

The Board of Trustees of the Omaha School Employees' Retirement System held a retreat meeting on Wednesday, August 5, 2015, at 1:18 p.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 public notice.

Present at roll call: Erikson – Fey – Goding – Jones – Purdy – Rea – Ripa – Young – 8. Entered during meeting: Evans – Snow – 2. Staff Present: Executive Director Smith and Retirement Benefits Manager Ellis.

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Kristin Finney-Cooke and Richard Harper of NEPC discussed with the Trustees the NEPC report titled Asset Allocation Education. They explained the importance of asset allocation to the Retirement System and discussed the various components that go into a well prepared asset/liability study and asset allocation plan.

- 4723 -

Mr. Evans entered the meeting during the previous item.

- 4724 -

President Erikson stated that he had received a memo from Mr. Smith indicating that Mr. Smith would be retiring from his position as Executive Director of the Retirement System effective December 31, 2015. Copies of the memo were distributed to the Trustees and the Trustees discussed the process that would be used to select a new Retirement System Director. Mr. Jones asked how successful a search would be due to the uncertainty of the outcome of LB448 in the Unicameral. Ms. Fey and Ms. Goding stated that the bracketing of LB448 had prevented that legislation from being enacted during 2015 and they believed it would not be considered further.

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Mr. Evans left the meeting at this time.

- 4726 -

Mr. Rea indicated his belief that it was important for the Board of Trustees and the Board of Education to engage in a more collaborative working relationship. He urged that a joint meeting of representatives of the Board of Education, Board of Trustees and each of the employee and retiree groups be convened to discuss legislation that would promote a better relationship among all groups. He indicated that three specific items needed to be enacted into law. The member groups of the Retirement System should be permitted to elect their respective Trustee to the Board of Trustees. The Board of Trustees should be permitted to retain its own legal counsel. The Retirement System employees should be responsible to and report to those who pay their salaries, the Board of Trustees. Ms. Goding indicated that she would work with Mr. Rea to establish a meeting among all of the representative groups.

- 4727 -

Mr. Snow entered the meeting during the previous item.

- 4728 -

Mr. Smith discussed with the Trustees the Executive Director's report for the past year, focusing discussion on the significant increase in the number of retirees over the past four years. He indicated that the large number had placed extra strain on the office, but they had successfully processed the retirements. With the changes in the early leaving incentive benefit for certain certificated employees, the retirement counseling of those affected individuals would be front loaded into a narrow 10-week window from September 16 through December 1. He shared that the passage of new legislation that imposed unnecessary salary capping language would require manual calculations of each retiree applicant to insure compliance with the new law. The Trustees discussed the various reasons the computer software was incapable of being cost-effectively programmed to make the calculations. They requested staff prepare a memo that provided more information on this issue.

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Mr. Smith discussed with the Trustees the Board of Trustees Practices, Procedures and Positions Manual, updated for 2015. He noted that, among other data, information concerning investment guidelines, funding policy, and positions the Board of Trustees has taken were recorded in the Manual. The changes for 2015 were inclusion of the salary capping language and the new policy on how the Board of Trustees would set the various interest rates used by the Retirement System.

- 4730 -

Mr. Smith discussed with the Trustees the proposed dates for the 2015-2016 Board of Trustees meetings. He noted that the first Wednesday of each month has been scheduled, but that times of those meetings had not yet been established. The Trustees discussed their preferred meeting times and established a regular starting time for each meeting of 3:30 p.m., unless changed at a prior Trustee meeting. They then discussed the September 2, 2015 meeting and established a starting time of 9:00 a.m. for that meeting.

- 4731 -

President Erikson announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the Board of Trustees will hold a special meeting on Saturday, August 15, 2015 at 9:00 a.m. in the Board Hearing room of the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska. He further announced the next regular meeting of the Board of Trustees will be held at 9:00 a.m. on Wednesday, September 2, 2015, in the Board Hearing room of the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska. The agendas for these meetings will be kept current and available for public inspection in the Retirement Office at the Teacher Administrative Center during regular working hours.

- 4732 -

Ms. Fey left the meeting at this time.

- 4733 -

Mr. Smith directed the Trustees attention to the page highlighting the 2015 National Council on Teacher Retirement Conference to be held in La Jolla, California, October 10-14. He pointed out that early registration was currently underway and asked that trustees planning to attend should immediately inform him. He indicated that he would complete the registration process and obtain hotel rooms for those intending to participate. Each trustee will need to make travel arrangements to and from the conference either through the OPS travel office (for both employees and non-employees) or on their own (for non-employees only).

Mr. Smith distributed a 4-page report prepared by Mr. Purdy on the recently completed NCTR Trustee Workshop held in Boston, Massachusetts. The 5 Trustees who attended provided their comments on the Workshop and recommended attendance to all of the other Trustees. The Trustee discussed the report and thanked Mr. Purdy for preparing it.

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President Erikson adjourned the meeting at 3:17 p.m.