

The Board of Trustees of the Omaha School Employees' Retirement System held a meeting on Wednesday, October 7, 2015, at 8:30 a.m. in the Board hearing room at the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given by announcement of the President of the Board at the Board of Trustees meeting held on Wednesday, September 2, 2015.

Present at roll call: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7. Absent: Fey – Snow – 2. Entered during meeting: Goding – 1. Staff Present: Executive Director Smith and Retirement Benefits Manager Ellis. Others Present: Pat Beckham of Cavanaugh Macdonald Consulting; Kristin Finney-Cooke of NEPC; Charles Groeschell and Sharon deGuzman of Baird Advisors; Paul Viera and Chris Fitze of EARNEST Partners; Matt Drasser, Jim Gubitosi and Bill O'Malley of Income Research & Management; Pat Danehy and Brooke Morrow of NewSouth Asset Management; Paul Ariano of Wall Street Associates; and Francis Sempill of Walter Scott & Partners.

- 4758 -

President Erikson announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the next meeting of the Board of Trustees will be held at 3:30 p.m. on Wednesday, November 4, 2015, in the Board Hearing room of the Teacher 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 meeting room on the north wall.

- 4759 -

Mr. Rea moved the minutes of the September 2, 2015 meeting and the minutes of the September 23, 2015 meeting be approved. The motion was seconded by Mr. Jones and adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7. Nay: – 0.

- 4760 -

Mr. Rea moved approval of the investments made during the month of September 2015. The motion was seconded by Mr. Purdy and adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7. Nay: – 0.

- 4761 -

Mr. Ellis informed the Trustees that, due to the necessity of replacing the carpet in the Retirement Office, from December 18 through 28 the offices will be vacated, all furniture dismantled and removed and the offices will be under renovation. Due to weekends and holiday, this period was chosen to minimize disruption of service to members.

- 4762 -

Pat Beckham of Cavanaugh Macdonald Consulting discussed with the Trustees the additional fees that would be necessary for the preparation of the GASB 67 and GASB 68 reports for the 2015 and 2016 fiscal years. Mr. Rea moved approval of paying Cavanaugh Macdonald a fee for preparation of the GASB 67 report as of August 31, 2015 an amount not to exceed \$15,000; a fee for the GASB 68 report as of August 31, 2015 an amount not to exceed \$11,000; and a fee for the GASB 68 report as of August 31, 2016 an amount not to exceed \$8,500. The motion was seconded by Mr. Evans and adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – 7. Nay: – 0.

- 4763 -

Ms. Finney-Cooke of NEPC discussed with the Trustees the materials her firm had prepared on the core fixed income manager search.

- 4764 -

Ms. Goding entered the meeting at this time.

- 4765 -

Ms. Finney-Cooke provided an overview of the firm of Baird Advisors.
Charles Groeschell and Sharon deGuzman of Baird Advisors discussed with the Trustees the services their firm would provide in the management of a core fixed income portfolio.

- 4766 -

Ms. Finney-Cooke provided an overview of the firm of EARNEST Partners.
Paul Viera and Chris Fitze of EARNEST Partners discussed with the Trustees the services their firm would provide in the management of a core fixed income portfolio.

- 4767 -

Ms. Finney-Cooke provided an overview of the firm of Income Research & Management. Matt Drasser, Jim Gubitosi and Bill O'Malley of Income Research & Management discussed with the Trustees the services their firm would provide in the management of a core fixed income portfolio.

- 4768 -

Ms. Finney-Cooke provided an overview of the three, core, fixed income investment managers. The Trustees discussed the managers and their investment processes. Mr. Purdy moved to contract with EARNEST Partners for management of a core, fixed income portfolio, with the eventual size of the investment to be established with the assistance of NEPC through further asset allocation and diversification analysis. The motion was seconded by Mr. Rea and adopted by the following roll call vote: Aye: Erikson – Evans – Goding – Havlovic – Jones – Purdy – Rea – Ripa – 8. Nay: – 0.

- 4769 -

Ms. Goding and Mr. Evans left the meeting at this time.

- 4770 -

Pat Danehy and Brooke Morrow of NewSouth Capital Management discussed with the Trustees the performance of the small-cap and small to mid-cap domestic value equity portfolios their firm manages for the Retirement System.

- 4771 -

Mr. Evans entered the meeting during the previous item.

- 4772 –

The Trustees recessed for lunch at 12:10 p.m.

The Trustees reconvened at 12:35 p.m. Present: Erikson – Jones – Purdy – Rea – Ripa – 5.

- 4773 -

Francis Sempill of Walter Scott & Partners discussed with the Trustees the performance of the global equity portfolio his firm manages for the Retirement System.

- 4774 -

Mr. Havlovic entered the meeting during the previous item.

- 4775 -

Paul Ariano of Wall Street Associates discussed with the Trustees the performance of the micro-cap and mid-cap domestic growth equity portfolios his firm manages for the Retirement System.

- 4776 -

President Erikson presented the draft job description for the position of Executive Director of OSERS. The Trustees discussed the job description and expressed satisfaction with the document as it had been amended. Mr. Rea moved approval of the amended job description and recommended it be advanced to the Board of Education for use in seeking a new Executive Director. The motion was seconded by Mr. Jones and adopted by the following roll call vote: Aye: Erikson – Havlovic – Jones – Purdy – Rea – Ripa – 6. Nay: – 0.

- 4777 -

Mr. Smith provided the Trustees with a brief update on the activities at the upcoming NCTR Conference in La Jolla, California.

- 4778 -

President Erikson adjourned the meeting at 1:56 p.m.