The Board of Trustees of the Omaha School Employees’ Retirement System held a meeting on Wednesday, March 2, 2016, at 3:30 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 announcement by the President of the Board at the Board of Trustees meeting held on Wednesday, February 3, 2016.


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, April 6, 2016, 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.

Mr. Rea moved the Minutes of the February 3, 2016 meeting be approved. The motion was seconded by Mr. Havlovic and adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6. Nay: 0.

Mr. Rea moved approval of the investments made during the month of February 2016. The motion was seconded by Mr. Jones and adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Jones – Rea – Ripa – 6. Nay: 0.
Mr. Ellis shared a letter from PTG Pactual with the trustees regarding a share swap between the former CEO of PTG Pactual and the seven next largest partners of PTG Pactual, which allows these partners to take over voting control from the former CEO. This is not a change of control under the terms of our Management Agreement and no changes have occurred in the management of OSERS timberland account. No action taken.

Ms. Fey entered at this time.

Mr. Rea moved that the OSERS Board of Trustees go into Closed Session for discussions of the legal consequences of specific action and legal advice clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual to discuss with the Trustees and the Attorney. The motion was seconded by Mr. Ripa and adopted by the following roll call vote: Aye: Erikson – Evans – Fey – Havlovic – Jones – Rea – Ripa – 7. Nay: 0. President Erikson stated the Board went into Closed Session at 3:46 p.m.

Mr. Purdy entered during the previous item.


Mr. Rea moved that subject to approval by the Board of Education and pursuant to the withdrawal of the Capital Account of the Omaha School Employees' Retirement System (OSERS) in Atlantic Global Yield Opportunity Fund, LP (the "Fund"), previously approved by the Trustees and Board of Education, the Executive Director is hereby authorized to direct the Fund and the Receiver of Atlantic Asset Management, LLC., to take the following actions in the course of liquidating the Fund's assets and providing cash distributions to OSERS in the redemption of its interests in the Fund: (a) To sell the remaining securities that have not yet been liquidated pursuant to OSERS' withdrawal of its Capital Account at the times and prices recommended by the Fund's sub-advisors. Distribution of the net proceeds from the sale of such
securities shall occur when each such security is sold by the Fund. (b) To retain the Wakpamni Lake Community Corporation bonds in the Fund until such time as they can be sold for their original face value of $16.2 million or OSERS directs otherwise. The Wakpamni bonds shall not be distributed in-kind to OSERS. Distribution of OSERS’s interests in the Fund attributable to the Wakpamni bonds shall only occur when the securities are sold or other action taken by the Fund to obtain value or recover losses in these securities. (c) To retain $250,000 from the cash distributions made to OSERS in its withdrawal from the Fund, for the purpose of providing a reserve for the payment of costs that may be incurred pursuing strategies and possible legal actions by the Fund to sell or otherwise obtain value from the Wakpamni bonds owned by the Fund. The motion was seconded by Mr. Purdy and adopted by the following roll call vote: Aye: Erikson – Evans – Fey – Havlovic – Jones – Purdy – Rea – Ripa – 8. Nay: 0.

Matthew Morris and Ian McIntosh of 1 North Equity Healthcare discussed with the Trustees the performance of healthcare fund their firm manages for the Retirement System.

Mr. Evans and Mr. Jones left the meeting at this time.

Kristin Finney-Cooke of NEPC presented the Asset Liability Study prepared by NEPC. Kristin explained that the current asset allocation target is a well-diversified portfolio that balances risk and return expectations. Kristin also showed several NEPC proposed allocations with similar risk and return profiles. Several questions were asked regarding the return assumptions that were illustrated. Questions were also asked about the actuarial assumptions used in the allocations that were illustrated.

Mr. Rea gave an update on LB447. The bill was advanced from general file to select file with no dissenting votes. The bill is now on select file, and will need to pass on final reading as well as be signed by the governor to become law. The bill contains the emergency clause, which means that it would become effective immediately on receiving the governor’s signature.

Mr. Ellis informed the Trustees that the school district has started an upgrade project related to its software, Oracle PeopleSoft. This is the software the retirement office is currently using.
which had to be customized to meet OSERS needs. Mr. Ellis stated that the COBOL programming language is used to customize the software, and that COBOL is not a commonly used programming language today. The project is currently in the Fit/Gap stage where it can be determined if any new functionality has been added to the software that allow it to be a better fit for OSERS. In addition to the software upgrade there is also the possible legislative changes which will require significant time in setting up the new benefit structure into the system. Mr. Ellis wanted the trustees to be aware of the changes and be aware that it may be the time to consider additional staffing and/or adopting software that is better able to be supported than PeopleSoft.

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President Erikson adjourned the meeting at 6:48 p.m.