

**POLICIES OF THE BOARD OF TRUSTEES FOR THE
OMAHA SCHOOL EMPLOYEES' RETIREMENT
SYSTEM**

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[Date]

**OMAHA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM
BOARD POLICIES**

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POLICY 1 – BOARD DUTIES AND GOVERNANCE

1. Duties - The Board of Trustees of the Omaha School Employees Retirement System (the “Board” or “Retirement Board”) will perform the duties outlined in its enabling legislation. (Neb. Rev. Stat. § 79-980, et. seq.)

2. Board Governance

(a) **Board Members** – The Board’s officers consist of a President and Vice-President . The Executive Director shall serve as the meeting Secretary. The Board members will serve from the date elected or appointed, as applicable, until the conclusion of the member’s term.

(b) **Board Composition** – The Board shall be comprised as follows:

1. Two business members recommended by the Board and approved by the OPS Board of Education
2. Two certificated employees elected by its membership
3. One classified employee elected by its membership
4. One annuitant member elected by its membership
5. The Superintendent (or his/her designee) as an ex-officio voting member

(c) **Election Policy**

The Board shall ensure the annual election of trustees to the Retirement Board in accordance with the Nebraska Revised Statutes (the “Statutes”). This policy and the procedures set forth herein shall be interpreted in a manner consistent with the Statutes; in the event of an inconsistency between the policy and procedures and the Statutes, the Statutes shall control. The elections of the trustees who are members of the retirement system shall be arranged for, managed, and conducted by the Board of Trustees and shall be for terms of four years.

In the event of a vacancy to a trustee seat, the Board of Trustees shall appoint a replacement to said seat in accordance with the Statutes.

In January of each year, the Executive Director of the Omaha School Employees’ Retirement System (“OSERS”) shall provide the Retirement Board with an election calendar for the current year to outline the key milestone dates to ensure the election process is completed and the election ratified by the June Board meeting. This will permit the elected candidate to be seated as a trustee effective July 1st as prescribed in the Statutes.

The Retirement Board shall issue a call for candidates at the February meeting of the Retirement Board. The nomination period shall be open to the Members for seven calendar days. The Retirement Board shall cause notice of such meeting to be posted on the retirement system website [www.osers.org] and, to the extent possible in other print format and/or social media outlets to all members eligible to vote in the election approximately 30 days prior to the February Retirement Board meeting. The list of eligible candidates will be ratified at the March meeting.

In the event only one candidate is nominated for an elected trustee seat, the Retirement Board

reserves the right to not conduct an election process for the open seat that year and to declare the nominated person elected to the Board of Trustees.

All nominations shall be made in writing and filed at the OSERS' administration offices, located at the Teacher Administrative Center, 3215 Cuming Street, Omaha, NE. Electronic, facsimile, and U.S. mail or other courier services will not be acceptable for the nomination process. The Executive Director of OSERS shall be responsible for overseeing the integrity of the nomination process.

The Retirement Board shall certify the nominated candidates are eligible to run for the trustee seat for which they have been nominated. If the Retirement Board determines a person(s) nominated for a Retirement Board seat is not eligible to run for said board seat, the person nominated shall be notified and the nomination will be considered an invalid nomination and the person will not be listed on an election ballot.

The Board will recognize the employment status of a Member as of March 31 to determine their eligibility status for being nominated to run for election to the Retirement Board.

(d) Election Procedures Overview

The elected Retirement Board member shall serve a four (4) year term based on the following rotating schedule:

Order of Elections

(2017) Certificated Staff Member Seat #1

(2018) Certificated Staff Member Seat #2

(2019) Classified Staff Member Seat

(2020) Annuitant Member Seat

and will follow this schedule on an annual basis hereafter.

The position and/or membership status for an elected trustee will determine whether the elected trustee shall be eligible to remain serving in his/her elected trustee seat. A trustee shall serve until a successor qualifies, except that a trustee (or their designee) who is a member of the retirement system shall be disqualified as a trustee immediately upon ceasing to be a member of the retirement system.

IMPORTANT NOTE: Beneficiaries and deferred vested members and former members with employee contributions still held with OSERS are not eligible to vote in trustee elections. Surviving spouses and joint annuitants are not eligible to vote in trustee elections. Only active members of OSERS are eligible to vote for active-member trustees. Only retired OSERS members receiving a retirement allowance are eligible to vote for the annuitant-member trustee.

(e) Election Procedures Details

Section 1. Retirement Board Trustee Member Elections

The OSERS trustee member elections shall be conducted in accordance with Statute § 79-980, and

the OSERS Election Policy.

Section 2. Categories of Elections

Separate elections are conducted for each category of member trustees:

- 1) Certificated Trustees (2)
- 2) Classified Trustee (1)
- 3) Annuitant Trustees (1)

In order to become a candidate for OSERS Trustee, individuals must meet the qualifications for the respective position. The qualifications to be a candidate are:

- 1) For the Certificated Trustee: the candidate must be an active member of OSERS and be employed by a Nebraska Class V School District in a position which is designated by the School District as a certificated position.
- 2) For the Classified Trustee: the candidate must be an active member of OSERS and be employed by a Nebraska Class V School District in a position which is designated by the School District as a classified position.
- 3) For the Annuitant Trustee: the candidate must be a retired member of OSERS and must be receiving a retirement allowance from OSERS.

There shall be at least one election annually for member trustees unless there is only one valid nomination for that year's election.

If a seat is up for election with only one valid candidate, the Retirement Board reserves the right not to run an election and the sole candidate will be declared elected to the seat for which he or she has been nominated.

If there is no valid nomination for a board seat in any given year, the seat will be declared vacant and the Board will fill the vacancy in accordance with the Statutes.

Section 3. Election Procedures

All election ballots for a Retirement Board seat on the OSERS Board shall be counted by either: (1) an independent election voting service company, (2) a CPA firm, or (3) a law firm approved by the Retirement Board

The candidate who receives a plurality of votes cast in the election will be declared the winner of the election.

No Retirement Board member or OSERS staff member will engage in counting election ballots in order to maintain an "arms-length" relationship to the process to ensure transparency and good governance.

The results of the election will be certified by the processing company/firm and reported in writing to the Executive Director who will report the results to the Retirement Board. The Retirement Board will accept and certify the results of the election no later than the designated June Retirement Board meeting for each calendar year.

Section 4. Guidelines

OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM ELECTION GUIDELINES

Section 4.1. Date of Elections

1. Each year an election for a board seat shall be conducted in a manner to ensure the results of the election are verified by the service company conducting the election on a date that is no later than the Friday before the regular June Retirement Board meeting.
2. The actual voting period shall be conducted over a period not to exceed 14 calendar days.
3. Voting ballots shall be mailed to eligible Members at least five calendar days prior to the opening of the election voting period.
4. Election Voting Period shall be the calendar days during which time Members may cast their ballots online or the election service company can receive ballots cast by mail.
 - a. If a Member is voting online, his/her ballot must be voted online by the date and time indicated as the online voting closing date and time.
 - b. If a Member is voting by mail, his/her ballot must be postmarked by the Postmark Date and received by the election service company by the Received Date
 - c. Each year's Election Calendar will indicate the prescribed dates for voting online, and the Postmark and Received dates.

Section 4.2. Notice of Election

The Notice of Election shall contain the date of each election, eligibility criteria for candidates and voters, information on how to obtain a candidate nomination packet, instructions on the nomination process, election guidelines, and the schedule of election events. The Executive Director shall cause to be distributed the Notice of Election within seven business days following the February Retirement Board meeting in each calendar year.

Section 4.3. Candidate Statements

Each candidate for election may submit a Candidate Statement. The statement shall be submitted in electronic form and emailed to the Executive Director or typed, double spaced and delivered to the Executive Director. The candidate statement is limited to 300 words, and should, at a minimum, contain the following information:

- 1) Candidate's full name
- 2) Recent photo (optional) – Head shot with a plain background is best.
- 3) Member status (i.e. teacher, administrator/supervisor, classified staff, or annuitant)
- 4) Statement of the nominee's position and understanding of the role of a trustee.

A candidate's statement cannot exceed 300 words and shall be truncated at the word limit. Candidate statements cannot contain inaccurate, misleading or inflammatory language. Once filed, statements may not be changed or withdrawn. Information contained in the statement is the responsibility of the candidate and OSERS shall not be held responsible for the validity of any candidate statement or the contents thereof.

Write-in candidates will not be permitted on the election ballot.

Section 4.4. Voter Eligibility

Eligibility to vote in each election shall be based on the Members' membership status in OSERS at close of business on March 31st of each year.

Terminated Members, deferred non-vested, and deferred-vested members will not be eligible to vote in annual elections.

Beneficiaries, surviving spouses and surviving joint annuitants of deceased members who are in payment status will not be eligible to vote in trustee elections.

Section 4.5. Form of Ballots

Voting shall be by secret ballot. Names of the candidates for each election shall be rotated on the ballots so that each candidate's name appears to the extent possible at the top of the list an equal number of times.

Section 4.6. Election Results

The election will be determined by a plurality of the votes cast in the election. The election service company or firm shall transmit the election results to the Executive Director. The Executive Director shall report the election results to the Board of Trustees at the June Board meeting. The results of the election will be certified at the June Retirement Board meeting.

Following the certification of the election by the Board of Trustees, the Executive Director shall notify all candidates, and other interested parties of the certified results.

Newly elected Board member shall receive a copy of the Statutes applicable to the Retirement System of a Class V School District and other materials as determined by the Executive Director.

The results of the election shall be made public at the office of OSERS and on the OSERS web page on the day the final results are certified by the Retirement Board. The results shall remain on display at the Retirement Office and on the OSERS web page for 14 calendar days following the date the Retirement Board certifies the election results.

Section 4.7. In The Event of a Tie Election

In the event an election results in a tie the method used to determine the winner of the election will be the flip of a coin.

Section 4.8. Retention of Election Materials

The Executive Director shall preserve the election materials for fifty (50) days following the close of each election period unless a request for a recount or a protest of the election has been filed. After the fifty (50) day period has lapsed, the ballots will be destroyed.

If the Executive Director is aware of proceedings pending in any court in which such ballots or other material may be required as evidence, the ballots shall not be destroyed until such proceedings are finally adjudicated.

Section 4.9. Recount of an Election

A candidate in the election may request the recount of an election only if the difference in the number of votes cast for the candidate requesting the recount is less than 2% of the total vote count in the election, from the winner.

To request a recount, the candidate in the affected election must file a written request with the Executive Director by 5:00pm of the third (3rd) business day following the certification of the election results.

The written request for a recount shall be signed by the candidate requesting the recount, and shall specify any other relevant material to be examined. The Executive Director shall notify the Board of the request for a recount and shall set a date for the recount upon receipt of the written request. The recount shall be held within 15 calendar days of the request.

The expense of one recount shall be borne by the Retirement System.

The Board shall hold a Special Meeting to consider the results of the requested recount.

Section 4.10. Protest of an Election

A valid protest must be based on evidence that the Board adopted election procedures were not substantially followed and that such errors would have materially affected the outcome of the election.

A candidate in the affected Board member election may file a written protest with the Executive Director prior to the election and under no circumstances no later than three (3) business days following the certification and notification to the candidates of the election results. The written protest shall be identified using the word "protest", shall specify the election which the candidate is protesting, and shall state the specific grounds of the protest and provide any evidence (including witnesses) in support of its protest.

Upon receipt of a valid and timely protest, the Executive Director shall mail a copy of the protest to all candidates in the election and shall notify the Board and other interested parties that a protest has been filed. The Retirement Board shall investigate the protest and determine what remedy, if any, shall be granted to the candidate filing the protest. No Board member who is a candidate in the election under protest may participate in its Board's deliberation.

When considering an election protest, the Board may consider written and/or oral arguments submitted by the candidate filing the protest and any other interested party. If the Board determines that a hearing is necessary, such hearing shall be open to the public. The Board shall determine the rules, regulations and process by which this proceeding shall gather evidence. The determination of the Retirement Board shall be rendered within 30 calendar days of the hearing.

If the Board sustains the protest, the election shall be void. The Retirement Board will arrange for a new election. If the Board rejects the protest, then the certified results will

stand as certified.

Section 4.12. Use of Retirement System Vendors

No candidate for trustee shall be permitted to engage the services of OSERS vendors or service providers for the purpose of printing, distributing or mailing campaign materials, or to secure monetary assistance for the candidate's campaign. OSERS shall provide certified candidates with a list of OSERS vendors and service providers.

Section 4.13. Request for Member mailing lists

OSERS will not provide voting membership addresses and/or labels to candidates or supporting organizations.

Section 5: Appointment of Business-Member Trustees

Two members of the business community who are not Members of OSERS will serve as trustees. Selection of these business community members shall follow the following guidelines:

- a. Candidates for the two Business Member trustees will initially be identified in March of 2018 and 2020 for their respective terms of four years and every four-year term following.
- b. An incumbent business-member trustee can be recommended for an additional four-year term without seeking additional candidates for that position if the incumbent is recommended by a majority vote of the OSERS Board.
- c. If more than one business member trustee is identified for a term of office, interviews will be conducted by the OSERS Board in April of the year a new term will begin.
- d. The recommendation for a business-member trustee will be sent to the Omaha Public School Board of Education for consideration and approval in May of the year that a new term will begin.
- e. New business-member trustees will begin their four-year term of office on July 1 of the year the new term will begin.

Section 6: Superintendent of a Nebraska Class V School District (or his/her designee)

The Superintendent of a Nebraska Class V School District shall serve as an ex-officio, voting Trustee for OSERS unless he/she designates a specific individual to serve in that capacity.

(f) **Conduct of Meetings** – Board meetings are held in accordance with the Open Meetings Act and the Board's enabling legislation. (Neb. Rev. Stat. §§ 84-1408 to 84-1414, and § 79-980, respectively.)

(i) Regular Meetings – The Board holds regular monthly meetings, and at such dates, times, and locations, as deemed appropriate by the Board. The Board will develop and adopt a tentative meeting schedule for the next calendar year during or before each December.

(ii) Special Meetings – The Board may hold special meetings when called by the Chairperson or at least three (3) Board members. The Executive Director will notify every Board member by telephone, electronic mail, and/or text message, of such special meetings at least three (3) days in advance of such special meetings' start time(s).

(iii) **Emergency Meetings** – The Board may hold emergency meetings without reasonable advance public notice. The Executive Director will endeavor to provide reasonable advance notice to all Board members by telephone, electronic mail, and/or text message.

(iv) **Quorum** – Four (4) members of the Board constitutes a quorum. A quorum must be present for the Board to hold a meeting and conduct business.

(v) **Meeting Attendance** – All Board members must attend all Board meetings. A majority of the voting members present at a Board meeting may excuse a Board member's absence from such meeting.

(vi) **Motions** – All motions before the Board will pass only upon the affirmative vote of a majority of the voting members present at the Board meeting, unless otherwise required by law, rules and regulations, or Board policy. Roll call vote elections are required unless otherwise authorized by law, rules and regulations, or Board policy.

(vi) **Meeting Agenda(s)** – The Executive Director, in consultation with the President, shall prepare the agenda for each Board meeting.

A. The Executive Director will publish a preliminary agenda at least four (4) days before each regular Board meeting.

B. The Executive Director will publish a final agenda at least twenty-four (24) hours before each regular or special Board meeting, and as soon as reasonably possible after an emergency Board meeting is called.

C. The Executive Director will keep the agenda continually current and available for public inspection at the OSERS' offices during normal business hours. The Executive Director, in consultation with the President, will place items on the agenda, subject to the following:

(I) A Board member requests that an item be added to the agenda, and the President or Executive Director approves the request; and

(II) The agenda will not be altered within twenty-four (24) hours of a regular or special Board meeting start time, except for items of an emergency nature. For purposes of this section, an item is of an "emergency nature" only if a majority of the voting Board members present approves a motion that states the matter is of an emergency nature, it requires immediate Board action, and action on the matter cannot be delayed until the next regular or special Board meeting.

(g) **Meeting Notice** – The Board will provide adequate public notice of its meetings. Notice of the date, time, and place of the Board's regular meetings will be posted to the OSERS' website at least four (4) calendar days in advance of each meeting. Notice of each meeting will also be posted to the main entrance of the Teachers Administration Center.

(h) **Subcommittees (a.k.a. Committees)** – The Board uses subcommittees to efficiently carry out its duties. The President appoints subcommittee members, including the Chairperson of each subcommittee. No subcommittee shall include more than three (3) Board members. No

subcommittee meeting may include more than three (3) Board members because this would constitute a quorum of the Board. Subcommittees cannot take action for, or represent, the full Board. All subcommittee proposals, findings, recommendations, and reports must be submitted to the Board for formal action.

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POLICY 2 – BOARD CODE OF CONDUCT

1. The Board expects ethical and business-like conduct of its individual members and the Board as a whole.
2. Board members will comply with their fiduciary duties and standard(s) as stated in Neb. Rev. Stat. § 79-982.01.
3. Board members are responsible for preparing for Board work.
4. Board members must avoid any actual or perceived conflict of interest with respect to their fiduciary responsibility.
5. Board members may not exercise individual authority over OSERS except as explicitly set forth in applicable statutes and Board policies.
6. The President shall be the ex-officio spokesperson of the Board on routine matters and when the circumstances prohibit the Board from convening and approving a policy or statement. The Board may designate a member or members of the Board to communicate a Board-approved policy or statement.
7. The Board will not have a duty to advocate for benefit improvements. The Board may comment and provide guidance on any proposed changes to the retirement systems it administers.

POLICY 3 – EXECUTIVE DIRECTOR’S DUTIES AND LIMITATION OF AUTHORITY

The Board shall select, and set the salary for, an Executive Director to administer OSERS. The appointment shall comply with Neb. Rev. Stat. § 79-983 and the Executive Director shall serve as the administrator.

The Board shall be responsible for oversight of the Executive Director and the operation of the OSERS at a strategic level. The Executive Director is responsible for the day-to-day operations and decisions of OSERS.

1. Executive Director Duties and Responsibilities

- (a) The Executive Director is the chief administrative officer of OSERS, and is responsible for the overall planning, organization, development, supervision, directing, and coordination of the on-going operations of OSERS.
- (b) The Executive Director must liaison with member groups, the Legislature, the Board, the attorney, the auditors, and the consulting actuary for the Board, and performs his or her duties with considerable latitude. The Executive Director serves as an ex-officio member of the Nebraska Investment Council.

2. Executive Director’s Specific Duties

The Executive Director shall:

- (a) Oversee the analysis and drafting of proposed legislation, and the accompanying fiscal notes, and provide guidance and instruction on OSERS’ appearance before legislative committees during regular sessions and interim study periods;
- (b) Recommend all necessary rules and regulations relating to the administration, interpretation, and construction of the retirement laws;
- (c) Ensure compliance with Federal and State laws in the management and operation of the systems;
- (d) Coordinate with the consulting actuary regarding all required actuarial duties;
- (e) Establish the agenda and matters for consideration by the Board, and oversees the preparation and maintenance of the minutes of the meetings of the Board;
- (f) Perform public contact work in gathering information, resolving problems, engendering support, and providing information required by the Board and Legislature;
- (g) Prepare recommendations and justifications for changes in procedures, budget requests, personnel, and office activities;
- (h) Direct the preparation and conduct of research required in support of the Board’s mandates and Legislative matters;

- (i) Collect, interpret, analyze, and summarize information used as the basis for recommendations to the Board and Legislature;
- (j) Direct, manage, and supervise the internal operations of OSERS staff to achieve the primary objectives of the fund in accordance with procedures established by the Board;
- (k) Hire OSERS staff in accordance with the budget prescribed by the Board and in accordance with OPS policies;
- (l) Inform the Board of any development that may affect the Board and its operation; and
- (m) Recommend action on disability claims from the retirement plan.

3. Limitations of Authority

The Board shall:

- (a) Approve all disability claims;
- (b) Approve Rules and Regulations;
- (c) Determine the funding policy for the plans as provided by statute;
- (d) Approve the OSERS budget;
- (e) At its discretion, authorize the Executive Director to execute such contracts as have been approved by the Board; and
- (f) At its discretion, authorize the Executive Director to amend existing contractual service contracts with providers when additional services are required of that provider to implement board or legislative initiatives.

4. Reimbursement for Executive Director Expenses

The Board President must review, and approve payment of, any expense incurred by the Executive Director in the course of the Executive Director's official duties.

POLICY 4 – LEGAL COUNSEL AND AUDITOR

1. **Legal Counsel** - The Board shall hire an attorney in accordance with, Neb. Rev. Stat. § 79-985.
 - (a) The attorney shall provide legal services for the Board and OSERS under the supervision of the Board and in consultation with the Executive Director. The attorney’s job duties include the following:
 - (i) Draft, revise, and ensure the compliance of the rules and regulations promulgated by the Board;
 - (ii) Review and make recommendations to the Board, Executive Director, and OSERS staff on retirement issues, including qualified domestic relations orders, member benefits, powers of attorney, beneficiaries, and employer reporting issues;
 - (iii) Research and interpret applicable laws, regulations, policies, procedures, and other guidance documents;
 - (iv) Determine the application of Internal Revenue Code to OSERS;
 - (v) Represent OSERS in administrative hearings;
 - (vi) Review and draft the Board’s and OSERS’ policies, procedural statements, and legal documents;
 - (vii) Respond to legal questions from outside entities;
 - (viii) Advise the Board and Executive Director on legal matters as they relate to the administration of the retirement systems, litigation, potential conflicts, and any other legal issue of interest.
 - (b) The attorney shall act in the best interest of the Board. The attorney shall have direct access to the Board or any subcommittee thereof.
 - (c) At least once per year, the attorney shall report to the Board any matters that in his/her professional judgment affects the Board’s role and duties.
2. **Auditor** - The Board shall hire an auditor in accordance with Neb. Rev. Stat. § 79-987. The auditor shall work for the Board and in consultation with the Executive Director.
 - (a) The Auditor’s role is to ensure OSERS employees are acting in accordance with the governing laws, rules, regulations, policies, and procedures. The Auditor’s duties and responsibilities must be consistent with the suggested standards for the professional practice of governmental auditing as adopted by the Government Auditing Standards in the United States, and include the following:
 - (i) Prepare an annual report and the Executive Director shall file the report with the Omaha Public Schools Board of Education and in accordance with the Class V Retirement

Act;

(ii) Conduct reviews of the internal procedures of OSERS and recommend improvements to the Board;

(iii) Ensure that OSERS' internal accounting and operational controls are appropriate and operating correctly, and report inconsistencies to the Board;

(iv) Examine and evaluate system records and operating procedures to verify compliance with established plans, policies, procedures, control systems, rules, regulations, laws and the generally accepted accounting and auditing principles and report inconsistencies to the Board;

(v) Perform internal auditing functions, including:

A. Reviewing contributions received and creditable service granted;

B. Reviewing benefit payments for completeness of information, appropriateness, accuracy, and timeliness;

C. Verifying the accuracy of data and financial information reported to the system's actuary for all applicable plans; and

D. Verifying the accuracy of data and financial information reported from the system's record keeper for all applicable plans; and

(b) The Auditor shall act in the best interest of the Board. The Auditor shall have direct and immediate access to the Board or any subcommittee thereof.

(c) At least annually, the Auditor shall report to the Board on any matters that, in his/her professional judgment, affect the Board's role and duties.

POLICY 5 – REVIEWING DISABILITY RETIREMENT APPLICATIONS

1. The Board of Trustees will review disability retirement applications in a manner consistent with Neb. Rev. Stat. § 79-9105.
2. The Executive Director will ensure disinterested physicians have conducted a medical examination on any member of the Omaha School Employees' Retirement System ("OSERS") that applies for disability retirement benefits. The Executive Director shall present the physician's confidential report and accompanying documentation, and a recommendation on whether to approve the disability retirement application, to the Board.
3. The Board may re-evaluate any approved disability retirement application once per year from the disability retirement effective date; and every 18 months thereafter unless the Board wishes to re-evaluate an individual's disabled status more frequently. However, the Board may not require proof of disability more frequently than semiannually.
4. Information provided in disability retirement applications includes medical records and other personal and sensitive information that if released may do significant harm to an applicant's interests or needless harm to an applicant's reputation. Therefore, all reviews of members' disability applications shall take place in Executive Session. All information reviewed by the Board of Trustees or the Board's agents shall be kept confidential.
5. The Board will accept an application for disability retirement initiated by the member, or the member's legal representative.
6. The certification of disability shall be made by two licensed and practicing physicians who practice in the state of Nebraska. If at the time the Member is making application for a disability retirement is located outside of Nebraska, at the Board's discretion, the Board may engage the services of other licensed and practicing physicians to complete the process. The member making application for a disability retirement is responsible for the cost of the initial physician's examination. OSERS will contact a second physician to get an independent evaluation of the disability evaluation of the disability application. OSERS will be responsible for the cost of the Board's physician's examination.

POLICY 6 – TRAVEL/REIMBURSEMENT POLICY

1. Introduction:

Members of the OSERS Board in fulfillment of their fiduciary responsibilities are encouraged to seek outside training and educational opportunities as part of their board duties. The retirement obligations incurred and the administration of the plan are complex matters, and education in employee benefit matters is necessary. It is important for the Board members to be educated in issues relating to the plan they administer. The following policy guidelines are adopted to address travel expenses related to educational conference attendance.

2. Approved Travel Overview:

- (a) The Board of Trustees will approve a budget for travel related expenses as part of the annual budget process. Generally, each Board member and the Executive Director are permitted to attend two conferences and/or workshops annually that would require travel related reimbursements. The Board Chairperson, Vice President and Executive Director may approve exceptions to the number of reimbursable events attended by individual Board members during the fiscal year.
- (b) OSERS will provide reimbursement for OSERS staff employees/trustees for expenses related to attendance at conferences, workshops and travel related expenses. These types of expenses would include registration fees, transportation, lodging, miscellaneous tips, and meals. These expenses must be reasonable and necessary, as well as being related to responsibilities as a Trustee and Executive Director.
- (c) OSERS will only reimburse for approved conference attendance and travel related expenses when the individual provides documentation of the expense with receipts or invoices from purchases or other verifiable documentation.
- (d) Board members seeking reimbursement must complete the "OSERS Conference & Travel Reimbursement Request Form." The completed form must be submitted to the Executive Director within 30 days of incurring the expense or upon returning to Nebraska, whichever is greater. All receipts should be scanned/attached and submitted with the form. Reimbursement for meals will be at a per-diem rate approved by the Board.
- (e) Each attendee will make a report, either verbal or written, to the Board of Trustees following attendance at such an event. The event agendas and meeting materials will be made available for public inspection in the retirement office following each event.
- (f) Special consideration will be given for the support of an organization's annual meeting or workshops sponsored by organizations in which OSERS holds memberships, including the following:
 1. NCTR (National Council of Teacher Retirement)
 2. NASRA (National Association of State Retirement Administrators)
 3. NCPERS (National Council Public Employee Retirement Systems)

4. NIRS (National Institute on Retirement Security)
5. IFEBP (International Foundation of Employee Benefit Plans)

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POLICY 7 – FUNDING POLICY

1. Introduction and Background

The Board administers a pre-funded defined benefit pension plans for all full-time employees of the Omaha Public Schools. The plan is funded with fixed, statutory contributions for the employer, employee, and state of Nebraska. If the total of the statutory contribution rates is less than the actuarial contribution rate, determined in the annual actuarial valuation and based on the funding policy established by the Board of Trustees, the school district is required to make an additional contribution to the plan to eliminate the contribution shortfall.

Additionally, the funding of the plan is supplemented by investment earnings which effective January 1, 2017 is managed by the Nebraska State Investment Officer (SIO) under the guidance of the Nebraska Investment Council (NIC). The transition of investment management to the SIO was the result of LB 447 (2016).

The purpose of this funding policy is to state the overall funding goals, identify the benchmarks that will be used to measure progress in achieving those goals, and disclose the actuarial methods and assumptions that will be employed to develop the benchmarks. In addition, this Policy will provide annual actuarial metrics to guide the OSERS Board when considering items such as discretionary COLAs, as well as whether to pursue or support proposed contribution and benefit legislation. Finally, the policy will include a brief list of governance responsibilities regarding the commissioning, collection, and review of actuarial information.

It is the intention of the Board that this funding policy be considered a working document, reviewed periodically and, as necessary, altered in the future through formal action of the Board.

2. Funding Goals

The objective is to accumulate sufficient assets from the employer and member contributions to OSERS, and contributions from the State of Nebraska to fully finance the benefits the member receives throughout retirement. In meeting this objective, OSERS will strive to meet the following funding goals:

- To maintain an increasing ratio of assets to actuarial liabilities and reach a funded ratio of at least 100 percent;
- To maintain adequate asset levels to finance the benefits promised to members;
- To develop a pattern of stable contribution rates as a percentage of members' payroll. This goal is achieved by fixed contribution rates for the State of Nebraska, members of the System and the School District set out in state statutes. In order to evaluate whether the fixed contribution rates are sufficient, an Actuarial Recommended Contribution Rate (ARC) will be determined in the annual valuations of the System. Such valuations will be prepared in accordance with the principles of practice promulgated by the Actuarial Standards Board. The ARC will be determined as the normal cost rate plus the amortization payment on the unfunded actuarial liability, based on the amortization period set out in this funding policy. The ARC shall be determined by the actuary, engaged by the Board of Trustees, and contributed to the plan as required under Nebraska Revised Statutes section 79-9, 113, and

any applicable other statutory requirement thereafter.

- To provide intergenerational equity for members and taxpayers with respect to OSERS' contribution requirements.

3. *Benchmarks*

To track progress in achieving the previously outlined funding goals, the following benchmarks will be measured annually as of the actuarial valuation date (with due recognition that a single year's results may not be indicative of long-term trends):

- **Funded ratio** – The funded ratio, defined as the actuarial value of OSERS' assets divided by OSERS' actuarial liability, should be increasing over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions.
- **Evaluation of Fixed Contribution Rates** – The intent is to fund the System by maintaining the fixed contribution rates required by law. However, the Trustees recognize that the actuarial recommended contribution rate (ARC as defined earlier in this Policy) will fluctuate from year to year, at times significantly due to the volatility associated with investing in the financial markets. Therefore, valuation results which produce an ARC that is higher or lower than the fixed contribution rates in statute will not automatically indicate that immediate action must be taken to change the contribution rates or benefit structure. In evaluating the need for adjustments to the Systems' funding, the longer-term trends will first be analyzed and projections performed to determine the potential long term funded status of the System under alternative scenarios.
- **Unfunded Actuarial Liability (UAL) amortization base** – One amortization base shall be used in determining the amortization payment.
- **Unfunded Actuarial Liability (UAL) amortization period** – The amortization period for OSERS' UAL was set to 30 years in 2013 and was closed so it declined by one year each year until a funded ratio of 100 percent is reached. The Board of Trustees moved to layered amortization, effective with the January 1, 2017 actuarial valuation. The existing UAL as of January 1, 2017 remained on the initial amortization period (27 years remaining at that time) and new bases that were established as a result of assumption changes or experience gains/losses were amortized over closed 25-year periods. The amortization payment schedule for the UAL is developed using the level percent of payroll methodology.
- Understanding the fiscal impact of the closed 30-year amortization period set in 2013 on the District, the Board recognizes and grants the option to implement a 30-year layered amortization schedule beginning with the January 1, 2019 valuation report to alleviate the financial pressure, yet ensure the long-term funding objective of the OSERS Board of Trustees.
- The Board commits to reviewing this policy at a date in the future when the funding ratio of the plan is at least 85%, with the goal of reducing the 30-year layered amortization schedule to 25-years the first valuation report following the attainment of 85% funded ratio.

- If any future annual actuarial valuation indicates the plan has a negative UAL (a surplus), all existing amortization bases will be eliminated and a new base with a 30-year amortization period will be created.

4. **Actuarial Methods and Assumptions**

- (a) **Actuarial Cost Method:** The actuarial cost method is the means by which the total present value of future benefits for current active and inactive members is allocated to each year of service, including past years. The individual entry-age cost method will be used.
- (b) **Asset Valuation Method:** The method of valuing assets is intended to recognize a “smoothed” value of assets that is market related. Asset smoothing methods reduce the effect of short-term volatility on contributions while still tracking the overall movement of the market value of assets by recognizing the effects of investment gains and losses over a period of years. The asset valuation method used to develop the actuarial value of assets first calculates the expected value of assets based on the prior year’s actuarial value of assets plus net cash flow (contributions minus benefit payments for the year) increased by the assumed rate of return and then adding to the expected value of assets 25% of the difference between the actual market value of assets and the expected value of asset (whether positive or negative). In addition, the asset valuation method will utilize a corridor of 80% to 120% of the market value of assets. The impact of the corridor is that the actuarial value of assets cannot exceed 120% of the market value of assets nor be less than 80% of the market value of assets. If the initial actuarial value of assets is outside the corridor, the actuarial value of assets will be set equal to the applicable endpoint of the corridor (80% or 120% of market value).
- (c) **Actuarial Assumptions:** The actuarial assumptions used will be those last adopted by the Trustees based upon the advice and recommendation of the actuary. A formal investigation into OSERS’ experience shall be conducted by the actuary at least every four years and the results of the investigation used to form the basis of the actuary’s recommendations. In addition, the actual experience compared to the actuarial assumptions will be monitored each year in the annual actuarial valuation by including an analysis of the actuarial gain or loss by source.

5. **Other**

- (a) **Actuarial Audit:** The Trustees shall have an audit of OSERS’ actuarial valuation results conducted by an independent actuary periodically, but at least every ten years. The purpose of such a review is to provide a critique of the reasonableness of the actuarial methods and assumptions in use and to verify the resulting actuarially computed liabilities and contribution rates. The Board recommends an audit of the retained actuary in the year of the January 1, 2023 Valuation report, followed by every ten years thereafter.
- (b) **Benefit Changes:** An actuarial cost study shall be completed before any change to the benefit structure is made.
- (c) **Actuarial Projections:** The funded status of OSERS will be monitored on a regular basis, both on a snapshot basis in the actuarial valuation and on a projected basis. The Trustees will

periodically have projections of funded status performed to assess the current and expected future progress toward the overall funding goals of OSERS.

In order to ensure all stakeholders of the plan are abreast of future funding needs, the Board will ensure a five-year projection of contributions is reported in the annual Valuation report.

6. Funding Policy Review

It is expected that the funding policy may need to be amended in future years as the funding of a retirement system is a dynamic process which is dependent on a number of variables. Therefore, the funding policy will be reviewed annually following the annual actuarial valuation and amended as necessary by the Trustees.

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POLICY 8 – CALCULATION OF BENEFITS

1. To accurately calculate a retirement benefit, OSERS needs all retirement compensation, contributions, and service credit to post to a member's account prior to calculating the member's final retirement benefit.
2. In order to provide a timely retirement benefit for retirees, OSERS may calculate an estimated benefit in accordance with the guidance provided below.
 - (a) A member's estimated retirement benefit will be based on the total service credit and compensation information for the fiscal year in which the calculation is being performed.
 - (b) OSERS will not project future years' compensation and service credit to project out a retirement estimate.
 - (c) Members will be encouraged to use the online calculator to estimate future retirement benefits for retirements effective on a date later than the current fiscal year.

OSERS will recalculate the member's final monthly benefit in the month of the member's retirement effective date. If the member's compensation, contributions, and service do not post to the member's account in a timely manner, OSERS will delay calculating the final benefit until the information posts to the member's account. OSERS will ensure the member's final retirement benefit is applied retroactively to the member's retirement effective date.

If OSERS discovers the member did not stop rendering services to OPS on his/her scheduled "last day work" and continued rendering services to OPS past the scheduled retirement effective date, OSERS will void the executed retirement application. The member will need to re-sign his/her retirement application acknowledging the new effective date. OSERS will only calculate and pay retirement benefits for services rendered prior to the "last day worked."

POLICY 9 – PUBLIC PARTICIPATION AT BOARD MEETINGS

1. Attendance by the Public

All meetings of the OSERS' Board are open to the public in compliance with the Nebraska Open Meetings Act with the exception of the time the Board is in closed session. Members of the public shall be permitted to attend and to speak during public comment at board meetings. They will not be required to identify themselves as a condition for admission to the meeting. The Board may allow advisors, consultants, and other persons who are not Board members to appear at the meeting via telephone or other similar means.

The Chairperson has the authority to assure that people conduct themselves in an orderly manner at the meeting. Undue interruption or other interference with the orderly conduct of business will not be allowed. The President or meeting chair may order persons who are disorderly to be removed from the meeting.

Legal Reference: § 84-1411 (3) and (6); § 84-1412 (1) and (3)

2. Right to Hear

The Board will, upon request, make a reasonable effort to accommodate the public's right to hear the discussion and testimony presented at the meeting.

Legal Reference: § 84-1412 (7)

3. Recording of Meetings

Members of the public may use recording devices (tape recorder, video camera, etc.) to record any part of a meeting of a public body, except for closed sessions. No recording, other than note taking, shall be done without informing the Chairperson in advance. The Chairperson shall control the placement of the recording device so the device does not obstruct the view of Board members or other members of the public attending the meeting and does not otherwise interfere with the meeting.

Legal Reference: § 84-1412 (1)

4. Access to Written Materials

At least one copy of all reproducible written material to be discussed at an open meeting will be made available at the meeting for examination and copying by members of the public.

Legal Reference: § 84-1412 (8)

5. Right to Speak

Members of the public will be permitted to speak at Board meetings at which a public comment is on the Agenda and may speak during the time at which the public comment agenda item is being addressed. Members of the public may also speak when invited to make a presentation or when recognized by the Chairperson. The Board is not required to allow members of the public to speak at each meeting.

Members of the public will not be required to have their name placed on the agenda prior to the

meeting in order to speak about items on the Agenda. Members of the public who desire to address the Board will be required to identify themselves.

Each speaker is to complete a Request to be Heard form which will be provided at the meeting. It is preferred that the form be submitted well prior to the meeting in order for meeting participants to make plans for the meetings. However, a member of the public will be permitted to speak if the form is submitted within at least five (5) minutes after the meeting has commenced.

The Chairperson shall have the authority to establish reasonable time limits for individual speakers and for the duration of public comment sessions. The maximum permitted duration for individual speakers is five (5) minutes and the maximum permitted duration for the public comment session will be one (1) hour. The time limit may be extended by a plurality vote of the board members present at the meeting.

Speakers will be permitted to address the Board consistent with free speech rights. However, offensive language, defamatory remarks, and hostile conduct will not be tolerated. Further, charges or complaints against an Omaha Public School District employee, OPS Board of Education member or OSERS Board of Trustee member shall not be made for the first time at a public Board meeting without having followed the Board's complaint procedure.

Legal Reference: § 84-1412 (1) (2) and (3)

6. *Complaints Made to the Board*

Concerns or complaints may be made to the Board of Trustees at a duly called Board meeting at such time as the Agenda provides for public participation or comment. The Board will not engage in conversation/dialogue with members of the public during public comment to avoid violation of the open meetings law.

In the event the complaint involves a personnel matter relating to an employee of the Omaha Public School District, or an individual member of the Board of Trustees the individual raising the complaint shall be directed by the Board President (or meeting chair) to first exhaust the appropriate complaint or grievance procedure. The Board shall not respond or take action on such a complaint until such complaint or grievance procedure has been exhausted.

Individuals raising concerns or complaints involving non-personnel matters which may be the subject of a complaint or grievance procedure may also be directed to first use such complaint or grievance procedure.

7. *Complaint Procedure*

An individual seeking to file a complaint against an employee of the Omaha Public School District shall exercise the complaint in accordance with Omaha Public School District policy.

An individual seeking to file a complaint against a member of the Board of Trustees in their role as a Trustee shall submit a written document to the Executive Director outlining the offense being violated. The Executive Director shall immediately notify the Board's legal counsel for further disposition.