

The Board of Trustees of the Omaha School Employees' Retirement System held a meeting on Wednesday, July 23, 2014, 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 Saturday, June 7, 2014.

Present at roll call: Erikson – Knutson – Rea – Ripa – Young – 5. Absent: Evans – Fey – Purdy – Scanlan – 4. Entered during meeting: Goding – 1. Staff Present: Executive Director Smith and Retirement Benefits Manager Ellis. Others Present: Chris Hill of New England Pension Consultants; David Lawson of UBS Global Asset Management; James Sakelaris and John Faust of JP Morgan Asset Management; Keiri Custodio of Fremont Realty Capital; Sarah Biggs of Long Wharf Real Estate Partners; and Matthew Kaplan and Josh Overbay of Almanac Realty Investors.

- 4593 -

Chris Hill of New England Pension Consultants provided an overview of the current real estate investment market, OSERS' real estate investments and the various investment managers.

- 4594 -

Ms. Goding entered the meeting during the previous item.

- 4595 -

President Knutson stated that the time for the September meeting had not yet been established. Ms. Goding noted that the Board of Education would be meeting the evening of September 3, 2014, the date established for the Board of Trustee meeting. After reviewing individual calendars, by consensus the Trustees approved moving the meeting to Thursday, September 4, 2014 to begin at 9:00 a.m.

- 4596 -

President Knutson announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the next meeting of the Board of Trustees will be held at 9:00 a.m. on Thursday, September 4, 2014, 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.

- 4597 -

Mr. Rea moved the minutes of the June 7, 2014 meeting be approved. The motion was seconded by Mr. Young and adopted by the following roll call vote: Aye: Erikson – Goding – Knutson – Rea – Ripa – Young – 6. Nay: 0.

- 4598 -

Mr. Rea moved approval of the investments made during the month of June 2014. The motion was seconded by Mr. Erikson and adopted by the following roll call vote: Aye: Erikson – Goding – Knutson – Rea – Ripa – Young – 6. Nay: 0.

- 4599 -

President Knutson stated that it was again time for the Board of Trustees to recommend to the Board of Education individuals to be appointed to the Board of Trustees. One business community member needs to be appointed for a term of three years and one annuitant position, one classified staff position and two certificated staff positions are all available for one-year terms. President Knutson informed the Trustees that he would accept reappointment to the business community position with the understanding that a replacement business trustee would be located within the following 12 months. He indicated that he was in the process of easing into retirement and that one year from now he would not be in a position to continue serving. He also indicated that Roger Rea, James Ripa, Lance Purdy and John Young had all been recommended by their respective organizations, unions or association. The trustees discussed the process engaged in by the various employee and retiree organizations prior to making their recommendations. The other trustees urged Ms. Goding, as a representative of the Board of Education, to ensure that the Board of Trustees and the various employee and retiree organizations be included in future discussions if the Board of Education chose to continue consideration of alternate procedures for appointing trustees. Mr. Erikson moved the Trustees recommend the Board of Education appoint David Knutson to fill the business community position, Roger Rea to fill the annuitant position, James Ripa the classified staff position, and Lance Purdy and John Young the certificated staff positions. The motion was seconded by Mr. Rea and adopted by the following roll call vote: Aye: Erikson – Goding – Knutson – Rea – Ripa – Young – 6. Nay: 0.

- 4600 -

Mr. Smith directed the Trustees attention to the page highlighting the 2014 National Council on Teacher Retirement Conference to be held in Indianapolis, Indiana October 11-15. He pointed out that early registration was currently underway and that registration fees would increase effective September 8, 2014. He indicated that he would complete the registration process and obtain hotel rooms for those intending to participate. He asked that trustees planning to attend should immediately inform him so OSERS could take advantage of the reduced registration fees. Each trustee will need to make travel arrangements to and from the conference on their own.

- 4601 -

David Lawson of UBS Global Asset Management reviewed the management of and performance of UBS Trumbull Property Fund.

James Sakelaris and John Faust of JP Morgan Asset Management reviewed the management of and performance of the Strategic Property Fund and the Special Situation Property Fund.

Keiri Custodio of Fremont Realty Capital reviewed the management of and performance of Fremont Strategic Property Partners II fund. He noted the fund was in harvest mode and would be fully liquidated within the next year.

Sarah Biggs of Long Wharf Real Estate Partners reviewed the management of and performance of Fidelity Real Estate Growth Fund II. She noted the fund was in harvest mode and would be fully liquidated within the next year.

Matthew Kaplan and Josh Overbay of Almanac Realty Investors reviewed the management of and performance of Almanac Realty Securities IV and Almanac Realty Securities VI funds. They also presented the Almanac Realty Securities VII fund and requested the Trustees give consideration to investing in the new fund.

- 4602 -

The Board recessed for lunch at 12:15 p.m.

The Board reconvened at 1:00 p.m. Present at roll call: Erikson – Goding – Knutson – Rea – Ripa – Young – 6.

- 4603 -

Chris Hill of New England Pension Consultants reviewed with the Trustees the annual report on the retirement system's real estate investments. The report reflected mixed returns, specifically Fidelity Growth Fund II and Fremont Strategic Real Estate II, which due to poor management decisions and greater emphasis on real estate development and leverage had performed more poorly than others. He discussed methods of creating a diversified real estate portfolio.

- 4604 -

President Knutson adjourned the meeting at 1:40 p.m.