

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, February 7, 2018, at 9:00 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 January 31, 2018.

Present at roll call: Erikson – Evans - Purdy – Rea - Ripa – Havlovic - 6 present.
Jones – Absent (excused).

Staff Present: Cecelia M. Carter, Executive Director, James Ellis, Retirement Benefits Manager, and Kelly Sheard, Department Secretary. Others Present: Robert Bothe, Esq., McGrath North, Jack Peetz, Peetz and Company.

- 5038 –

President Erikson announced that, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees will be held Wednesday, March 6, 2018 at 4:30, at the Teacher Administrative Center, Board Room, 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.

- 5039 –

Mr. Purdy moved the OSERS' Board of Trustees go into Closed Session. The motion was seconded by Mr. Rea and adopted by the following roll call vote: Aye: Erikson – Evans - Havlovic – Purdy – Rea - Ripa - 6. Nay: 0.

President Erikson reminded the public the Board went into Closed Session at 9:05 a.m. for the protection of public interest and for the prevention of needless injury to the reputation of individuals to discuss with Cecelia Carter, Executive Director and

James Ellis, and OSERS’ legal counsel, Robert Bothe legal and retirement matters on OSERS.

Mr. Erikson reconvened the meeting at 9:32 a.m. Present at roll call: Erikson – Evans – Havlovic – Purdy – Rea – Ripa – 6 present.

- Gross Annuitant Pension & Retirement Staff Payroll
 - February Pension Payments (paid 02.03.2018) = \$9,986,035.30 [4,693 payees]
 - February Staff Payroll (paid 02.05.2018) = \$33,655.34
- New Retirements - February New Retirement Annuitants (first check March 3, 2018) [7 count]

EMPLOYEE NUMBER	NAME	EMP TYPE	AGE	RET MONTH	RET YRS	AVERAGE SALARY	OPT	CHOSEN BENEFIT OMAHA	STATE
	Marilyn Averill	Trans		2	26.8				
	Linda Hartin	Para		2	10.1				
	Dennis Hofeldt	Trans		2	9.3				
	Sophie Knudsen	OP		2	10.0				
	Colleen Richardson	Para		2	5.7				
	Vivian Rostermundt	OP		2	21.5				
	Kathleen Spears	CMO		2	22.4				
Addition to Retiree Payroll – February 1, 2018								\$5,389.00	\$255.00
Average			64		15	\$28,614.45		\$769.93	\$42.52
Median			65		10.1	\$27,371.47		\$377.34	\$35.18

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

- Termination of Annuitants’ Payments Due to Death (last check was January 3, 2018) [11 count]

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor’s Benefit \$	Overpayment Benefit \$
	Kathleen Thomsen		1992	Dec-17				
	Loyson Mahoney		1987	Dec-17				

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Sybil Churchill		1981	Dec-17				
	Joann Warrick		1988	Dec-17				
	Chloe Swoboda		1987	Dec-17				
	Linda Basilio		2008	Dec-17				
	Victoria Vaughan		2010	Dec-17				
	Mary Joan Jansen		1991	Dec-17				
	Harry Franklin		2008	Dec-17				
Terminated from Retiree Payroll – February 2018					\$13,929.73			
081361B01	Andrew Meyer						*	
	Earnestine Ortiz-Ventura						*	
Continued Retirement to Beneficiary – February 2018							0.00	

* Beneficiary opted for a lump sum payout of the remaining benefit payments.

- Terminated Employees' Refunds [41 count]

February Refunds

EMPLOYEE NUMBER	NAME		Payment		Yrs of Svc
	First	Last	Type	Dollar	
	Angel	Vazquez	Direct		0
	Jennifer	Meyer	Rollover		0
	Jordan	Tolstedt	Direct		0
	Ananda	Lumpkin Featherson	Direct		0.1
	Donte	Lee	Direct		0.3
	Stetron	Ross	Rollover		0.3
	Brian	Winburn	Direct		0.5
	Tasha	Martin	Direct		0.6
	Brian	Barry	Direct		0.8
	Michael	Boshart	Rollover		1
	Traea	Bowden	Direct		1

EMPLOYEE	NAME		Payment		-
	First	Last	Type	Dollar	Yrs of Svc
	Leah	Latenser	Rollover		1
	Mackenna	Rife	Rollover		1
	Maria	Rodriguez	Direct		1
	Kimberly	White	Direct		1
	Jessica	Canby	Direct		1.1
	Devin	Jamshidi	Rollover		1.1
	Katie	Krause	Direct		1.3
	Luigi	Di Ruocco	Rollover		1.4
	Terrelle	Smith	Direct		1.6
	Syrena	Edmonds	Direct		2
	Ashley	James	Direct		2
	Michael	Patrick	Rollover		2.3
	Monica	Pauly	Direct		2.4
	Jordan	Erwin	Direct		2.6
	Joshua	Gredys	Rollover		3
	Laurel	Newman	Direct		3
	Lisa	Price	Direct		3.8
	Keri	Fredrickson	Rollover		4
	Chelsea	Hubbling	Rollover		4
	Amber	Stinnett	Rollover		4
	Michael	Young	Direct		4.2
	Ba Blue	Taddy	Direct		4.6
	DaWanna	Parker	Direct		4.8
	Juan	Magana	Direct		6
	Diane	Treantos	Direct		6.9

EMPLOYEE NUMBER	NAME		Payment		Yrs of Svc
	First	Last	Type	Dollar	
	Dante	Bogard	Direct		7.3
	Hayley	Berglund	Rollover		8
	Daniel	Coffey	Rollover		10
	Pilar	Vogt	Rollover		10
	Deborah	Murray	Direct		11.2
Terminated EE Refunds February 2018				\$ 453,327.08	
Average				\$ 11,056.76	3
Median				\$ 5,270.69	2
Count				41	

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

Accounts / Payables for February 2018

- Legal Services –
 - Period Ending January 31st
 - McGrath North – General \$ 9,257.00
 - McGrath North – AGYOF \$ 3,868.54

\$13,125.54

- Dues –
 - National Council Teachers Retirement - 2018 \$ 1,880.00

\$1,880.00

- Consultant –
 - Peetz & Company \$ 12,200.00

\$12,200.00

Mr. Evans moved and Mr. Purdy seconded, the Board ratify the February 2018 pension payroll in the amount of \$9,986,035.30, ratify the February staff payroll in the amount of \$33,655.34, approve February 1, 2018 new retirements, ratify termination of retirements due to death - last pension payment January 2018, approve February

2018 refunds to employees separated from the District in the amount of \$453,327.08, and approve February 2018 Accounts Payables. The motion was adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic - Purdy – Rea - Ripa – 6. Nay: 0.

- 5040 –

The Board discussed the public participation at retirement board meetings (OSERS Public Comment Policy). There was discussion amongst the board as to whether a speaker should be limited to three minutes or five minutes per speaker and whether the policy should limit the time for public comment to one hour for a meeting. After more discussion, Mr. Erikson informed the board there would be some changes made to the policy and at the meeting on March 6, 2018, this will be discussed again and voted on for approval. It was decided to permit five (5) minutes for individual speakers and one (1) hour for public comment session for the next meeting. The Executive Director will serve as the timekeeper. Ms. Carter confirmed the public comment form will be online by Monday, February 12, 2018 and available at meetings when public comment is on the agenda.

Mr. Rea moved and Mr. Ripa seconded the meeting minutes for December 6, 2017 and January 3, 2018 be approved with corrections to be made on the January 3, 2018 minutes. Corrections are page 6, paragraph 2, 2nd sentence should read “was an Accounting error” instead of “was account an error” and under “Trustees’ Report” page 8, 2nd paragraph, 3rd sentence should read “more accessible to our members” instead of “more successful to our members”. The motion was adopted by the following roll call: Erikson – Evans – Havlovic – Purdy – Rea – Ripa – 6. Nay: 0.

- 5041 –

Mr. Rea introduced a Resolution: OSERS Statement on Pension Obligation Bonds.

“OSERS recognizes there is an unfunded actuarial accrued liability (“UAAL”) in the pension trust fund that according to current actuarial assumptions would require periodic ARC payments over the next thirty years to reach 100% funding.

There are a number of alternatives that can help reduce this liability including the issuance of pension obligation bonds. Such bonds have the potential to provide a stable and predictable payment pattern for the OPS district to address unfunded liabilities. OSERS recognizes that pension obligation bonds are a tool that public entities may consider when addressing a UAAL. As is the case with any investment, pension obligation bonds have risks that must be considered before this course of action is taken and such bonds are issued. OSERS encourages Omaha Public Schools to carefully consider those risks, as well as other alternatives, to address the UAAL as they consider long-term solutions to provide funding for OSERS.”

Mr. Rea read the Resolution twice to the Board. Mr. Rea moved and Mr. Purdy seconded to adopt this Resolution. Mr. Rea also expressed OSERS needs to be on a path to full funding and Pension Obligation Bonds are a tool used for lowering the Unfunded Actuarial Accrued Liability. He stated they have risks and some states have used this type of bond. Omaha Public Schools is strongly advised to assess all the risk. The Trustees further discussed this Resolution. The motion was adopted by the following roll call: Aye: Erikson – Evans – Havlovic – Purdy – Rea – Ripa – 6. Nay: 0.

- 5042 -

Jack Peetz, Peetz and Company, informed the Board the legislature is on day 23 of a 60 day session. A hearing is scheduled for February 14, 2018 at 12 noon on LB 548, AM1529 and AM1758 with the Legislative Retirement Committee. Mr. Peetz continued to review LB 548, AM 1529 and AM1758 with the Board.

Mr. Rea made a motion and Mr. Ripa seconded to take a neutral position on LB 548, AM1529. There was discussion amongst the Board on whether to take a neutral position on LB 548, AM1529. The Board expressed some specifics with AM1529 that need to be determined and OSERS desires to work with the School District regarding these items. The motion was adopted by the following roll call vote: Aye: Erikson – Evans – Havlovic – Purdy – Rea – Ripa – 6. Nay: 0.

Mr. Evans motioned and Mr. Rea seconded OSERS take a neutral position on LB 548, AM1758. There was discussion amongst the Board on whether this was an Amendment to take a neutral position or be in support of Amendment AM1758. Mr. Erikson re-stated the motion to authorize the Executive Director to testify on LB548, AM1758 in a neutral position. The motion failed: Aye: Evans – Havlovic – Purdy – 3. Nay: Erikson – Rea – Ripa – 3.

Mr. Rea motioned to testify in support of AM1758 and Mr. Ripa seconded. There was discussion amongst the Board on whether this was an Amendment to take a support position or a neutral position. Mr. Erikson re-stated the motion to authorize the Executive Director to testify in support of LB548, AM1758. The motion passed: Aye: Erikson – Purdy – Rea – Ripa – 4. Nay: Evans – Havlovic – 2.

Mr. Peetz continued to discuss with the Trustees other legislative bills that are in the 105th Legislature of the Nebraska Unicameral.

The Board took a 5-minute break at 11:20 a.m.

The meeting resumed at 11:26 a.m.

- 5043 -

Ms. Carter presented to the Trustees the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and the Cash Balance Sheet. Ms. Carter also presented the Budget Variance report as of December 31, 2017. There remains concern over the lack of transparency of investment management fees and other investment related administrative fees associated with the Nebraska Investment Council. This concern has been raised with OPS accounting and the CFO.

Ms. Carter re-presented the Trustees with the Notice of Election, Call for Nominations for Retirement Board Seat, (Certified Member Board Seat #2), Term of Office July 1,

2018 – June 30, 2022. The date on the second page was incorrect last month and has been corrected to read: “3. The nomination period will open at 9:00 a.m. on Wednesday, March 7, 2018 and will close at 5:00 p.m. on Friday, March 16, 2018.” It will be distributed to all Principals with a cover memo to ask for it to be posted in their schools; will be distributed through District Communications’ weekly e-mail for 5 consecutive Mondays; it will be uploaded to OSERS’ website and will be shared with Local 226, OEA, OSERS’ Retired, and the Administrators’ Association.

Mr. Purdy motioned to accept the Notice of Election and Mr. Ripa seconded. The motion was adopted by the following roll call: Aye: Rea – Havlovic – Ripa – Purdy – Evans – Erikson – 6. Nay: 0.

Executive Director’s Report

Ms. Carter informed the Trustees 1099R’s were mailed out on January 30, 2018 and January 31, 2018. There were 4,820 retiree 1099R’s and 418 pension refunds 1099R’s mailed. There were less phone calls this year compared to last year requesting corrections.

Ms. Carter informed the Board, since last month’s meeting, the OSERS’ Board President received a letter from the Nebraska Attorney General’s office. The letter was received on January 17, 2018. The letter requested a response to a complaint filed by Matthew Ray on December 29, 2017 whereby Mr. Ray alleges there were Open Meetings Law violations and specifically the designation of the room where the meetings are held. Ms. Carter stated she replied on January 24, 2018. There was discussion as to what the name or number is for the conference room where retirement board meetings are held. Ms. Carter stated she will report back after she receives a response from the Nebraska Attorney General’s office.

Mr. Purdy inquired about Member Statements and Ms. Carter advised they are still being processed due to the delay in uploading 2017/2018 salary information which was delayed due to collective bargaining agreement negotiation delays. Mr. Ripa asked about retirement workshops for members over 50 years of age and Ms. Carter advised we are still trying to work those into the schedule given the PeopleSoft upgrade and other projects currently underway.

Trustees' Report

Mr. Rea asked about the increase in the retirees' pension payments for February 3, 2018. Ms. Carter informed the Trustees this is due to the tax reform changes made to the tax withholding tables in 2018.

New Business

Mr. Evans informed the Trustees he still gets questions about the Travel Policy. Mr. Evans expressed some of the concerns he hears from members. Mr. Erikson stated the Trustees follows the OPS Board Travel Policy. The Board budgets for travel every year and it's all transparent.

Meeting adjourned at 12:01 p.m.

PENDING BOARD APPROVAL