

The Board of Trustees of the Omaha School Employees' Retirement System held a Sustainability Study Workshop on Tuesday, May 22, 2019, at 4:00 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 April 30, 2019.

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President Erikson announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next scheduled meeting of the Board of Trustees sustainability study workshop is scheduled for Wednesday, June 26, 2019 at 4:00 p.m., at the Teachers Administrative Center, 3215 Cuming Street, 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. [*note change to date of next meeting at the end of the minutes*]

The meeting was called to order at 4:00 p.m. Present at roll call: Erikson – Purdy - Rea - 3 present.

Staff Present: Cecelia M. Carter, Executive Director

Others Present: Patrice Beckham, Cavanaugh Macdonald

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Ms. Carter gave those present an overview of the intended direction of the meeting with a description of the illustrative handouts before them.

Ms. Beckham first reviewed the analysis of Exhibit I titled: Actuarial Cost Studies of Possible Plan Changes to OSERS – analysis of including “part-time employees” into the OSERS plan. She then reviewed the analysis of the Exhibit I titled: Actuarial Cost Studies of Possible Plan Changes to OSERS – cost savings/additions to a plethora of plan design changes studied over the previous eight months.

Ms. Beckham walked the Board and members of the public who were present through the mathematical perspective of the unfunded actuarial accrued liability (UAAL). The present value of the January 1, 2019 valuation report's UAAL is \$462 million. With that knowledge, she explained and the board reviewed the cost savings impact of various plan design change scenarios on the UAAL of the OSERS pension plan. The outcome of scenarios to further analyze is as follows:

Option A

OPS commit to a \$25 million per year additional contribution to the OSERS plan in addition to the statutory 101% employer contribution – and – new retirees required to wait until the latter of 1 year of retirement or age 62 before meeting eligibility for a cost of living adjustment (COLA) – and – offering a partial lump sum option as a retirement benefit to new retirees – and – suspend the COLA for one year for current retirees.

Option B

All provisions of Option A – and – adding Tier 5 (hybrid plan – part pension plan, part defined contribution plan).

Option C

Thirty-year cap on years of service for calculation purposes with a lump sum payment of employee contributions in excess of 30-years – and – new retirees required to wait until the latter of 3 years of retirement or age 62 before meeting eligibility for a COLA – and – suspend the COLA for three years for current retirees – and – OPS commit to a \$30 million per year additional contribution to the OSERS plan with a 2% increase until the plan attains 85% funded status for three consecutive years.

Option D

OPS commit to a \$25 million per year additional contribution to the OSERS plan in addition to the statutory 101% employer contribution with a “true-up adjustment” following the Experience Study – and - new retirees required to wait until the latter of 1 year of retirement or age 62 before meeting eligibility for a COLA – and – offering a partial lump sum option as a retirement benefit to new retirees – and – suspend the COLA for one year for current retirees.

The Board acknowledging the work to be analyzed suggested the next meeting of the OSERS sustainability study workshop be postponed to July 31, 2019 to permit Cavanaugh Macdonald adequate time to analyze the suggested Options.

Each described Option will be analyzed with a date future to begin the option, recognizing each option would have details requiring legislative approval before the option could be implemented.

There being no further business to come before the Board, the meeting was adjourned by consent at 5:43 p.m.

/s/

Cecelia M. Carter
Executive Director