

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, May 2, 2018, at 9:00 a.m. in the Board Conference 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 by the President of the Board at the Board of Trustees' meeting held on April 4, 2018.

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President Erikson announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees is scheduled for Wednesday, June 6, 2018 at 9:00 a.m., at the Teacher Administrative Center, 3215 Cuming Street, Omaha, Nebraska. However, there will be discussion later in this meeting to change the date of the June board meeting. 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.

The meeting was called to order at 9:02 a.m. Present at roll call: Erikson – Evans - Rea - Ripa – Havlovic – Jones - 6 present. Absent: Purdy (excused).

Staff Present: Cecelia M. Carter, Executive Director. Others Present: Robert Bothe, Esq., McGrath North; Patrice Beckham, Cavanaugh Macdonald; Jack Peetz, Peetz & Company (via telephone).

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President Erikson opened the meeting with a call for public comment. There being none, the meeting move onto the next agenda item.

Mr. Rea moved the OSERS' Board of Trustees go into Closed Session for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with legal counsel, and Cecelia Carter, Executive Director legal matters and personal financial matters regarding members of OSERS. Mr. Ripa seconded and the motion was adopted by the following roll call: Aye: Erikson – Ripa – Evans – Havlovic – Jones – Rea – 6. Nay: 0.

The Board came back into session at 9:23 a.m. Present at roll call were: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6.

On motion by Mr. Havlovic and seconded by Mr. Rea the board approved the pension and staff payroll for May, the new retirements for May, the termination of retirement benefits due to death for May, the refunds for May and the accounts/payables for May.

- Pension & Retirement Staff Payroll
 - May Pension Payments (paid 05.03.2018) in the amount of \$9,917,429.22 to 4,680 payees
 - May Staff Payroll (paid 05.05.2018) in the amount of ~ \$34,000
- New Retirements
 - May New Retirement Annuitants (first check June 3, 2018) [4 count]

EMPLOYEE NUMBER	NAME		EMP TYPE	AGE	RET MONTH	RET YRS	AVERAGE SALARY	OPT	CHOSEN BENEFIT		
									OMAHA	STATE	TYPE
	Ellen	Shultz			5	26					2
	Karen	McGrane	Para		5	21.5					1
	Edward	Wootton	Other		5	16					2
	Mary	McGill	T		5	9.9					1
Addition to Retiree Payroll – May 1, 2018									\$5,751.86	\$210.45	
Average				64		18.35	51,006.55		1,437.97	52.61	
Median				64		18.75	59,483.74		1,379.91	50.28	

Explanation of OPTIONS:

“A” = 5 year certain; “B” = 10 year certain; “C” = 50% J&S; “D” = 75% J&S; “E” = 100% J&S; “F” = Pop-up

Explanation of RET TYPE:

“1” = normal retirement; “2” = early retirement; “3” = disability retirement

- Deaths
 - Termination of Annuitants' Payments Due to Death
(last check was April 3, 2018) [18 count]

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Dorothy	Dollis	1988					
	Sam	Cortese	1991					
	Sharon	Simmons	1996					
	Dorothy	Dollis	1995					
	Viola	Timm	1998					
	Myra	Foutch	2016					
	Georgena	Veit	1990					
	Dorothy	Klein	1984					
	Elenor	Vendetti	2000					
	Eileen	Knudsen	1998					
	Betty	Lindley	1998					
	Raymond	Pilus	1998					
Terminated from Retiree Payroll – May 2018					\$13,389.46			
	Vojmir	Benak				Sandra Benak		
	Donahue	Dennis				Carli Borsh		
	Janet	Drieling				Dennis Drieling		
	John	Merkevicius				Robin Merkevicius		
	Hein*	Janet						
	Stanislav*	Timothy						
Continued Retirement to Beneficiary – May 2018					\$21,207.08		\$7,647.24	

* Surviving Beneficiaries opted to receive a lump sum distribution of remaining payments.

- Terminated Employees' Refunds
 - Refunds [28 count]

EMPLOYEE	NAME		Payment		-
NUMBER	First	Last	Type	Dollar	Yrs of Svc
	Kimberlee	Denning	Direct		0.1
	Amanda	Caillau	Rollover		0.5
	Heather	Nutt	Direct		0.8
	Elizabeth	Pierson	Direct		0.9
	Majken	Fullner	Rollover		1.0
	Holly	Jung	Direct		1.0
	Devry	Rhodes	Direct		1.0
	Lauren	Wyatt	Direct		1.0
	Zoey	Boothe	Direct		1.7
	Whitney	Fischer	Rollover		2.0
	Karen	Morse	Direct		2.0
	Desaree	Kincaid	Direct		2.3
	Yadira	Campos	Rollover		2.5
	D'Necia	Lash	Direct		2.7
	Federico	Ayon Gomez	Direct		3.0
	Jillian	Moore	Rollover		3.0
	Tracey	Willard	Rollover		3.1
	Jon	Lundt	Rollover		3.4
	John	White	Direct		4.0
	Marvin	Harkins	Rollover		6.0
	Dustin	Nilius	Direct		6.7
	Regina	Boland	Rollover		7.0
	Jean	Bloemer	Rollover		10.2
	Maria	Salinas	Direct		10.5
	Debra	Jimmerson	Rollover		12.0
	Derrick	Nero	Rollover		12.0
	Dawn	Prue	Direct		12.1
	Robert	Mason	Rollover		15.0
Terminated EE Refunds May 2018				\$392,624.61	
Average				\$14,022.31	4.55
Median				\$7,451.89	2.85
Count					28

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

Accounts / Payables for May 2018

- Consultant –
 - Cavanaugh Macdonald \$ 990.00
 - Legal Counsel –
 - McGrath North (AGYOF) \$ 837.00
 - McGrath North (general) \$ 7,104.00
- \$7,941.00**

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Mr. Erickson called for a review of the Minutes to the April 4, 2018 board meeting. Mr. Rea moved and Mr. Purdy seconded a motion to approve the meeting minutes for March 6, 2018. There was discussion for a correction to a name spelling on page 5. The motion was adopted by the following roll call: Aye: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6. Nay: 0

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The next item on the agenda was the presentation of the draft Sixty-sixth Annual Valuation Report of the Omaha School Employees' Retirement System as of January 1, 2018. The draft report was presented to the Board of Trustees by Ms. Patrice Beckham of Cavanaugh Macdonald.

A full copy of the actuarial report can be found online at www.osers.org.

The draft report reported a funding ratio of 64% and an actuarial additional OPS district contribution of \$18.8 million for 2018.

Mr. Jones made a motion to accept the Sixty-sixth Annual Valuation Report of the Omaha School Employees' Retirement system as of January 1, 2018. The motion was seconded by Mr. Ripa. The motion was adopted by the following roll call: Aye: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6. Nay: 0

The Board took an 18 minute break and resumed the meeting at 11:18 a.m.

Mr. Erikson called for pulling a matter out of order so as to discuss now, thus then excusing legal counsel from the meeting. The matter was to be reported on under the Executive Director's report. Ms. Carter updated the Board on the renewal of the Board's fiduciary liability insurance coverage which is currently part of an umbrella coverage of OSERS and 8 other benefit trust funds of OPS. The renewal period is May 1. The premium did not decrease from past years as was expected since the management of investments is no longer with the Board of Trustees. Mr. Bothe expressed to the Board his understanding of the coverage and the purpose for the coverage.

The discussion concluded that Ms. Carter is instructed to investigate a standalone policy coverage, separate from the umbrella policy carried by Omaha Public Schools. Ms. Carter is to bring options to the next board meeting.

Mr. Jack Peetz of Peetz and Company joined the meeting via the telephone. Mr. Peetz gave the Board an overview of the 105th Legislative Session of the Nebraska Unicameral. The 2018 legislative session began on January 3, 2018 and adjourned sine die on April 18, 2018 (a 60-day session).

In particular, Mr. Peetz reviewed two legislative bills affecting OSERS, LB 548 and LB 1005. LB 548 advanced out of Committee, however did not advance pass the floor debate. LB 1005 was adopted on April 18, 2018 and signed by the governor on April 23, 2018.

LB 1005 is a pension administration clean-up bill for the various defined benefit and defined contribution plans in the State of Nebraska. For OSERS there were several clean-up provisions affecting mortality tables and actuarial required contributions by the school district.

The Board took a 45 minute break.

The meeting resumed with the following Board members present: Erikson – Evans – Havlovic – Jones – Rea – Ripa.

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Ms. Carter presented to the Board the financial statements for OSERS for the period ending March 31, 2018. The trust fund was valued at \$1.248 billion at March 31, 2018. Ms. Carter also reviewed the OSERS budget variance report for the month of March 2018.

Following the financial statements and budget variance report, the Board reviewed the second reading of the 2018/2019 proposed budget for the OSERS administration. There was discussion among the board with Mr. Erikson outlining the reduction in budget of 21% from 2017/2018 Adopted Budget. The reduction resulted from a reduction in 1 FTE as well as implementing more streamlined procedures.

Mr. Rea moved the Board accept the 2018/2019 Proposed Budget as presented. The motion was seconded by Mr. Jones. The motion was adopted with the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6. Nay: 0

Mr. Evans then requested the Board reconsider the Budget with a reduction to the line item for attendance –workshops, conference, meetings. Mr. Evans request was a 50% reduction for the line item from \$40,000 to \$20,000.

Mr. Evans motioned the Board reduce the line item for Attendance – Workshops, Conference, Meetings by 50%. Mr. Havlovic seconded the motion. The motion did not pass by the following roll call: Aye: Evans – Havlovic – 2. Nay: Erikson – Jones – Rea – Ripa – 4. The motion failed.

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Mr. Erikson asked Ms. Carter to update the Board on the 2018 Trustee Election process. Ms. Carter indicated the 2018 election ballots for the active certificated seat were mailed out on April 27, 2018 and members began receiving ballots at home the beginning of this week. There were 4572 ballots mailed out. Voting eligibility was determined by the members' status (active and certificated) as of March 31, 2018.

This lead into a discussion on annuitants who return to work in a full-time position and are making contributions again to OSERS. These individuals are permitted by Election Policy to vote in the active trustee seat election. However, if still working at the time of the annuitant election (2020), they will not be eligible to vote as an annuitant. It was determined the Election Policy should be made more clear with regards to annuitants who have returned to work full time.

Ms. Carter was instructed to bring language to the next meeting for adoption into the Election Policy.

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Ms. Carter reviewed the following items during the Executive Director report.

Mr. Timothy Lenon, Retirement Technician at OSERS presented a status overview of the PeopleSoft upgrade project. To date there remains a high level of concern on the accuracy of data being transmitted for testing by OSERS staff. The Board engaged in discussion on the consequences of the project not accurately implementing the retirement module.

Ms. Carter gave the Board a highlight overview of the webinar presented by the National Council on Teacher's Retirement titled: Guns: Divestment or Engagement?

Ms. Carter reported to the Board the filing of Nebraska Form C for the 1st Q 2018, filed April 20, 2018.

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Mr. Erikson commented the performance appraisal for the Executive Director is underway with Mr. Havlovic and Mr. Purdy overseeing the process.

Mr. Erikson commented on the implementation of the OSERS Retirement Board of Trustees Meeting Digest that began following the April retirement board meeting. Others commented on the digest as well and how it helps keep communication open to the members.

Mr. Rae informed the Board he was interviewed by NEA Today magazine.

Mr. Evans informed the Board he was interviewed by the Omaha World Herald about OSERS.

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The Board then opened the discussion to rescheduling the June 2, 2018 Board meeting. Due to conflict(s) the meeting will need to be re-scheduled. After much discussion, three possible dates were selected, July 12th, July 17th or July 18th.

Ms. Carter indicated she will work with intended presenter to find a date convenient for all and inform the Board of Trustees.

The meeting adjourned at 1:44 p.m.