

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Tuesday, August 2, 2016, at 9:01 a.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 August 2, 2016.

Present at roll call: Erikson – Evans – Havlovic – Jones – Purdy - Rea – Ripa – 7.

Staff Present: Cecelia M. Carter, Executive Director, and James Ellis, Retirement Benefits Manager. Others Present: Kristin Finney-Cooke and Doug Mosely, NEPC; Patrice Beckham, Cavanaugh MacDonald; Robert Bothe, Esq. McGrath North Mullin & Kratz.

- 4893 -

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 9:00 a.m. on Wednesday, September 7, 2016, in the School Board 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 of Education meeting room on the north wall.

- 4894 -

Mr. Rea moved that the OSERS Board of Trustees go into Closed Session. The motion was seconded by Mr. Havlovic and adopted by the following roll call vote: Aye: Evans - Havlovic – Jones – Purdy – Rea – Ripa - Erikson – 7. President Erikson reminded the public the Board went into Closed Session at 9:03a.m. for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with Legal Counsel and the Executive Director pending litigation and/or litigation which is imminent.

Mr. Erikson reconvened the meeting at 9:35 a.m..

Present at roll call: Havlovic – Jones – Purdy – Rea – Ripa – Erikson – Evans - 7.

Mr. Rea moved and Mr. Purdy seconded, the Board authorize the Executive Director in consultation with legal counsel to engage the services of Goldin & Associates and/or its affiliates as the substitute general partner for the Atlantic Global Yield Opportunity Fund and the Atlantic Global Yield Master Feeder Fund. The motion was adopted by the following roll call vote: Aye: Jones – Purdy – Rea – Ripa – Erikson – Evans – Havlovic – 7

- 4895 -

President Erikson continued the meeting with the next agenda item, action on investments. Ms. Kristin Finney-Cooke was joined at the table by Mr. Doug Mosely. Both Ms. Finney-Cooke and Mr. Mosely are with New England Pension Consulting (NEPC). Ms. Finney-Cooke introduced Mr. Mosely reminding the Board that Mr. Mosely has worked on the Omaha School Employees' Retirement System (OSERS) account in the past.

Ms. Finney-Cooke began her presentation with a discussion on the continued review of the asset-liability asset allocation work as requested by the Retirement Board of Trustees. Her review encompassed the OSERS funding status and the recommended contributions over time. Questions arose during the NEPC presentation which caused input from Ms. Patrice Beckham (actuary). As the presentation continued, Ms. Finney-Cooke and Mr. Mosely reviewed the proposed asset allocation that would be necessary to just maintain the Plan's funding status and to increase the funding status over time. The Board engaged the representatives of NEPC with questions of clarification as well as questions of hypotheses.

As the presentation concluded, Ms. Finney-Cooke reminded the Board the asset allocation needs to and will move to what was referred to in the NEPC presentation as Mix C+. This allocation is expected to add a bit more alpha to the expected return while maintaining a well-diversified portfolio and a bit more protection on the downside.

Mr. Mosely continued the presentation outlining various market expectations under different economic situations. He further gave an analysis of current bond rates and future expectations under different economic situations. In effect, the discussion ran through various stress test scenarios.

Discussion followed whereby Ms. Carter and Ms. Finney-Cooke reviewed the presentation highlights from the June board meeting and next steps to be taken at the August board meeting (there was no board meeting in July). Several board members weighed in on whether the board should make a decision on a new manager at this meeting or wait until the next meeting in order to absorb the information presented today.

After further discussion the board requested more detailed next steps for implementing the recommended asset allocation.

Upon motion of Mr. Purdy and seconded by Mr. Rea, the Board moved to accept NEPC's recommendation of an asset allocation as identified as Mix C+ and further to have an implementation plan presented to the Board. The motion was adopted by the following roll call vote: Aye: Purdy – Rea – Ripa – Erikson – Evans – Havlovic – Jones - 7

Ms. Finney-Cooke continued her presentation to the board with the presentation(s) on the micro-cap manager and the mid-cap manager recommended search. At the conclusion of her presentations, the board concluded to further evaluate the recommendations following more due diligence by NEPC.

- 4896 –

The board took a ten minute break. The meeting resumed at 11:05am

- 4897 –

Ms. Beckham was introduced and began her presentation to the board outlining the estimated unfunded liability amounts and funding ratios on the Plan in different asset return scenarios. The purpose of this presentation was to discuss the “what-if” scenarios if assets are discharged prematurely at deep discounts causing larger than anticipated losses to the portfolio. Ms. Beckham used zero percent return as the baseline using 2015 actuarial data, and then projected out the unfunded liability with an excess 2%, 5%, and 10% loss.

Ms. Beckham explained, in all three scenarios, the normal cost remains the same. The impact falls into the unfunded liability. Remembering this is a picture at a point in time, and reminding the board the new rules requiring five years for the final average salary for members joining OSERS on or after July 1, 2013 will lower the normal cost over time in the future.

Ms. Beckham continued engaging in conversation with board members asking questions for clarification such as whether the 2%, 5%, and 10% were arbitrary or some insight into expected losses. The board was assured the percentages used were arbitrary and for educational purposes only and there was no insight into what might result from a sale of assets on the secondary markets.

The board continued with dialogue as to who else should be made aware of this impact and the consequences. Mr. Rae disclosed that a meeting is planned for September 9th with members of the Nebraska Retirement Committee and the State Investment Officer and OSERS to clarify expectations on the transition of investment authority to the Nebraska Investment Council.

- 4898 –

The meeting transitioned into item number seven given Ms. Beckham was still at the meeting. Item seven called for a discussion on the upcoming actuarial valuation. Due to LB 447 requiring the OSERS pension plan to begin reporting its financials and valuations on a calendar year (instead of the current school year of August 31st), it was determined and agreed upon by OSERS, the school district accounting management, the OSERS actuary, and the shared OSERS and school district auditor that OSERS would not bear the cost of an August 31, 2016 Valuation Report and then be required to produce at a cost a December 31, 2016 Valuation Report.

Ms. Carter and Ms. Beckham explained the various meetings that took place and Ms. Beckham continued with explaining the roll forward of liability information permitted under GASB 67 and 68 along with the one-year look back which is permitted. This will allow actuary to wait until December 31, 2016 to produce OSERS Valuation Report and then continue going forward using December 31st data.

Ms. Carter then asked for details as to when OSERS last had an experience study calculated. Although the board and/or Ms. Beckham could not remember off the cuff; Ms. Beckham assured the board she would review the dates. The question of when the last experience study was calculated was raised by Ms. Carter to remind everyone the new requirement under LB 447 (2016) for an experience study to now be performed every four years.

Ms. Beckham continued engaging the board in dialogue planning and projection for this year's valuation report. There have been some assumptions which have not hit their target (i.e., inflation) which may prove to provide a gain to the liability (i.e., lower the liability). In conclusion she explained that sometime gains on other assumptions may mitigate the lower than expected returns on investments, however, we will need to run the full report to be certain.

Ms. Beckham was asked to confer with Ms. Carter as to the date of the last OSERS experience study.

Mr. Rea reminded the board OSERS is heading into uncharted territory. Going forward, our investment projected returns will come from the Nebraska Investment Council which lead into a discussion that investment projections are more short-term than actuarial projections, which look out one-hundred years. The board, Ms. Beckham and Ms. Carter reviewed many of the legislative changes to the plan over the last couple of years which will lower the liability twenty and thirty years from now when Members are impacted by these changes (e.g., retirement eligibility for those hired July 1, 2013 and after is now age 60 with ten years of service). Ms. Beckham reminded the board that the impact of the changes will be realized twenty and thirty years from now when all OSERS Members will be under the new requirements.

The board engaged in further conversation with Ms. Beckham on having a projection model performed more often than every four years and further that many of her public clients have these done annually. Questions and comments were raised to the effect that the Board would want this information sooner rather than later and Ms. Beckham informed the Board she could have a model run for the next Board meeting.

On motion by Mr. Jones, seconded by Mr. Evans, the Board voted to authorize Cavanaugh MacDonald to perform a modeling funding and cost projection on the OSERS plan. The motion was adopted by the following roll call vote: Aye: Rea – Ripa – Erikson – Evans – Havlovic – Jones – Purdy – 7

- 4899 -

Ms. Beckham left the meeting and the Board continued with Agenda Item 4, approval of the Minutes to the June 2016 Board Meeting.

On motion of Mr. Rea, seconded by Mr. Havlovic, the Board approved the Minutes of the June 1, 2016 regular board meeting. The motion was adopted by the following roll call vote: Aye: Ripa – Erikson – Evans – Havlovic – Jones – Purdy – Rea – 7.

- 4900 -

Mr. Rea moved that the OSERS Board of Trustees go into Closed Session. The motion was seconded by Mr. Ripa and adopted by the following roll call vote: Aye: Ripa – Erikson - Evans - Havlovic – Jones – Purdy – Rea – 7. President Erikson reminded the public the Board went into Closed Session at 11:48 a.m. for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with the Executive Director pending litigation and/or litigation which is imminent.

President Erikson reconvened the meeting at 12:10 p.m..

Present at roll call: Erikson – Evans - Havlovic – Jones – Purdy – Rea – Ripa – 7.

With the meeting now back in public session, upon motion of Mr. Rea, seconded by Mr. Havlovic the Board ratified the May, June, and July staff payrolls; the May, June, and July pension payments; the May, June, and July new retirants; and, ratify the July and August refunds. The motion was adopted by the following roll call vote: Aye: Ripa – Rea – Purdy – Jones – Havlovic – Evans - Erikson – 7

- **Gross Annuitant Pension & Retirement Staff Payroll**
 - Ratified May Pension Payments (05.03.2016) = \$ 9,052,260.28
 - Ratified June Pension Payments (06.03.2016) = \$ 9,049,756.19

- Ratified July Pension Payments (07.03.2016) = \$ 9,258,325.58
- Ratified May Staff Payroll (05.05.2016) = \$ 29,231.47
- Ratified June Staff Payroll (06.03.2016) = \$ 29,231.47
- Ratified July Staff Payroll (07.05.2016) = \$ 29,231.47

- New Retirements

- Ratify May New Retirement Annuitants (first check June 3, 2016)
[5 count]

NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET		
First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE		
Laura	Albaum	T		5	8.0	A			1		
Jeannine	Callan	Para		5	12.0	B			2		
Gerald	Kowal	T		5	30.0	F			2		
Virginia	Meyers	Other		5	14.0	F			1		
Stephen	Seitz	Para		5	31.6	C			4	Pre J&S	
Addition to Retiree Payroll - May 2016								\$6,319	\$103		
Average			61				\$1,263.74	\$34.53			
Median			64				\$792.66	\$34.48			

- Ratify June New Retirement Annuitants (first check July 1, 2016)
[124 count]

NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET	
First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE	
Cecilia	Anderson	T		6	25.0	F			2	
Julia	Anderson	Trans		6	10.2	A			2	
Barbara	Andrysik	Other		6	20.0	A			2	
Jimmie	Arbuckle	CMO		6	35.0	B			2	

	Eugene	Barker	Trans		6	5.0	A			1
	NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET
	First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE
	Carol	Barnes	T		6	27.0	B			2
	Kathleen	Barnes	T		6	33.0	F			2
	Cynthia	Beam	T		6	14.0	A			2
	Constance	Behrens	T		6	12.0	A			2
	Jennifer	Beck	T		6	25.0	A			2
	Sandra	Benak	Para		6	22.0	C			1
	Karla	Blevins	T		6	20.0	A			1
	Donna	Bloom	Para		6	14.5	A			2
	Jane	Boeka	T		6	25.0	A			2
	Michael	Browder	T		6	19.0	A			2
	Melvin	Burright	CMO		6	17.0	A			1
	Patricia	Carey	Para		6	18.0	A			1
	Louise	Casper	T		6	5.9	A			1
	Marlene	Cavin	Para		6	8.0	A			1
	Francisco	Chavez	CMO		6	13.5	F			2
	Janice	Churchill	T		6	30.0	A			2
	Karen	Cirulis	T		6	25.5	A			1
	Judy	Clark	OP		6	25.5	B			1
	Karen	Crary	T		6	10.0	F			2
	Karin	Cutler	T		6	18.0	A			1
	Jann	Dappen	T		6	31.0	D			2
	Lois	Davidson	T		6	17.9	A			2
	Sandra	Doering	Nurse		6	24.5	A			2
	Arlivia	Dunson	Para		6	21.0	A			1
	James	Earnhardt	T		6	27.0	C			2
	Wardine	Ellington-Moore	OP		6	19.5	A			2
	Natalie	Engelhardt	T		6	27.0	A			1
	Cecilia	Fanciullo	T		6	18.0	F			2
	Shirley	Farrington	T		6	22.0	F			2
	Terri	Franks	T		6	19.0	A			2
	Deborah	Friedrichsen	T		6	29.0	C			1
	Michael	Fries	T		6	17.0	B			2
	Sandra	Fritzsche	T		6	44.0	B			1

	Cynthia	Gasper	Nurse		6	27.0	A			2
	NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET
	First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE
	Barbara	Gent	T		6	17.0	A			1
	Mary	Glass	Para		6	21.0	A			1
	Sharon	Grant	T		6	19.0	B			2
	Carolyn	Grice	Other		6	39.0	A			2
	Connie	Harris	T		6	17.0	A			2
	Kristy	Hetzel	T		6	10.0	A			2
	Deborah	Hyland	T		6	28.0	A			2
	Eva	Jackson	Trans		6	14.0	A			1
	Sharon	Jantz	Nutri		6	27.0	A			2
	Bernice	Jones	Para		6	10.9	A			1
	Marcella	Kaczmarek	Para		6	9.0	B			1
	Lee	Kallstrom	T		6	27.0	A			1
	Kelly	Karkosky	T		6	33.0	F			2
	Lois	Koehn	OP		6	30.0	A			1
	Karen	Konopik Bishop	T		6	29.0	A			2
	Josephine	Korth	Nutri		6	13.0	A			1
	Kevin	Kottich	T		6	20.0	B			2
	Thomas	Kroon	Trans		6	11.0	B			1
	Linda	Krueger	Para		6	25.0	A			1
	Leah	Lammers	T		6	27.0	B			2
	Charlotte	Langiewicz	Para		6	11.0	B			1
	William	Laughlin	Trans		6	5.0	A			1
	Susan	Leavitt	T		6	15.3	A			2
	Elizabeth	Lemek	Para		6	13.5	A			2
	Amy	Lempke	T		6	31.0	F			2
	Kathleen	Lorenz	Para		6	29.0	B			2
	James	Lubauskas	CMO		6	18.0	A			2
	Constance	Mangano	T		6	30.5	A			1
	Janet	McCoy	Nutri		6	23.0	A			1
	Paula	McDonald	t		6	17.0	A			1
	Michael	McGann	T		6	9.0	A			1
	Murl	Mickey	T		6	31.0	F			2

	Michael	Monaghan	T		6	6.0	C			1
	Patricia	Mozee	Secur		6	28.0	A			1
	Rose	Murcek	Para		6	31.0	A			1
	Joann	Nanfito	T		6	13.0	D			2
	Susan	Niggemeyer	Para		6	14.5	B			1
	Bette	Norton-Ball	T		6	6.7	A			1
	Joseph	Olafson	T		6	20.0	C			2
	Margaret	O'Loughlin	T		6	31.0	C			2
	Rosemarie	Olson	T		6	15.0	A			2
	Mary	Onnen	T		6	31.0	A			2
	Estella	Patterson	Para		6	20.0	C			2
	Jeanette	Patterson	Trans		6	13.0	A			1
	Linda	Patton	T		6	11.2	A			1
	Michael	Poore	T		6	18.0	D			2
	Rose	Rathbun	Nutri		6	25.0	A			2
	Gary	Rech	Para		6	23.0	A			2
	Gwendolyn	Reed	T		6	9.0	B			1
	Sharon	Reed	T		6	27.0	A			2
	Evelyn	Riedel	Para		6	7.8	B			1
	Jamie	Robinson	Para		6	14.0	A			1
	Carol	Robson	T		6	35.0	C			2
	Mary	Ruf	T		6	42.0	B			2
	Annette	Sallis	OP		6	11.0	D			1
	Mary	Savory	T		6	16.0	A			1
	Karol	Schmit	Para		6	18.0	A			1
	Jean	Simpson	T		6	32.5	A			2
	Ivy	Smith	Para		6	15.0	A			1
	Cindy	Sowl	Para		6	10.0	F			2
	Diane	Stauffer	T		6	9.0	A			1
	Jacqueline	Stokes	T		6	32.0	D			2
	Paul	Susemihl	T		6	29.0	A			2
	Beverly	Swanson	Para		6	15.5	A			1
	Marjorie	Tegels	Trans		6	18.5	A			1
	Joan	Tekippe	T		6	31.0	A			2
	Janette	Thomas	T		6	32.0	B			2
	Kathleen	Thompson	OP		6	23.0	A			2
	Maureen	Tobin	T		6	13.0	A			2

	Francis	Tworek	T		6	43.0	C			1	
	NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET	
	First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE	
	Michaela	Vanecek	T		6	24.7	B			2	
	Martha	Villalobos DeMacias	Para		6	10.0	F			2	
	Kathy	Vogt	T		6	20.5	C			2	
	Deloris	Walker	Para		6	20.0	A			1	
	Teresa	Walker	Para		6	15.0	A			1	
	Frances	Washington	Para		6	27.0	A			1	
	Paula	Washka	T		6	7.0	B			1	
	Margaret	Welsch	Para		6	16.0	A			1	
	G. Jean	Welsh	T		6	25.0	A			1	
	Suzanne	Wies	T		6	43.5	E			1	
	M. Eugene	Williams	T		6	25.0	C			2	
	Michael	Wilson	T		6	23.0	A			1	
	Vernon	Wingert	Secur		6	7.0	A			1	
	Geralynne	Wragge	T		6	11.0	F			2	
	Janet	Zanders	T		6	24.0	A			2	
Addition to Retiree Payroll - June 2016								\$211,980	\$6,413		
Average				63				\$1,709.51	\$58.30		
Median				64				\$1,340.23	\$51.18		

- **Ratify July New Retirement Annuitants** (first check August 3, 2016)
[22 count]

	NAME		EMP		RET	YRS of	CHOSEN BENEFIT			RET
	First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE
	Sandra	Bredfeldt	Prin		7	23.5	B			2
	Bonnie	Chase	Para		7	8.0	A			1
	Jane	Erdenberger	T		7	15.0	A			2
	Linda	Frink	Para		7	14.0	F			2

	Elizabeth	Frampton	Para		7	26.9	B			2	
	NAME		EMP		RET	YRS of				RET	
							CHOSEN BENEFIT				
	First	Last	TYPE	AGE	MONTH	SERV	OPT	OMAHA	STATE	TYPE	
	Ruth	Friesen	Para		7	10.0	F			2	
	Phyllis	Gonzales	Trans		7	24.5	B			1	
	Steven	Gray	Other		7	31.0	F			2	
	Joyce	Hurless	T		7	32.0	A			2	
	Michelle	Johnson	Other		7	29.0	F			2	
	Phillip	Johnston	Trans		7	12.5	A			2	
	Kim	Jones	Prin		7	33.0	A			2	
	Shirley	Love	CMO		7	18.0	A			2	
	Jerrilynn	Meckna	Trans		7	24.0	A			2	
	Sami	Milloschi	CMO		7	12.7	A			2	
	Jerry	Olson	T		7	12.0	C			2	
	Carol	Pederson	T		7	27.0	A			2	
	Zachary	Robinson	CMO		7	22.0	A			1	
	Sharon	Royers	Prin		7	18.0	A			2	
	Maureen	Sims-Raven	Other		7	27.0	A			2	
	Bonnie	Stillwagon	T		7	15.0	A			1	
	Ong	Xiong	Para		7	25.0	E			1	
Addition to Retiree Payroll - July 2016								\$39,563	\$996		
Average				61				\$1,798.33	\$49.78		
Median				62				\$1,183.02	\$43.95		

- Terminated Employees' Refunds
- Ratify July & August Refunds [15 count]

EMPLOYEE	NAME		Payment	
	First	Last	Type	Dollar
	Nikki	Gelbart	Direct	
	Melody	Jackson	Direct	
	Amy	Phillips	Rollover	
	Amanda	Schmit	Direct	

EMPLOYEE	NAME		Payment	
	NUMBER	First	Last	Type
	Datina	Schubert	Rollover	
	Jared	Sharman	Direct	
	Tonya	Waite	Rollover	
	Paula	Alvarez	Direct	
	Lindsey	Bandow	Rollover	
	Jacob	Buckingham	Rollover	
	Gail	Carpenter-Johnson	Direct	
	Miranda	Cisar	Rollover	
	Barbara	Hansler	Rollover	
	Christopher	Johnson	Direct	
	Stattin	Yates	Direct	
Terminated EE Refunds July & August 2016				\$235,095.23
Average				\$15,673.02
Median				\$14,695.35

- 4901 -

President Erikson continued the meeting by turning over to Ms. Carter to discuss the government relations vendor. Ms. Carter explained that given the Retirement Board now has the fiduciary responsibility for the administration of the Plan, it might be worth the while to engage the services of a government relations vendor to serve as ears for OSERS during the upcoming legislative session. Ms. Carter stated she would come back to the Board with more detailed information. Mr. Havlovic questioned to make sure there were funds budgeted for this type of service. The group concluded to bring this matter up at the September board meeting.

- 4902 -

The meeting moved onto the Seim Johnson proposal for the mandatory four month audit of OSERS financial statements as required by LB447. There was discussion as to the cost for the four months, to which Ms. Carter replied the proposal lays out a cost of \$13,500. After further discussion, President Erikson called for a motion.

Upon motion of Mr. Rea, seconded by Mr. Ripa the Board voted to accept the proposal of July 2016 from Seim Johnson to conduct an audit of the OSERS financial statements for the four month period of September – December 2016. The motion was adopted by the following roll call vote: Aye: Evans - Havlovic – Jones – Purdy – Rea – Ripa – Erikson – 7

- 4903 –

The meeting then moved to discussion on the need for an RFP for an audit firm to conduct the audit of the OSERS financial statements for the periods ending December 31, 2017 going forward. Ms. Carter explained she will draft an RFP for Board review and plans to issue the RFP in early 2017. Ms. Carter highlighted to the Board that in the current proposal submitted by Seim Johnson for the short period of 2016, Seim Johnson clearly states that it is also the auditor for the Omaha School District and its loyalties are to the School District.

- 4904 –

For information only purposes, Ms. Carter informed the Board that she and Mr. Ellis (OSERS Benefits Manager) have been working with McGrath North on Board Policies. She explained that using other Systems board policies as a model, the group is implementing Nebraska requirements into these policies and will bring it all back to the Board for approval.

- 4905 –

For information only purposes, Ms. Carter then began discussing the 2017 Trustee election. Several Board members weighed in with their opinions and preferences on whether there would be a need for an election if only one person was nominated, whether “write-in” candidates would be permitted if not nominated in a timely manner, and given elections for board seats are new – the need for clear communication to the Members.

There was discussion on whether beneficiaries of Members would have the ability to vote on board seats. Ms. Carter reminded the Board that these are scenarios that the Board will have to think about as election policies are developed.

- 4906 –

Ms. Carter gave the Board her Executive Director report outlining her recent meetings: (1) the NCTR Executive Directors meeting where Directors from various teachers’ retirement plans meet to discuss matters and concerns effecting the administration of pension plans and other federal legislative matters.

Ms. Carter informed the Board she also spent one day at the NPERS annual board retreat and two days at the NIC board retreat, both in Nebraska City, NE.

Ms. Carter provided the Board with a verbal update on the LB447 transition of investment authority to the Nebraska Investment Council. Investment contracts and other supporting materials were sent to the State Investment Officer and Deputy State Investment Officer in July on a CD as required by LB447. OSERS and the SIO are working closely on this project for a December 31, 2016 transition and will keep everyone updated.

Ms. Carter also informed the Board that the State Investment Officer has engaged its Investment Consultant (AON Hewitt) to begin the required asset liability study (per LB447) and that work has begun. AON is working with Cavanaugh MacDonald (OSERS' actuary) to get required data.

Ms. Carter informed the Board the 2016 audit is underway. OSERS has received the document request list from Seim Johnson and is compile required information. Most of the information will not be available until after the year-end close, August 31, 2016.

Ms. Carter updated the Board on the New Employees' Workshops. As part of OSERS outreach and rebranding, the Retirement Office is offering four New Employees Workshops for the 2016 / 2017 school year. The dates are August 11, 2016, November 9, 2016, February 8, 2017, and May 10, 2017. Board members asked could they or should they attend these workshops as well. It was left open, however, Ms. Carter suggested a town hall for all the Membership sometime in 2017.

Ms. Carter also updated the Board on OSERS participation in the new teacher open house which took place earlier. It was her understanding this might have been the first year OSERS had a table at the open house. A tri-fold brochure was prepared with basic information on OSERS and she was able to answer questions on retirement for new employees.

Ms. Carter briefed the Board as we move forward with engaging the services of consulting vendors it is her preference to provide for a term certain on the contract with optional one-year extensions. She explained her preference is for a four year contract with two one-year extensions, thus limiting the time a vendor can service OSERS is six years before OSERS is forced to review the services and rebid the contract. However, there is always the option to terminate at an earlier date.

Mr. Evans left the meeting at 12:40pm.

There was discussion on logistics and whether to take a break.

The Board recessed the meeting at 12:45pm

- 4907 -

President Erikson reconvened the meeting at 1:15pm

Present at roll call: Erikson –Havlovic – Jones – Purdy – Rea – Ripa – 6.

Ms. Carter presented the Board with the June and July Investments.

Upon motion of Mr. Rea, seconded by Mr. Ripa, the Board approved the investment purchases for the month of June and July 2016. The motion was adopted by the following roll call vote: Aye: Jones – Purdy – Rea – Ripa – Erikson – Evans – Havlovic – Jones – Purdy – Rea – Ripa – Erikson
- 6

There was continued discussion on whether the Board had interest in a town hall in 2017 for the Members. This discussion evolved into developing a general newsletter from the Retirement Department. The discussion then evolved onto having notifications go out to the membership to make sure addresses and beneficiary designations are up to date.

Meeting adjourned at 1:25 p.m.

PENDING BOARD APPROVAL