

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, February 6, 2019, at 4:00 p.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 January 9, 2019.

- 5155 -

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, March 6, 2019 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 4:00 p.m. Present at roll call: Erikson – Havlovic – Logan - Purdy - Rea – Ripa - 6 present. Absent at roll call: Herchenbach - 1

Staff Present: Cecelia M. Carter, Executive Director, James Ellis, Retirement Specialist.

Others Present: Peter Langdon, Esq., McGrath North; Jack Peetz, Peetz & Company.

- 5156 -

Mr. Erikson opened the meeting welcoming those in attendance then opened the meeting to public comment.

There was no public comment.

Mr. Herchenbach entered the meeting at 4:03 p.m.

Mr. Erikson introduced Mr. Jack Peetz of Peetz & Company to give an update on the 106th Unicameral of the Nebraska Legislature.

Mr. Peetz reviewed with the Board of Trustees five legislative bills of interest to the Board of Trustees and the Omaha School Employees' Retirement System. The five legislative bills are: (a) LB 31 (2019); (b) LB 33 (2019); (c) LB 565 (2019); (d) LB 683 (2019); and (e) LB 706 (2019).

Mr. Peetz reminded the Board, this is a long legislative session and is slated to adjourn in June 2019. There was a discussion on each legislative bill listed of interest to OSERS and the Board.

Mr. Rea made a motion the Board of Trustees take a position of "monitor" on legislative bills 31, 565, 683, and 706. Mr. Purdy seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Havlovic – Purdy – Rea – Ripa – 5. Nay: Herchenbach – Logan – 2.

Mr. Rea made a motion the Board of Trustees take a position of "support" on legislative bill 33. Mr. Purdy seconded the motion. The motion was adopted by the following roll call: Erikson – Havlovic – Herchenbach – Logan – Purdy – Rea – Ripa.

The next item on the agenda was a report from the Better Together stakeholder coalition comprised of representatives of OPS, OSERS, SEIU (Local 226), OEA, OEA-Retired, OSAA, and NSEA. The coalition submitted a letter to the OSERS Board of Trustees requesting the Board of Trustees re-evaluate its funding policy's amortization schedule. The request was to specifically reallocate the entire unfunded actuarial accrued liability to a 30-year layered schedule. The Board discussed the request to change the funding policy's amortization period and the long-term impact the request would have on the OSERS plan as well as the OPS budget.

After further discussion, Mr. Rea made a motion for the Board of Trustees to consider the request and authorize the Executive Director to re-draft a new funding policy taking into consideration the current condition and the coalition request to reallocate the UAAL to a 30-year layered schedule. Dr. Logan seconded the

motion. The motion was approved with the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy – Rea – Ripa – 7. Nay: - 0.

- 5159 -

The meeting moved forward with a review by Ms. Carter of the January 2019 OSERS Board of Trustees Sustainability Study meeting. Ms. Carter reported for the public the seven reform options studied at the January meeting.

1. A-1: Comparison of Current Provisions (Full Actuarial Contributions) v. 30-Year Layered Amortization Starting 1/1/2020 -
2. A-2: Comparison of Current Provisions (Full Actuarial Contributions) v. Additional Contribution of \$20M per Year Annually at 8/31 and 30-Year Layered Amortization Starting 1/1/2020 -
3. A-3: Comparison of Current Provisions (Full Actuarial Contributions) v. District Statutory Contribution 105% of Employee and 30-Year Layered Amortization Starting 1/1/2020 -
4. A-4: Comparison of Current Provisions (Full Actuarial Contributions) v. District Statutory Contribution 105%, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020 -
5. A-5: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, 1-Yr Delay of COLA for Actives, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020 -
6. A-6: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, Actives Retiring Post-2020 Have 1-Yr Delay or Age 62 for COLA, Full ARC Payments and 30-Year Layered Amortization Starting 1/1/2020
7. A-7: Comparison of Current Provisions (Full Actuarial Contributions) v. 1-Yr Suspension of COLA for Retirees, Actives Retiring Post-2020 Have 1-Yr Delay or Age 62 for COLA, \$20 Million Contribution per Year and 30-Year Layered Amortization Starting 1/1/2020

The next OSERS Board of Trustees Sustainability Study meeting is scheduled for Wednesday, February 27, 2019 at 4:00 p.m. here at the Teachers Administrative Center.

Dr. Logan stepped out of the meeting at 4:42 p.m.

Mr. Rea 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 legal counsel, Cecelia Carter, and James Ellis litigation matters and financial matters of retirees and the System. Mr. Ripa seconded and the motion was adopted by the following roll call: Aye: Erikson - Havlovic – Herchenbach – Purdy - Rea – Ripa - 6. Nay: 0.

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

Dr. Logan returned to the meeting during the closed session.

Mr. Purdy and Mr. Rea stepped out of the meeting at the end of the closed session.

The Board came back into session at 5:08 p.m. Present at roll call were: Erikson - Havlovic – Herchenbach - Logan – Ripa – 5 present.

Mr. Purdy and Mr. Rea turned to the meeting at 5:09 p.m.

Mr. Herchenbach made a motion to ratify the February pension payments in the amount of \$10,326,627.68 paid to 4,825 payees; to ratify February staff payroll in the amount of \$30,017.11; approve eight new retirees effective February 1, 2019; approve February 2019 refunds to 18 former members of OSERS in the amount of \$305,192.66; approve the termination of 12 annuitant payments due to death of the retiree in the aggregate of \$14,070.13; and, approve accounts payables for the month of February in the amount of \$29,606.80. Mr. Havlovic seconded the motion. The motion was passed by the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Purdy – Rea – Ripa – 7. Nay: 0

New Retirements

EMPLOYEE NUMBER	NAME	EMP TYPE	AGE	RET MONTH	RET YRS	AVERAGE SALARY	OPT	CHOSEN BENEFIT OMAHA	STATE
	Patrick Brey	CMO		2	5.8				
	Patricia Collins-Wright	Nutri		2	19.5				
	Stan Gunia	Secur		2	11.3				
	Caroline Clausen	Para		2	11.5				
	Carol Schutz	Para		2	21.6				
	Barbara Spitler	Para		2	19.6				
	Jeffrey Tabor	CMO		2	5.0				
	Thanh Thanh	CMO		2	23.9				
Count									8
Average			62			\$31,939.07		\$681.24	\$38.10
Median			62			\$29,394.89		\$490.34	\$34.50
Addition to Pension Payroll								\$5,602.33	

Refunds

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Taitiana	Bryce				0.3	Direct
	Hillari	Wood		12/20/2018		0.4	Death
	Camille	Easter				1.0	Direct
	Mallory	Jurgensen				1.0	Rollover
	Kristina	Jonyka				1.3	Direct
	Mariah	Guillen				1.4	Direct
	Kelly	Paquette				1.8	Direct
	Shy	Baring				2.5	Direct
	James	Fairbanks				2.6	Direct
	Crystal	Kropf				3.0	Direct
	Richard	Sauer				3.0	Rollover
	Donald	Palmer				3.5	Direct
	Nicole	McGlade				8.0	Direct
	Christopher	Minardi				9.7	Rollover
	Mary	Hoiem				10.0	Rollover
	Kip	Sanley				10.0	Rollover
	Kristine	Spencer				10.4	Direct
	Tiffany	Foxhoven				11.7	Direct

Count			18
Average	\$16,955.15	4.5	
Median	\$7,356.96	2.8	
Gross Distribution	\$305,192.66		

Pension Terminations Due to Death

EMPLOYEE			RET	DATE OF	BENEFIT	Survivor	Survivor's	Overpayment
NUMBER	NAME		AGE	YEAR	DEATH	OSERS	Beneficiary	Benefit \$
	Lavaine	Gaskill		1988	Dec-18			
	Retha	Harris		1999	Dec-18			
	James	Beglin		1997	Dec-18			
	Deanna	Grindle		1996	Dec-18			
	Martha	Schmidt		1986	Dec-18			
	Carli	Borsh		2014	5-Year Certain			
	Julia	Vera		1993	Dec-18			
	Judy	Warner		2015	Dec-18			
	Ruth	Marion		2009	Dec-18			
Terminated from Retiree Payroll – February 2019						\$10,952.63		
	Rosemary	Webb		1994	Dec-18		Lylan Webb	
	Robert	Crawford		2006	Dec-18		Gloria Crawford	
	Connie	Thomas		2015	Dec-18		Norman Thomas	
Continued Retirement to Beneficiary – February 2019						\$3,117.50	\$1,619.01	

Accounts / Payables for February 2019 = \$29,961.80

- Consultant
 - Cavanaugh Macdonald (administration) \$ 6,099.00
 - Cavanaugh Macdonald (sustainability) \$ 957.00

\$7,056.00
- Legal Counsel
 - McGrath North (Litigation) \$ 13,774.00
 - McGrath North (General) \$ 7,852.80
 - McGrath North (AGYOF) \$ 279.00

\$22,905.80

- 5161 -

The Board then reviewed the minutes to the board meeting held Wednesday, January 9, 2019. There was discussion which noted Mr. Purdy was inadvertently listed as taking part in the vote on item – 5145 -, when actually Mr. Purdy left the meeting earlier. Mr. Ripa seconded the motion. The motion passed with the amendment by the following roll call: Aye: Erikson – Havlovic – Herchenbach – Logan – Rea – Ripa – 6. Nay: - 0. Abstain: Purdy – 1.

- 5162 -

The Board then reviewed the minutes to the sustainability study workshop held Thursday, January 24, 2019. Mr. Havlovic reminded the Board he was not able to attend the workshop meeting. Mr. Ripa made a motion to approve the minutes. Mr. Purdy seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Herchenbach – Logan – Purdy – Rea – Ripa – 6. Nay: - 0. Abstain: Havlovic – 1.

- 5163 -

Ms. Carter gave a report of the OSERS financial statements as prepared by OPS accounting department for the period ending November 30, 2018. For the period ending November 30, 2018 the OSERS trust fund held \$1.239 billion in assets.

- 5164 -

Ms. Carter gave an update on the 2019 Trustee Election process. Notices of the election were posted on the OSERS web site and distributed to OPS employees through OPS District Communications for the five weeks beginning January 14, 2019. The nomination period opens on Thursday, February 7, 2019 at 9:00 a.m. and closes on Friday, February 15, 2019 at 4:00 p.m. Ms. Carter reminded the Board that nominations may be made in person or someone can nominate someone else. Each nominee will receive an election package at the end following the nomination period.

Executive Director Report

Ms. Carter gave the Executive Director's report covering the following items:

- The Nebraska State Form – C for the quarter ending December 31, 2018 was filed with the Office of Disclosure & Accountability on January 25, 2019.
- The law firm of McGrath North advised of its rate changes effective February 1, 2019
- The 2018 IRS Form 1099-R were mailed out by January 31, 2019 to the 4500+ retirees and approximately 300+ former employees who requested a refund in 2018.
- Annual Statements for members of OSERS for the fiscal year ending August 31, 2018 were sent to OPS Print & Publications at the end of January. It is anticipated members will begin receiving statements in the mail by mid-February.

Trustee Report

Mr. Rea reported he received a call from a retiree that her February pension check cleared her account on Saturday, February 2nd rather than Friday, February 1st (due to February 3rd, the normal payment date, falling on Sunday).

Mr. Rea also reported he received the information he requested for pension payments from OSERS by county. This is a report that details the pension dollars sent to the various counties in Nebraska. Ms. Carter indicated she would share the report with the entire Board.

There being no further business to come before the Board, the meeting adjourned at 5:30 p.m.

/s/

Cecelia M. Carter
Executive Director