

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, September 5, 2018, at 9:00 a.m. at Teachers' Administrative Center, 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given August 8, 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, October 3, 2018 at 9:00 a.m., at the Teachers Administrative Center, 3215 Cuming Street, Board conference room – 2nd floor, 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 of Education meeting room on the north wall.

The meeting was called to order at 9:00 a.m. Present at roll call: Erikson – Havlovic – Purdy - Rea – Ripa - 5 present. Absent at roll call: Jones (excused) and Logan.

Staff Present: Cecelia M. Carter, Executive Director.

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President Erikson opened the meeting with an introduction of Ms. Patrice Beckham of Cavanugh Macdonald – the OSERS actuarial firm. Ms. Beckham presented and talked with the Board of Trustees on what it would take to conduct a sustainability study as well as what types of assumptions and options could be under consideration.

Ms. Beckham and the Board of Trustees discussed several hypothesizes on what could affect future employees and retirees given current trends. There was further

discussion on what legislative changes occurred over the past years in an attempt to align the OSERS benefits and the Nebraska School Employees' Retirement System's benefits.

Dr. Logan joined the meeting at 9:04 a.m.

Mr. Erikson assured the group the principle in wanting to engage in a sustainability study was to work through long term solutions to the plan's sustainability and not look for quick fixes and debt relief.

Ms. Beckham emphasized the first premise to any sustainability study is for the study group to set the goals of the group.

The Board took a ten minute break.

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Mr. Erikson introduced Ms. Kelly Mann of Seim Johnson, the OSERS Board auditing firm. Mr. Darren Osten, of Seim Johnson joined the meeting via telephone. Ms. Mann reviewed with the Board the intent and processes of conducting the annual audit of the OSERS financial statements.

Mr. Purdy made a motion 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 Cecelia Carter, and Kelly Mann and Darren Osten financial matters of retirees and the System. Mr. Rea seconded and the motion was adopted by the following roll call: Aye: Erikson – Havlovic – Logan – Purdy - Rea – Ripa - 6. Nay: 0.

Mr. Erikson reminded the public of the need for closed session.

Ms. Carter left the closed session to permit the Board and auditors to discuss any points of particular interest to the Board for the 2018 audit.

Ms. Carter returned to closed session after the Board and auditor met. Ms. Mann and Mr. Osten left the closed session.

The Board came back into session at 11:01 a.m. Present at roll call were: Erikson – Havlovic – Logan – Purdy - Rea - Ripa – 6.

On motion by Mr. Ripa and seconded by Mr. Purdy the board ratified the pension and staff payroll for September, the new retirements for September, the refunds for September, and the accounts/payables for September. The motion was approved with the following roll call: Aye: Erikson – Havlovic – Logan – Purdy - Rea – Ripa – 6 Nay: 0

- Pension & Retirement Staff Payroll
 - Ratify September Pension Payments in the amount of \$10,157,785.02 paid to 4,816 payees
 - Ratify September staff payroll in the amount of \$25,257.00
- New Retirements
 - Approve 18 New Retirement Annuitants with an effective date of September 1, 2018 (first pension check October 3, 2018)

EMPLOYEE			EMP		RET	Years	AVERAGE		CHOSEN	
NUMBER	NAME		TYPE	AGE	MONTH	of Serv	SALARY	OPT	OMAHA	STATE
	Ronald	Barrientos	CMO		9	14.5				
	Debra	Bolas	CMO		9	20.0				
	Tamara	Breckenridge	SpEd Res		9	11.5				
	Chin	Dinh	CMO		9	15.5				
	Deborah	Donovan	Para		9	26.0				
	Kathleen	Dragon	Para		9	22.0				
	Julie	Huynh	CMO		9	8.0				
	Leonard	Kaczmarek	CMO		9	26.0				
	Karen	Larson	Para		9	15.0				
	Julie	Mauk	Para		9	9.8				
	David	Morlan	CMO		9	33.0				
	Joan	Pearson	T		9	27.0				
	Lucille	Powell	Trans		9	13.0				
	Gerald	Primm	Other		9	13.0				
	Sylvester	Rhodes	Trans		9	7.0				
	Vanessa	Russell	CMO		9	20.0				
	Susan	Shreves	Para		9	11.0				

EMPLOYEE			EMP		RET	Years	AVERAGE		CHOSEN BENEFIT	
NUMBER	NAME		TYPE	AGE	MONTH	of Serv	SALARY	OPT	OMAHA	STATE
	Kathryn	Wise	Trans		9	15.0				
Average				63		17.07	\$35,072.37		\$1,007.82	\$100.76
Median				63		15.00	\$37,229.30		\$786.10	\$46.41
Payroll Addition									\$19,752.90	

- 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

• **Terminations Due to Death of Annuitant**

- Terminations of Annuitants’ Payments Due to Death
(last check was August 3, 2018)

EMPLOYEE				RET	DATE OF	BENEFIT	Survivor	Survivor's	Overpay ment
NUMBER	NAME		AGE	YEAR	DEATH	OSERS	Beneficiary	Benefit \$	Benefit \$
	Ellen	Parker		1989	July 2018				
	Fannie	Rabsatt		1998	July 2018				
	Mary	Travicki		1986	July 2018				
	Yvonne	Rushlau		1995	July 2018				
	Harold	Hornbeck		1992	July 2018				
	Ruth	Nicklin		1993	July 2018				
Terminated from Retiree Payroll – August 2018						\$7,399.68			
	Parsla	Dineen		2000	July 2018		William Dineen		
	Robert	Sanderhoff		2002	July 2018		Carol Sanderhoff		
	David	Massman		2011	July 2018		Diane Massman	*	
	Judy	Wingett		2012	June 2018		Barbara Budlong	*	
Continued Retirement to Beneficiary – August 2018								\$3,495.07	

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

● **Terminated Employees' Refunds**
Approve September Refunds [18 count]

Employee	Payee		Payment	Gross	Years of
Number	First	Last	Option	Distribution	Cred Serv
	Scotti	Finn	Rollover		1.0
	Dennis	Wilson	Direct		1.0
	Ian	Cameron	Direct		2.0
	Sarah	Zeid	Rollover		2.0
	Sheri	Thilking	Direct		2.1
	Babe	Rogers	Direct		3.0
	Kapree	Walton	Direct		4.0
	Jennifer	Cottrell	Rollover		5.0
	Darci	Holling	Direct		6.9
	Scott	Manning	Rollover		7.0
	Matthew	Wagner	Direct		7.0
	Jennifer	Allgood	Rollover		9.0
	Lindsay	Lee	Rollover		9.0
	Lindsay	Powers	Rollover		9.0
	Michael	Venditte	BOTH		9.7
	Lafonzo	Thomas	Rollover		10.3
	Vicki	Mease	Direct		13.5
	Isaiah	Jackson	BOTH		14.5
COUNT					18
AVERAGE				22,395.13	6.4
MEDIAN				22,680.15	7.0
GROSS DISTRIBUTION				\$403,112.31	

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

● **Accounts / Payables for September 2018 = \$27,743.20**

2018 OSERS Audit –

• Seim Johnson (engagement conference)	\$	3,870.00
• Seim Johnson (1 st process – begin fieldwork)	\$	3,870.00
		\$7,740.00

Legal Counsel –

• McGrath North (July, AGYOF)	\$	1,403.40
• McGrath North (July, general)	\$	<u>11,166.84</u>
		\$12,570.24

Educational Workshop –

• Registrations & Airfare (Carter, Erikson, Purdy, Rea, Ripa)	\$	<u>6,515.96</u>
		\$6,515.96

Miscellaneous –

• Pension Benefit Information	\$	<u>917.00</u>
		\$917.00

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Mr. Rea moved the Board approve the minutes for the August 8, 2018 Board of Trustees meeting. Dr. Logan seconded the motion. There was discussion with amendments to pages 7 and 8 on the draft minutes. The motion to approve the minutes as amended passed with the following roll call: Aye: Erikson – Havlovic – Logan – Purdy – Rea – Ripa – 6 Nay: 0

- 5098 -

Ms. Carter reviewed with the Board of Trustees the provisions and requirements for NE Revised Statutes section 79-992.01 which requires both the employee and the employer to provide a certification to the retirement board upon separation from service and/or retirement. The certification is to indicate whether there were any pre-arrangements to return to work following retirement and/or whether an incentive was given to retire. Ms. Carter expressed a new form is in production.

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Ms. Carter presented to the Board of Trustees the financial statements and budget variance reports for the period ending July 31, 2018. On the surface it appears the overall administrative cost for OSERs for the fiscal year ending August 31, 2018 will be less than one million dollars.

- 5100 -

Ms. Carter reviewed with the Board of Trustees the memorandum titled “2018/2019 Regular Interest on Non-Retiree Members’ Account Balances.” This is the annual review which sets the “regular interest” applied to non-retired members account balances. The Nebraska Revised Statutes section 79-978 defines Regular Interest as the rate equal to the daily treasury yield curve for one-year treasury securities, as published by the Secretary of the Treasury of the United States that applies on September 1 of each year. Given September 1, 2018 was a Saturday and September 3, 2018 was Labor Day, the first business day in September was September 4, 2018. The rate on September 4, 2018 was 2.49%. This is the rate that will be applied to non-retired members’ account balances for the period of September 1, 2018 through August 31, 2019.

Dr. Logan left the meeting at 11:22 a.m.

- 5101 -

The Board engaged in discussion on who would serve as the OSERS delegates to the 2018 National Council on Teachers’ Retirement annual meeting in Washington, DC. Mr. Erikson noted, the Executive Director is an ex-officio delegate. After discussion Mr. Ripa made a motion for Mr. Purdy and Mr. Rea to serve as delegates with Mr. Ripa as an alternate. Mr. Havlovic seconded the motion. The motion to approve the 2018 NCTR delegates and alternate passed with the following roll call: Aye: Erikson – Havlovic – Purdy – Rea – Ripa – 5
Nay: 0

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Ms. Carter presented the two year contract for Peetz & Company. The board engaged in discussion on the merits of executing a two year agreement rather than

an annual agreement. Mr. Ripa made a motion to authorize the Executive Director to execute the two year agreement with Peetz & Company. Mr. Rea seconded the motion. The motion to authorize the Executive Director to execute a two year agreement with Peetz & Company passed with the following roll call: Aye: Erikson – Havlovic – Purdy – Rea – Ripa – 5 Nay: 0

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Mr. Erikson engaged the Board of Trustees in a discussion on the status of the business community representative on the Board of Trustees. After discussion it was decided to post a position description, along with an application to the OSERS web site for interested individuals to use to submit their interest in serving on the Board of Trustees. Mr. Erikson asked for Mr. Jones and Mr. Ripa to serve on an ad hoc committee to review applications.

Ms. Carter indicated the documents and application will appear on the OSERS web site at www.osers.org

Mr. Purdy made a motion for the formation of a nominating ad hoc committee with Mr. Erikson, Mr. Jones, and Mr. Ripa. Mr. Rea seconded the motion. The motion passed with the following roll call: Aye: Erikson – Havlovic – Purdy – Rea – Ripa – 5 Nay: 0

- 5104 -

Mr. Erikson next called for the Executive Director's Report. Ms. Carter began the personnel update. In order to broaden the application pool, the deadline for the open Retirement Technician position was extended to August 30, 2018. There were new applications since the prior deadline. Ms. Carter will further update the Board at the September regular board meeting.

The 2018 / 2019 Pension Payroll Cycle dates have been posted to the OSERS web site and shared directly with each of the two OSERS retiree associations. The purpose is to better communicate with our retirees, especially when pension pay day is not on the 3rd of the month due to the weekend and/or holiday.

OSERS is working with legislative staff in Lincoln to support the inclusion of the Class V retirement system with the exemptions permitted to NPERS to protect certain personal information regarding OSERS members when presented with a FOIA request.

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Mr. Erikson then called for any Trustee's Reports.

Mr. Havlovic gave an update on the conclusion of the Executive Director annual review.

Mr. Erikson reminded everyone he would not be at the October 3, 2018 retirement board meeting.

The meeting adjourned at 11:59 a.m.

_____/s/

Cecelia M. Carter
Executive Director