabeth	Platt		2/1/2019	Direct	0.8
	Daniella	Chavez		10/10/2018	Direct	1.1
	Kelly	Graham		1/30/2019	Direct	1.2
	Devynn	Patocka		12/21/2018	Rollover	1.4
	Talaya	Jackson		2/15/2019	Direct	1.7
	Elizabeth	Cardenas		1/25/2019	Rollover	1.9
	Brandon	Price		2/22/2019	Direct	2.0
	Shannon	Foster		7/31/2018	Direct	2.0
	Sarah	Rose		7/31/2018	Rollover	2.0
	Jessica	Bain		2/13/2019	Direct	2.1
	Giovana	DeAnda Calderon		11/30/2018	Direct	2.2
	Anita	Ross		2/8/2019	Direct	2.4
	Karen	Vargas Ramirez		7/31/2018	Direct	2.6
	Richard	Spencer		12/21/2018	Direct	2.7
	Amanda	Shafer		2/8/2019	Direct	2.9
	Ryan	Stieren		7/31/2015	Rollover	3.0
	Mark	Fredrickson		7/2/2018	Direct	3.0
	Colette	Stricklett		1/25/2019	Direct	3.0
	Samantha	Thiele		12/7/2018	Direct	3.1
	Deanna	Platt		2/8/2019	Direct	3.6
	Loretta	McDonald		12/21/2018	Direct	3.7
	Shane	Schuller		7/31/2007	Rollover	4.0
	Amanda	Riesen		7/31/2016	Rollover	4.0
	Christine	Flott		6/29/2018	Rollover	4.0

ID	First Name	Last	End Balanc	Term Date	Dist Type	Accrued Service
	Jessica	Prusha		7/31/2010	Direct	5.0
	Annette	Benak		12/21/2018	Rollover	5.3
	Jennifer	Streeter		7/31/2014	Direct	5.7
	Killeen	Rodgers		2/8/2019	Direct	5.9
	Anne	Richter		7/31/2015	Rollover	7.7
	Angela	Buford		2/8/2019	Direct	7.7
	Jay	Thiltgen		7/31/2010	Rollover	8.0
	Brittani	Hollingsworth		1/24/2019	Direct	11.4
	Melanie	Hoffmann		7/31/2015	Rollover	12.0
	Jodie	Emerson		7/31/2017	Rollover	12.0
	Anne	Tompsett		7/31/2016	Rollover	14.0
Count					38	
Average			\$15,238.17			4.1
Median			\$10,226.09			3.0
Gross Distribution			\$579,050.34			

Accounts / Payables for April 2019 = \$45,095.11

- Consultant
 - Cavanaugh Macdonald (administration) \$ 3,461.00
 - Cavanaugh Macdonald (sustainability) \$ 14,532.50
- \$17,993.50
- Legal Counsel
 - McGrath North (Litigation) \$ 423.61
 - McGrath North (General) \$ 13,762.00
- \$14,185.61
- Miscellaneous
 - PBI (death audit service) \$ 916.00
 - Peetz & Company (2nd Q 2019) \$ 12,000.00
- \$12,916.00

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The next item on the agenda was a review of the 106th legislative session of the Nebraska Unicameral. Ms. Carter gave the Board an update on the following legislative bills: LB 33 was signed by the governor on Wednesday, March 6, 2019; LB 31 had a public hearing on Tuesday, March 19th and Committee amendment AM 1169 was introduced and advanced LB 31 out of Committee onto General

File; LB 34 was on Select File on Tuesday, April 2nd and advanced to E&R; and both LB 683 and LB 706 held public hearings on Tuesday March 19th.

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The meeting then moved onto a report about the Stakeholders Coalition. Ms. Carter reviewed the revised funding policy that was re-drafted to accommodate the technical questions raised at the March 6th Board of Trustee's meeting. After further discussion, Mr. Rea made a motion to approve the new Omaha School Employees' Retirement System Funding Policy as presented with minor edits. Dr. Logan seconded the motion. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy - Rea – Ripa – 7. Nay: 0.

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Mr. Erikson noted the next item on the agenda was a recap of the March retirement sustainability study workshop. Ms. Carter reviewed for the Board and audience the March 27, 2019 OSERS Board Sustainability Study workshop meeting.

The review covered the fiscal impact of various scenarios covering what if employee contributions were raised; what if the employer committed a flat dollar amount as the additional required contribution (rather than the fluctuating additional required contribution as is current); what if various adjustments to the COLA; and what if vesting was increased to 7 years. As expected, some scenarios provided more savings than others.

The next meeting of the OSERS Board Sustainability Study workshop meeting is scheduled for Wednesday, April 24, 2019.

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Ms. Carter presented the Cavanaugh Macdonald proposal for engagement of actuarial services for the calendar years of 2019-2021. The proposal gave an overview of services to be provided over the three year period, this included production of the annual valuation reports, the experience study, GASB 67 and GASB 68, and two local site meetings (without charge).

Mr. Herchenbach raised the question and the Board engaged in discussion on the last time an RFP or RFI was issued on actuarial services.

Dr. Logan made a motion to engage the services of Cavanaugh Macdonald for the 2019 calendar year and to issue an RFP for actuarial services in 2019. Mr. Herchenbach seconded the motion. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy - Rea – Ripa – 7. Nay: 0.

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The Board next reviewed the Cavanaugh Macdonald letter dated March 15, 2019 regarding recommendations to the Board of Trustees given the legislative changes adopted in LB 1005 (2018). Primarily these changes center on mortality tables, interest rates used to determine cost, and the blend of male to female ratio for plan analysis.

Mr. Rea made a motion to accept the recommendation of Cavanaugh Macdonald as outlined in the letter dated March 15, 2019. Mr. Purdy seconded the motion. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy - Rea – Ripa – 7. Nay: 0.

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Next on the agenda was the presentation of the monthly financial statements for OSERS for the months of January and February 2019. For the period ending January 31, 2019 the trust fund had a net position of \$1.204 billion with a cash balance on hand of \$12.069 million. For the period ending February 28, 2019 the trust fund had a net position of \$1.243 billion with a cash balance on hand of \$12.107 million.

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The Board then took up review of the 2019/2020 fiscal budget for OSERS. Ms. Carter explained staff salaries are reflected as unchanged because the district is reviewing staff salaries. The Board began discussion on the 2019/2020 fiscal budget. Mr. Havlovic raised a question as to whether there are optional service/fee models we could take advantage of for some of our vendors. Mr. Herchenbach raised a question on the necessity of board travel.

Mr. Purdy left the meeting at 10:25 a.m.

The discussion on the 2019/2020 fiscal budget was tabled until next regular scheduled meeting to permit further evaluation of certain line items and permit board members the opportunity to express their suggestions to the Executive Director.

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The Superintendent expressed her concern for possible conflicts for upcoming OSERS Board meetings. She has appointment conflicts for both the May and June 2019 meetings. The Board engaged in discussion on whether a designee appointed by the Superintendent can vote on behalf of the Superintendent at a Board of Trustees meeting. The Superintendent asked for legal clarification by OSERS legal counsel.

After continued discussion Mr. Havlovic made a motion to move the May 1, 2019 Board of Trustees meeting to an 8:30 a.m. start time. Mr. Ripa seconded the motion. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Rea – Ripa – 6. Nay: 0.

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The Board then took up the meeting minutes for the February 6, 2019 regular meeting, the February 27, 2019 sustainability study workshop meeting, the March 6, 2019 regular meeting, and the March 27, 2019 sustainability study meeting. Two spelling corrections were identified.

Dr. Logan expressed her thoughts on the meeting minutes and whether the minutes expressed a full recap of the discussion on LB 31 and related correspondence by the Better Together Coalition.

Mr. Rea made a motion to approve the meeting minutes for February 6, 2019, February 27, 2019, March 6, 2019, and March 27, 2019 with edits. The motion was seconded by Mr. Ripa. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Rea – Ripa – 5. Nay: Logan – 1.

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Ms. Carter updated the Board on the 2019 Trustee election for the classified trustee seat. She reminded the Board that at the last meeting the two nominated candidates were identified and the two candidates are (in alphabetical order): Matthew Placzek and James Ripa.

Both candidate statement were received in a timely manner by 5:00 p.m. on Thursday, March 7, 2019. Ballots will be mailed to eligible voters on Monday, April 15, 2019 and online voting will open on Monday, April 22, 2019. Online voting will close on Monday, May 6, 2019 at 5:00 p.m.

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Ms. Carter gave the Executive Director's report and reminded the Board that OSERS is coming into year-end retirements. She confirmed there are already 113 retirements planned for the end of the school year through the end of the fiscal year. Ms. Carter also informed the Board of her planned meeting with OEA the following week to give an update on OSERS. Mr. Purdy is accompanying her to the meeting.

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Mr. Erikson then asked for the Trustees' report. Mr. Rea asked Ms. Carter to discuss the annual data collected by the Nebraska Public Employees' Retirement System on the gross pension payments made by OSERS delineated by Nebraska counties and further by states. Ms. Carter reminded the Board that roughly \$7 million dollars per month stays here in Douglas County. The Board expressed how important it is to share this information with the public.

There being no further business to come before the Board, the meeting was adjourned by common consent at 11:00 a.m.

/s/

Cecelia M. Carter
Executive Director