

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, June 8, 2017, at 9:09 a.m. at 1st National Bank, 1601 Dodge Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given by announcement by the President of the Board at the Board of Trustees' meeting held on May 3, 2017.

Present at roll call: Erikson – Evans - Havlovic – Jones – Purdy – Rea - Ripa – 7.

Staff Present: Cecelia M. Carter, Executive Director, James Ellis, Retirement Benefits Manager. Others Present: Michael Walden-Newman, Nebraska State Investment Officer, Joseph Jurich, Deputy State Investment Officer, Michael Comstock, AON, Jack Peetz, Peetz & Company, Robert Bothe, Esq., McGrath North.

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President Erikson announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees will be held Tuesday, August 1, 2017 at 9:00 a.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.

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The meeting opened with Ms. Carter introducing Mr. Michael Walden-Newman, the Nebraska State Investment Officer, Mr. Joseph Jurich, the Deputy State Investment Officer, and Mr. Michael Comstock of AON (the Nebraska Investment Council's investment consulting firm) to the Board of Trustees of the OSERS retirement board to discuss the 1st quarter performance of the OSERS portfolio post the January 1, 2017 transition to the Nebraska Investment Council. Mr. Walden-Newman began his remarks with an overview of the transition which occurred from June 2016 through January 2017. He presented to the Board of Trustees the 2016 Annual Report Executive Summary and provided a copy of the "Plan to Transition the Management of Retirement Assets from the Omaha School Employees Retirement System ("OSERS") to the Nebraska Investment Council ("The Council") on January 1, 2017.

Mr. Jurich then presented to the Board of Trustees an overview of the bank providing the custodial services – State Street Bank & Trust, along with an overview of the Nebraska Investment Council's decision to liquidate at least ten investment managers from the OSERS transition and further transition those assets into the greater NIC portfolio. A comment was made by the SIO that the OSERS portfolio was more liquid than was anticipated and thus the transition of the terminated managers into the greater NIC portfolio was conducted seamlessly.

Mr. Michael Comstock presented the retirement board with the “OSERS / First Quarter 2017 Quarterly Investment Review.” The report indicates the NIC took management authority on January 1, 2017 of \$1,139 billion and experienced withdrawal request of \$18.8 million in the first quarter of 2017; however the portfolio earned \$39.7 million in investment earnings for a March 31, 2017 closing balance of \$,160.7 billion. This represents a performance return of 3.4% return for the first quarter 2017. Mr. Comstock and the board engaged in conversation over the disposition of the other assets transitioned from OSERS to the NIC. Mr. Comstock assured the board there was no desire to jeopardize the integrity of the portfolio by engaging in any *fire sale*.

The retirement board, along with the SIO, Deputy SIO and AON represented continued to engage in discussion on the portfolio and the future disposition of the asset managers.

The board took a ten minute break at 10:30 a.m. as the investment team of Michael Walden-Newman, Joseph Jurich, and Michael Comstock left the meeting.

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Mr. Rea moved the OSERS Board of Trustees go into Closed Session. The motion was seconded by Mr. Purdy and adopted by the following roll call vote: Aye: Erikson – Evans - Havlovic – Jones – Purdy – Rea - Ripa. - 7. President Erikson reminded the public the Board went into Closed Session at 10:47 a.m. for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with Cecelia Carter, Executive Director and James Ellis, and OSERS’ Legal Counsel, Robert Bothe, McGrath North matters on the Retirement System.

President Erikson reconvened the meeting at 11:00 a.m.

Present at roll call: Erikson – Evans - Havlovic – Jones – Purdy – Rea – Ripa – 7 present.

Mr. Rea moved the OSERS Board of Trustees ratify the June 2017 pension payments, ratify the OSERS staff payroll, approve the June 1st new retirements, ratify termination of annuitant payments due to death, approve refunds to former employees, and accounts payables for June.

- Gross Annuitant Pension & Retirement Staff Payroll
 - Ratify June Pension Payments (paid 06.03.2017) = \$9,459,580.37 [4,527 payees]
 - Approve May Staff Payroll (paid 06.05.2017) = \$33,006.99
- New Retirements [count: 128]

EMPLOYEE			EMP		RET	YRS		CHOSEN BENEFIT		RET
NUMBER	NAME		TYPE	AGE	MONTH	of SERV	OPT	OMAHA	STATE	TYPE
	Yvonne	Adams	Para		6	10	A			1
	Jeff	Anderson	Secu		6	10	E			2
	Cynthia	Arnold	Nurse		6	19	D			2
	Timothy	Barnes	Para		6	13	E			1

EMPLOYEE			EMP		RET	YRS		CHOSEN BENEFIT		RET
NUMBER	NAME		TYPE	AGE	MONTH	of SERV	OPT	OMAHA	STATE	TYPE
	Sharon	Barrow	Para		6	15	A			1
	Gary	Beck	Trans		6	26	A			2
	Richard	Behrens	T		6	43	D			1
	John	Beilman	T		6	13	D			1
	James	Beveridge	Trans		6	6.5	F			1
	Patricia	Blake	T		6	11	A			1
	Gail	Bos	T		6	29.5	B			2
	Joyce	Brosnan	Para		6	24	B			2
	Denise	Brown	Café		6	20	A			2
	Judy	Brown	T		6	11	B			1
	Readith	Brown	Para		6	12.5	B			1
	Sheila	Brown	OP		6	33	A			1
	Melissa	Bruce	T		6	28	A			2
	Stephanie	Brunt-Howard	T		6	19	A			2
	Carole	Burke	T		6	27	A			1
	Jini	Bussell	Café		6	17	A			2
	Sandra	Butera	T		6	32	B			2
	Nancy	Carlson	T		6	22	B			2
	Deborah	Campangna	Para		6	19	A			1
	David	Campos	T		6	14	C			2
	Marie	Carsey	Para		6	10	A			1
	Levetta	Chamberlain	T		6	34	A			2
	Phyllis	Christansen	T		6	43	D			1
	Welton	Cooks, Sr.	Trans		6	13	B			1
	Elaine	Derrick	Trans		6	26	A			1
	Barbara	Edgar	T		6	30	F			2
	Cheryl	Elliott	T		6	23	E			2
	Linda	Ely	Para		6	9	B			1
	Mari	Emswiler	T		6	23	A			2
	Julie	Ermel	T		6	24	F			2
	Maelee	Falco	T		6	34.5	A			1
	Daniel	Falcon	T		6	18	B			2
	Stephen	Fogle	T		6	11	A			2
	Patricia	Gatzke	T		6	12	A			2
	Julianne	Glacey	Para		6	10	A			1
	Larry	Gonzales	Trans		6	20	A			1
	Wendy	Gorham	T		6	30	A			2

EMPLOYEE			EMP		RET	YRS		CHOSEN BENEFIT		RET
NUMBER	NAME		TYPE	AGE	MONTH	of SERV	OPT	OMAHA	STATE	TYPE
	Julie	Grebenick	T		6	20.8	C			2
	Bonnie	Guinn	Other		6	10	A			1
	Amal	Haddad	Para		6	10.8	F			2
	Deanne	Haffke	Para		6	24	A			2
	Ann	Heeren	T		6	18	A			1
	Debra	Heinrichs	T		6	19.5	B			2
	Lisa	Helmick	T		6	29	A			2
	Cathy	Hill	T		6	34	C			1
	Janice	Hinkeldey	T		6	20	A			1
	Lindsey	Holley	T		6	26	F			2
	Patricia	Hornacek	Para		6	11.4	C			1
	Sharon	Hostler	T		6	33	A			2
	Stella	Huerter	T		6	30.5	B			1
	Cynthia	Irby	SSL		6	28.5	A			2
	Terese	Johnson	T		6	22	C			1
	Yvonne	Johnson	Para		6	8	A			1
	Leslie	Kalina	T		6	16	D			2
	Amanda	Karpf	T		6	27	A			2
	Pamela	Kassik	Para		6	14	A			1
	Elizabeth	Kirshbaum	T		6	24	A			2
	Jeanne	Knapp	T		6	12	A			2
	Lorine	Kolar	T		6	29	A			2
	Audrey	Kouma	Trans		6	15.5	B			2
	Rita	Kraft	Para		6	6.5	A			1
	Linda	Kroon	Trans		6	11.3	A			1
	Maureen	Larson	Para		6	11	A			1
	Sharon	Lee	Para		6	10	A			1
	Regina	Loehr	T		6	17	A			2
	Jere	Lohse	T		6	32	A			2
	Peggy	Madsen	T		6	18	A			2
	Deborah	Markowitz	T		6	26	A			1
	Mary	Marshall	T		6	17	F			2
	Christine	McCormack	Para		6	22	A			1
	Deborah	McHenry	T		6	18	A			2
	Deborah	Milks	T		6	18	C			2
	Brenda	Miller	Para		6	29	A			1
	Tracy	Miller	T		6	30	A			2

EMPLOYEE			EMP		RET	YRS		CHOSEN BENEFIT		RET
NUMBER	NAME		TYPE	AGE	MONTH	of SERV	OPT	OMAHA	STATE	TYPE
	Jan	Monico	Café		6	21	A			1
	Michele	Moody	T		6	38	A			2
	Janette	Nelsen	T		6	22	F			2
	Peggy	Nelson	T		6	24.5	E			2
	Daniel	O'Connell	T		6	8	B			1
	Ernestine	Oritz-Ventura	T		6	17	A			2
	Linda	Ostling	Para		6	11	A			1
	Margaret	Pass	T		6	30	B			2
	Joyce	Payton	Trans		6	21.5	A			1
	Wendy	Perry	T		6	22	C			2
	Tammy	Peterson	Café		6	14	A			2
	Jeffrey	Pietsch	T		6	24	A			2
	Jory	Popp	T		6	28	A			1
	Sandra	Prince	Trans		6	26	A			2
	Theresa	Prokop	Para		6	6.5	A			1
	Jeanne	Pulver	T		6	10	A			2
	Patricia	Rasmussen	T		6	23	A			2
	Laurie	Rathbun	T		6	13	C			2
	Catherine	Rawlings	Trans		6	12.7	B			2
	Marsha	Reeson	T		6	29	F			2
	Brenda	Rotella	T		6	27	C			2
	Ulysses	Ruffin	T		6	30	A			2
	Mary	Rush	Para		6	19.5	A			2
	Cynthia	Schultz	T		6	27	A			2
	Laura	Schulze	T		6	27	A			1
	Jerome	Shank	T		6	11	D			2
	Tracy	Slobodnik	SSL		6	31	A			2
	Cindy	Smith	T		6	18	A			2
	Karen	Spurek	T		6	16	A			2
	Susan	Staton	Para		6	27	A			2
	Maria	Sullivan	T		6	11	A			2
	Judith	Tapp	T		6	5	A			1
	Deborah	Taylor	Para		6	6.5	A			1
	Nancy	Thomsen	T		6	30	E			2
	Judy	Torrens	T		6	7	A			1
	Sandra	Troy	T		6	10.9	A			1
	Barbara	Turbes	T		6	39	A			2

EMPLOYEE			EMP		RET	YRS		CHOSEN BENEFIT		RET
NUMBER	NAME		TYPE	AGE	MONTH	of SERV	OPT	OMAHA	STATE	TYPE
	Evelyn	VanEpps	Café		6	17	E			2
	Debra	Vinopal	T		6	19	E			2
	Debra	Wallman	T		6	13	A			2
	Connie	Wheeler	T		6	23	A			1
	Peggy	White	T		6	7	A			1
	Darrell	Wiederholt	T		6	11	D			1
	Stephanie	Wilger	T		6	28	E			2
	Linda	Williams	Café		6	22.5	F			1
	Wilma	Williams	Para		6	17	B			2
	Jacquelyn	Williamson	Café		6	15	A			2
	Pamela	Wurgler	Trans		6	6	A			1
	Lana	Yager	T		6	12	A			2
	Peggy	Young	T		6	27.5	A			2
Addition to Retiree Payroll – Effective Date June 1, 2017								\$215,328.63	\$6,368.93	
Average				63		20		\$1,682.57	\$54.02	
Median				63		19		\$1,375.32	\$47.37	

- Deaths
 - Approve Termination of Annuitants' Payments Due to Death

EMPLOYEE			RET	DATE OF	BENEFIT	Survivor	Survivor	Survivor's	
NUMBER	NAME		AGE	YEAR	DEATH	OMAHA	Annuity Type	Beneficiary	Benefit \$
003862	Hall	Agnes		2003	April 2017				
006168	Seifert	Dolly		1980	April 2017				
008817	Hill	Florine R		1994	April 2017				
013587	Carlsen	Margaret		1999	April 2017				
016176	Tobin	John R.		1986	April 2017				
028085	Gonzalez	Jose M.		1992	April 2017				
035342	Johnson	Mary M.		1984	April 2017				
046006	Hanna	Janice V.		2006	April 2017				
060071	Lancaster	Jane		2010	April 2017				
060639	Eikenbary	Joyce		2006	April 2017				
065930	Markmann	Jackie		2000	April 2017				
068481B01	Lofgren	Ayn-Marie		2007	April 2017				
Terminated from Retiree Payroll – June 2017						\$15,760.78			

013422	Richardson	Merwyn L.		1993	April 2017			Mary Ann Richardson	
020719	Shelton	Will A.		2000	April 2017			Gertrude Shelton	
054508	Roundtree	Ruby L.		2014	April 2017			Curtisa Smith	
								Tracy Jones	
063804	Twyford	Arthur		2001	April 2017			Helga Twyford	
Terminated Pension & Continued Retirement to Beneficiary – June 2017									\$4,135.88
								\$4,603.14	

- Terminated Employees' Refunds

EMPLOYEE NUMBER	NAME		Payment	
	First	Last	Type	Dollar
	Lois	Allen-Hopgood	Direct	
	Rhonetta	Baker	Direct	
	Deana	Bruckner	Direct	
	Lura	Burk	Rollover	
	Anthony	Cundiff	Direct	
	Traci	Glick	Direct	
	Kirsti	Hall	Direct	
	Dewayne	Hogan	Direct	
	Kylee	Jackson	Direct	
	Teka	Leeper	Direct	
	Teresa	McCain	Direct	
	Juline	Mosser	Rollover	
	Malory	Nelson	Rollover	
	Gabrielle	Nielsen	Direct	
	Caroline	Oas	Direct	
	Kyle	Perez	Direct	
	Gabriel	Pulido Leal	Direct	
	Maria	Ramirez	Rollover	
	Craig	Ryon	Direct	
	Rebecca	Sevela	Rollover	
	Gary	Simmons	Direct	
	Jesse	Stull	Direct	
	Carolyn	Topping	Direct	
	Andrew	Uhlenkamp	Direct	
	Katherine	Welchans	Rollover	
	Michelle	Wilson	Direct	

Terminated EE Refunds June 2017				\$310,816.79
Average				\$11,954.49
Median				\$5,835.82
Count				26

Bold entry indicates a distribution to a beneficiary due to the death of the active member.

Accounts / Payables for June 2017

- Investment Managers –
 - NewSouth Capital - SMID (4thQ '16) \$ 105,798.00
 - NewSouth Capital – SmallCap (4thQ '16) \$ 31,006.00

\$136,804.00

- Legal Services –
 - McGrath North – General \$ 13,416.00
 - McGrath North – AGYOF \$ 4,614.50

\$18,030.50

- Consultant –
 - Cavanaugh Macdonald (Val, Cst Sty) \$ 37,200.00

\$37,200.00

- Miscellaneous –
 - NCTR (2- TTEE Registration Fees) \$ 4,330.00

\$4,330.00

President Erikson continued with the next item on the agenda, approving the Minutes. Mr. Ripa moved and Mr. Rea seconded the May 3, 2017 Meeting Minutes. The motion was adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7.

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Ms. Carter reviewed with the Board the 2017 / 2018 Retirement Board of Trustees Meeting calendar. She noted the first scheduled meeting is set for a Tuesday due to a conflict, rather than the traditional Wednesday morning meetings.

Mr. Rea moved and Mr. Ripa seconded the approval of the 2017 / 2018 Retirement Board of Trustees Meeting calendar to the public. The motion was adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7.

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President Erikson introduced Jack Peetz, Peetz & Company to discuss 2017 legislative matters. Mr. Peetz gave the Board an overview of the legislative session 2017 starting from January through the close of the session on May 23, 2017. Mr. Peetz primary focus of discussion centered on the submission of LB 548 and the submission and passage of LB 415.

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Executive Director's Report

Ms. Carter reviewed the status of the RFP for Audit services. The RFP responses are due June 12, 2017. Upon receipt of responses and review of the responses by the OPS CFO, OPS Accounting Manager, OPS Internal Auditor, and OSERS Executive Director, a recommendation will be made to the OSERS board of trustees. She expects a special board meeting may need to be held during the hiatus depending upon the number of responses.

Ms. Carter provided the Board with the dates for the 2017 / 2018 New Employee Workshops on OSERS. This workshop is coordinated through Human Resources as a career development workshop. It is OSERS opportunity to address the nuances of the plan with new employees, especially new career employees. The dates are as follows: August 15, September 13, November 8, 2017 and January 10 and March 20, 2018. This school year there will be five workshops, all intended to be no more than one hour and held at the Teachers Administrative Center (the TAC building).

Ms. Carter discussed the Membership Education Workshops for retiring members of OSERS. There will be four workshops in the 2017 / 2018 school year. One each quarter. The intent is to hold these workshops in the early evening to ensure spouses and partners can attend and to hold one workshop mid-day on a non-teaching day to accommodate those who cannot attend in the evening.

Ms. Carter referenced a recent Omaha World-Herald newspaper article which reported on the actuarial required contribution of OPS (the pension plan sponsor). There was board discussion on the matter and questions as to why the OPS Board of Education does not discuss with the OSERS Retirement Board it's thoughts, plans, and ideas regarding OSERS.

Mr. Ripa made a motion and Mr. Purdy to accept the Executive Director's Report: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7.

Mr. Rea made a motion and Mr. Ripa seconded the motion to engage the OPS Board of Education to form a working group with the OSERS Board of Trustees and one OSERS staff person to explore all

options to address the unfunded actuarial accrued liability of the OSERS plan. The motion was adopted by the following vote: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7.

The Board took a break from 12:30 p.m. to 1:20 p.m.

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Board of Trustees' Report

Mr. Rea reported he is serving on a discussion panel in September for the National Council of Public Employees' Retirement Systems (NCPERS). His panel is discussing pension plan funding options.

Mr. Jones informed the Board of his decision to relocate to Iowa. He was concerned there was a residency requirement to remain on the OSERS board. Ms. Carter informed the board that after research and discussion with legal counsel, OSERS board does not have a residency requirement. Mr. Jones expressed his desire and willingness to remain on the OSERS board of trustees.

New Business

There being none.

Meeting adjourned at 1:54 p.m.

PENDING BOARD APPROVAL