

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, August 8, 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 July 18, 2018.

- 5084 -

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, September 5, 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 – Jones - Rea – Ripa - 5 present. Absent at roll call: Logan and Purdy (excused).

Staff Present: Cecelia M. Carter, Executive Director, James Ellis, Benefits Manager. Others Present: Robert Bothe, Esq., McGrath North.

- 5085 -

President Erikson opened the meeting with a request for public comment. He reminded everyone that public comment is an agenda item for the February, May, August, and November regular board meetings.

There was no request for public comment.

Mr. Ripa 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, and Cecelia Carter, and James Ellis, legal matters of OSERS and financial matters of retirees. Mr. Rea seconded and the motion was adopted by the following roll call: Aye: Erikson – Havlovic – Jones - Rea – Ripa - 5. Nay: 0.

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

Dr. Logan arrived during the closed session.

The Board came back into session at 9:30 a.m. Present at roll call were: Erikson – Havlovic – Jones - Logan - Rea - Ripa – 6.

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

- Pension & Retirement Staff Payroll
 - Ratify June Pension Payments in the amount of \$10,142,648.09 paid to 4,787 payees
 - Ratify June staff payroll in the amount of \$25,257.00
- New Retirements
 - Approve 25 New Retirement Annuitants with an effective date of August 1, 2018 (first pension check September 3, 2018) [25 count]

EMPLOYEE NUMBER	NAME	EMP TYPE	AGE	RET MONTH	Years of Serv	AVERAGE SALARY	OPT	CHOSEN BENEFIT OMAHA	STATE
	Patricia Bahl	OP		8	24.5				
	Barbara Bradley	Trans		8	7.8				
	Teresa Burright	Para		8	22				
	Kathy Clinkscale-Dixon	Nutri		8	10.7				
	Patty Delaney	Other		8	12				
	Brenda Franck	OP		8	25				

EMPLOYEE				RET	DATE OF	BENEFIT	Survivor	Survivor's	Overpayment
NUMBER	NAME		AGE	YEAR	DEATH	OSERS	Beneficiary	Benefit \$	Benefit \$
	Knowles	Adrian		2012	May-18				
	Meeks	Esther		2005	April-18				
	Palmesano	Mary		1998	May-18				
	Roy	Kenneth		1987	May-18				
	Voss	Matthias		2013	May-18				
	Woods	Rebecca		2014	May-18				
	Rankin	Michael		2008	May-18				
						\$17,642.74			
Terminated from Retiree Payroll – July 2018									
	Heffelfinger	Robert		2014	May-18		Eileen Heffelfinger		
	Kirwan	Gary			May-18		Virginia Kirwan	*	
						\$1,202.57		\$939.52	
Continued Retirement to Beneficiary – July 2018									

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

- Terminated Employees' Refunds
 - Approve 30 Refunds to former OPS employees in the aggregate of \$479,587.85

Employee			Payment	Gross
Number	First	Last	Option	Distribution
	Pashion	Williams	Direct	
	Jennifer	Elliott	Direct	
	Jamie	Morton	Direct	
	Mary	Connelly	Rollover	
	Larry	Travis	Direct	
	Allison	Dugas	Direct	
	Travis	Mitchell	Rollover	
	Tracie	Burton	Direct	
	Dixie	Babcock	Rollover	
	Tamera	Draisey	Direct	

Employee			Payment	Gross
Number	First	Last	Option	Distribution
	Ana	Arroyo-Herrera	Direct	
	Betty	Jaffe	Direct	
	Joseph	Perez	Direct	
	Shannon	Ellis	Direct	
	Donald	Neill	Direct	
	Beth	Urwin	Rollover	
	Amy	Nowaczyk	Direct	
	Sanyia	Booth	Direct	
	Denise	Cady	Direct	
	Julian	Mims	Direct	
	Joseph	Frolio	Direct	
	Keith	Ahlers	Rollover	
	Bobby	Scott	Direct	
	Joyce	Allen	Direct	
	Veronica	Castro	Direct	
	Bethany	Schlegel	Rollover	
	Kari	Blazek	Rollover	
	Joseph	Lynch	Direct	
	Gregory	Schlegel	Rollover	
	John David	Gonzales	Rollover	
COUNT				30
AVERAGE				15,986.26
MEDIAN				10,485.40
GROSS DISTRIBUTION				\$479,587.85

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

- Accounts / Payables for August 2018
 - Miscellaneous –
 - Treat America Dining (July meeting)

\$ 64.16
\$64.16

- Legal Counsel –
 - McGrath North (July, AGYOF) \$ 2,402.80
 - McGrath North (July, general) \$ 8,074.00

\$10,476.80

- Educational Workshop –
 - Reimbursements (Purdy, Rea, Erikson) \$ 3,807.65

\$3,807.65

- 5087 -

Mr. Rea made a motion for the Board of Trustees to accept the recommendation of legal counsel in the matter of Atlantic Global Yield Opportunity Fund litigation. Mr. Jones seconded the motion. The motion was approved with the following roll call: Aye: Erikson, Havlovic, Jones, Logan, Rea, Ripa – 6. Nay: 0

- 5088 -

Mr. Ripa moved the Board approve the minutes for the July 18, 2018 Board of Trustees meeting. Mr. Havlovic seconded the motion. The motion passed with the following roll call: Aye: Erikson – Havlovic – Jones – Logan – Rea – Ripa – 6
Nay: 0

- 5089 -

Mr. Erikson continued the meeting asking Ms. Carter to address the proposal from Cavanaugh Macdonald to provide updated processing tools for the administration of the pension plan in compliance with the amended assumptions from the 2012-2016 Experience Study and the legislative changes implemented by LB 1005 (2018). Ms. Carter outlined the needed actuarial assumption changes affecting purchase of service calculations and optional forms of annuity payments due to recent legislative changes and changes impacted by the 2012-2016 Experience Study.

Mr. Jones made a motion for the Board of Trustees to engage the services of Cavanaugh Macdonald to fulfill the needed changes as outlined in the proposal dated June 13, 2018 [New Actuarial Factors and Service Purchase Calculator].

The motion was seconded by Mr. Ripa. The motion passed with the following roll call: Aye: Erikson, Havlovic, Jones, Logan, Rea, Ripa – 6. Nay: 0

- 5090 -

Mr. Erikson reviewed the outstanding questions surrounding the renewal of the 2018 / 2019 Fiduciary Liability Insurance. Ms. Carter shared with the Board the comments she received from Mr. Scott Durbin, AAI of The Harry A. Koch Co. Mr. Durbin shared with Ms. Carter that he was unable to find an underwriter who could write the policy for less than what was currently being charged as a premium. There was discussion amongst the Board members on the matter. There was no action taken on the matter.

- 5091 -

Mr. Erikson moved the meeting forward with the next item on the agenda, the second reading of the OSERS Travel Policy. Mr. Ripa raised a question regarding the purchase of airline tickets through OPS Human Resources (Travel) or directly by the Board member and seek reimbursement. There was discussion amongst the Board whether OPS employees on the Board of Trustees should be required to purchase airline tickets through OPS Human Resources or be permitted to purchase tickets directly, saving on processing fees. After an in-depth discussion on the matter Mr. Rea made a motion to adopt the 2018 OSERS Travel Policy. The motion was seconded by Dr. Logan. The motion passed with the following roll call: Aye: Erikson, Havlovic, Jones, Logan, Rea, Ripa – 6. Nay: 0

- 5092 -

Mr. Erikson asked Ms. Carter to review the status of the business community trustee appointment. Ms. Carter outlined the status to date; the school board did not approve the re-appointment of Mr. Donn Jones to the retirement Board of Trustees at its June 18th school board meeting. At the July 18th retirement board meeting, the Board of Trustees voted to re-submit Mr. Jones to the school board with more in-depth discussion of his qualifications along with additional information to address statements expressed by School Board members at the June 18th school board meeting. Ms. Carter referenced the letter dated July 24, 2018 to

school board president, Marque Snow. It was suggested and agreed the Board of Trustees postpone any further deliberation on this matter until the September 5th regular board of trustees meeting.

- 5093 -

Mr. Erikson next called for the Executive Director's Report. Ms. Carter began with an overview of the PeopleSoft upgrade project. The project went live on August 1, 2018. There were several bugs to overcome for OSERS processing on the first two to three days of operation on the new platform. Mr. Ellis further added to the recap and noted the processes that will not be truly tested until they are actually run as they could not be tested in a "test environment" without full live data.

Ms. Carter updated the board on the open Retirement Technician position. The submission period closed July 30th and interviews are scheduled for August 14th.

Ms. Carter touched on the office workload with the following observations: (1) there's been an uptick in request from members and former members regarding their account balances for financial purposes (i.e., mortgages and personal loan request); (2) there's been an uptick in the request to retire from classified staff; (3) there is a request for information from the Center for Retirement Research at Boston College on OSERS investment performance history; and, (4) the OWH continues to request historical information on OSERS.

Ms. Carter reported, the Nebraska Investment Council held its annual retreat on July 19th. Both Mr. Erikson and Mr. Ripa attended the retreat. The topic of the educational portion of the retreat was investing in global equities. Other business was conducted during the NIC retreat.

Ms. Carter informed the Board she is arranging one-on-one meetings with Dr. Logan and three of OSERS professional/technical support vendors: (a) legal counsel; (b) the actuary; and (c) the auditor. This is part of Dr. Logan's orientation to the OSERS plan.

Ms. Carter reported she filed Nebraska Legislative Form C with the state on July 20th for the second quarter 2018.

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

Mr. Rea reported on the National Council Teachers' Retirement Trustee Workshop held late July. He commented on the knowledge gained through interaction with other trustees of other state and local systems. Mr. Erikson and Mr. Ripa also commented on the Trustee Workshop with Mr. Ripa raising particular attention to the segment discussing the opioid crisis affecting the U.S. and its impact on employment.

Mr. Ripa continued with his observations from the NIC retreat in July.

Dr. Logan reported on the letter addressed to Mr. Erikson, President of OSERS Board of Trustees which she was copied on from a representative group of the OPS Administrators Association. She further gave an overview of her recent meeting with OSERS stakeholders and state legislators. Dr. Logan will keep the Board of Trustees updated as the District moves forward with ideas to address the annual additional required contributions to OSERS.

Mr. Havlovic reported that he took part in the August 2nd and 3rd Retirement Research Consortium held at the Washington Press Club through the free webinar. Ms. Carter commented she did as well. Both Mr. Havlovic and Ms. Carter indicated they listened to the webinar while working and concentrated on items of relevance.

Mr. Erikson then read a statement to the Board expressing his concern over the School Board's decision not to re-appoint Mr. Donn Jones to the Omaha School Employees' Retirement System as the business community representative.

The meeting adjourned at 10:38 a.m.

/s/

Cecelia M. Carter
Executive Director