

# Omaha School Employees' Retirement System

## Board of Trustees

### Meeting Digest

**Wednesday, May 2, 2018**

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The following is a recap of the retirement board of trustees' meeting held Wednesday, May 2, 2018.

Six board members were present at roll call.

#### Pension Administration

The Board approved the following administrative matters affecting the OSERS plan:

- Retiree pension payroll for May 2018 in the amount of \$9,917,429.69 to 4,680 retirees
- Staff payroll
- New annuitants effective May 1, 2018 ... average pension \$1,437.97
- Termination of pensions for annuitants who have died; with last pension check issued April 2018
- Refunds to former OPS employees requesting distribution(s) in the amount of \$392,624.61
- Accounts/Payables for May

#### Minutes

The Board approved the Minutes to the April 4, 2018 OSERS Board of Trustees meeting.

#### Sixty-Sixth Omaha School Employees Retirement System Actuarial Report as of January 1, 2018

The Board's actuary presented the sixty-sixth Omaha School Employees' Retirement System Actuarial Report as of January 1, 2018. The results of the valuation reported a market value rate of return for the period ending December 31, 2017 at 10.1%; however that translates into an actuarial rate of return of 4.2% on assets as previous investment losses are recognized through the OSERS smoothing method.

A history of OSERS market value returns since 2002 was presented as follows:

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
-11.7%	15.2%	7.5%	17.1%	12.9%	16.9%	-3.9%	-13.3%	10.5%	11.7%	8.3%	9.7%	13.3%	-4.1%	-0.7%	10.1%

The report showed portfolio assets of \$1.234 billion resulting in a funding ratio of 64%

The change in OSERS membership from 2017 to 2018 was as follows:

	January 1, 2018	January 1, 2017
Actives		
- Certificated	4,872	4,808
- Classified	<u>2,697</u>	<u>2,654</u>
- Total Actives	7,569	7,462
Retirees and Disabled Members	4,426	4,295
Beneficiaries	252	247
Inactive Vested Members	1,043	1,035
Inactive Non-Vesteds	<u>413</u>	<u>347</u>
Total	13,703	13,386

To view the actuarial report in its entirety, visit the OSERS web site at [www.osers.org](http://www.osers.org) or [\[click here\]](#)

### Fiduciary Liability Insurance

The Board engaged in discussion and review of the current provisions of the OPS Fiduciary Liability insurance umbrella policy, which includes coverage for the OSERS trust fund as well as eight other OPS trust fund accounts. It was decided the Executive Director investigate obtaining separate standalone coverage and to bring options to the Board of Trustees at the next meeting.

### Legislative Update

Peetz & Company provided the Board an update recapping the 2018 legislative session. This was a short session, a 60-day session. The session opened January 3, 2018 and adjourned sine die on April 18, 2018.

Mr. Peetz and Ms. Carter reviewed the provisions of LB 1005 that are applicable to OSERS.

LB 1005 updated the mortality tables for future members of OSERS. The bill also provided clarifying provisions regarding OPS District contributions into the OSERS plan going forward. The bill provided a new definition of “solvency” for the OSERS plan.

NE Rev. Stat., section 79-978 (30)

“(30) Solvency means the rate of all contributions required pursuant to the Class V School Employees Retirement Act is equal to or greater than the actuarially required contribution rate

as annotated in the most recent valuation report prepared by the actuary retained by the board of trustees as provided in section 79-984.”

A full copy of the bill can be found online. [[click here](#)]

The Board was also presented with a list of Legislative Resolutions which were introduced in the 2018 legislative session to provide for interim period studies. The four interim studies of interest to OSERS all have an interest in retirement benefits (click on the LR number to see the Introduced Copy of the study intent):

LR No. – Sponsoring State Senator – Assigned Legislative Committee

- [LR 368](#) – Senator Kolterman – Nebraska Legislative Retirement Committee
- [LR 369](#) – Senator Kolterman – Nebraska Legislative Retirement Committee
- [LR 396](#) – Senator Lowe – Nebraska Legislative Retirement Committee
- [LR 434](#) – Senator Linehan – Education Committee

## Financial Statements & Budget Variance

The Board reviewed the OSERS financial statements for the month of March 2018.

- OSERS net pension position as of March 31, 2018 was \$1.248 billion
- Since September 1, 2017 through March 31, 2018, OSERS has paid \$73,284,957.74 in pension retirement benefits into the greater Omaha community.

The Board of Trustees also reviewed and voted on the 2018/2019 proposed budget for OSERS operations. The proposed budget presented the following highlights:

- Proposed operating budget of \$1,085 million for the 2018/2019 fiscal year.
  - That is a 21.4% reduction from the 2017/2018 approved budget.

## 2018 Trustee Election

Ms. Carter reviewed the election process to date. As of March 31, 2018 there were 4,572 eligible certificated voters in the 2018 election.

The ballots were mailed out on Friday, April 27, 2018. The online election voting opens Friday, May 4, 2018 and will close at 5:00 p.m. on Friday, May 18, 2018. Voting ballots by U.S. mail will be counted if the ballot is postmark by May 18 and received at the election service company by Friday, May 25, 2018.

## Executive Director’s Report

- Staff provided an update on the PeopleSoft upgrade project with relation to the Pension Module.
- Ms. Carter gave a brief overview of a recent National Council on Teachers’ Retirement webinar titled: “Guns: Divestment or Engagement?”

- Ms. Carter confirmed filing of the quarterly Nebraska Form C for 1<sup>st</sup> Q 2018.

### Trustees' Report

- Mr. Erikson commented on the Board Digest published following the Retirement Board meeting.
- Update from Mr. Rea on interview with the publication *NEA Today*.
- Update from Mr. Evans on interview with the *Omaha World Herald*.

### New Business

Due to conflicts with the scheduled June 6, 2018 meeting date, the Board proposed several other options leading into July as alternative dates. Ms. Carter will canvass other participants of the meeting and finalize a date within the week.

Due to the re-scheduling, the next OSERS Board of Trustees meeting is to be determined.