

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Wednesday, October 3, 2019, at 4:00 p.m. at 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given on September 4, 2019.

- 5245-

President Erikson announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees is scheduled for Thursday, November 7, 2019 at 4:00 p.m., at Teachers Administrative Center, 3215 Cuming Street, 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.

Mr. Erikson called the meeting to order at 4:00 p.m.

Present at roll call: Erikson – Havlovic - Herchenbach – Purdy - Rea - 5 present. Absent at roll call: Logan – Placzek (excused) – 2.

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

Others Present: Robert Bothe, Esq., McGrath North.

- 5246 -

Mr. Erikson then called for approval of the minutes from the September 4, 2019 Board of Trustees meeting. Mr. Rea made a motion to approve the minutes to the Board of Trustees meeting held Wednesday, September 4, 2019. Mr. Herchenbach seconded the motion. The motion passed with the following roll call: Aye: Erikson – Havlovic - Herchenbach – Purdy - Rea - 5. Nay: – 0.

- 5247 -

Mr. Havlovic 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 litigation matters and financial matters of retirees and the System. Mr. Purdy seconded and the motion was adopted by the following roll call: Aye: Erikson – Havlovic - Herchenbach – Purdy - Rea - 5. Nay: 0.

The Board entered into closed session at 4:03 p.m.

Dr. Logan entered the meeting during closed session at 4:08 p.m.

The Board resumed open session at 4:30 p.m. Present at roll call were: Erikson – Havlovic - Herchenbach – Logan – Purdy – Rea – 6.

Mr. Purdy made a motion to ratify October pension payments in the amount of \$10,672,179.59 paid to 4,988 payees; approve October staff payroll in the amount of \$30,358.95; approve five new retirees effective October 1, 2019 – first pension check paid November 3, 2019; ratify termination of 9 retirements due to the death of the retiree and ratify 1 joint & survivor annuitants; approve October 2019 refunds to 143 former members of OSERS in the amount of \$1,952,088.37; approve accounts payables for the month of October in the amount of \$29,323.08. Mr. Herchenbach seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Havlovic - Herchenbach – Logan - Purdy - Rea – 6. Nay: 0

- New Retirements (effective October 1, 2019)

EMPLOYEE NUMBER	NAME		EMP TYPE	RET AGE	RET MONTH	AVERAGE SALARY	CHOSEN BENEFIT		
	First	Last					OPT	OMAHA	STATE
	Lissett	Burges-Garcia	Para	10	16				
	Jamie	Case	T	10	14.2				
	Garry	Hyland	CMO	10	25.5				
	Vance	Peterson	T	10	9				
	Evie	Robinson	OP	10	11				
Count									5
Average				61.4		\$43,783.29	\$1,069.33	\$40.33	
Median				59		\$47,420.59	\$889.84	\$38.50	
Addition to Pension Payroll									\$5,468

- Deaths

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Irene	Micka	1989	Aug-19				
	Margaret	Whitmore	2000	Aug-19				
	Muriel	Dalley	2010	Aug-19				
	Dorothy	Gamble	2000	Aug-19				
	John	Haynes	2011	Aug-19				
	Dawn	Taylor	2015	Jul-19				
	Jefferey	Taylor	2015	Jul-19				
	Christopher	Taylor	2015	Jul-19				
	Beverly	Lightner	1999	Aug-19				
	Janet	Moe	2013	Aug-19				
	Evelyn	Fairchild	2005	Aug-19				
Terminated from Retiree Payroll – October 2019							\$11,991.18	

	Leon	Golden		2011	Aug-2019		Becky Golden
Continued Retirement to Beneficiary – October 2019							
Average Age at Death			80				
Average Years Retired			14				

- Terminated Employees' Refunds

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	John	Cunningham			8/7/2019	0.00	Direct
	Julie	Luke			8/11/2019	0.00	Direct
	Jody	Schroeder			7/31/2019	0.20	Direct
	TaNia	Pittman			7/31/2019	0.40	Direct
	Harold	Briscoe			7/31/2019	0.60	Direct
	Angeles	Ruiz Flores			7/31/2019	0.60	Direct
	Robert	Schram			7/31/2019	0.60	Direct
	Carvie	Erwin			7/31/2019	0.70	Rollover
	Dennis	Damewood			7/31/2019	0.80	Direct
	Terry	Diel			7/31/2019	0.80	Rollover
	Coleen	Vincent			7/31/2019	0.80	Rollover
	Rafael	Corrales Orozco			7/31/2019	0.90	Direct
	Brett	Benson			7/31/2019	1.00	Direct
	Tiffani	Cullum			7/31/2019	1.00	Direct
	Danny	Graves			7/31/2019	1.00	Direct
	Caitlin	Hochwender			7/31/2019	1.00	Rollover
	Julio	Iraheta			5/24/2019	1.00	Direct
	Jonas	Luedtke			7/31/2019	1.00	Direct
	Julia	Lynam			7/31/2019	1.00	Direct
	Philipp	Mancuso			7/31/2019	1.00	Direct
	Elyse	Marvin			7/31/2019	1.00	Direct
	Kimberly	Pace			7/31/2019	1.00	Direct
	Vicki	Pribil			7/31/2019	1.00	Direct
	Kathleen	Sharp			7/31/2019	1.00	Direct
	Steven	Sims			7/31/2019	1.00	Direct

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Joe	Trevino			7/31/2019	1.00	Direct
	Ashley	Turner			7/31/2019	1.00	Direct
	Samantha	Williams			7/31/2019	1.00	Direct
	Catherine	DePriest			5/22/2019	1.10	Rollover
	Irene	Mendoza			7/31/2019	1.40	Direct
	Maria	Solorzano			7/31/2019	1.40	Direct
	Michael	Parkhurst			7/31/2019	1.50	Direct
	Leah	Jeary			3/29/2019	1.60	Direct
	James	Halbersleben			7/31/2019	1.70	Direct
	Guadalupe	Jimenez-Flores			7/31/2019	1.70	Direct
	John	Lyons			7/31/2019	1.70	Direct
	Sydnee	Penaherrera			7/31/2019	1.70	Direct
	Kali	Sloup			7/31/2019	1.70	Rollover
	Cheryl	Berry			8/7/2019	1.80	Direct
	Jann	Dappen			7/31/2019	1.80	Rollover
	Whitney	Hopkins			7/31/2019	1.80	Direct
	Vivian	Kesar			7/31/2019	1.80	Rollover
	Lorena	Amaya			7/31/2019	1.90	Direct
	Benjamin	Housh			7/31/2019	1.90	Direct
	Delores	Kimble			8/4/2019	1.90	Direct
	Aaron	Carnahan			7/31/2019	2.00	Direct
	Rebecca	Cavada			7/31/2019	2.00	Direct
	Sandra	Dubois			7/31/2019	2.00	Direct
	Whitley	Hettenbaugh			7/31/2019	2.00	Rollover
	LaChea	Johnson			7/31/2019	2.00	Direct
	Michelle	Johnson			7/31/2019	2.00	Direct
	Monica	Lopez-Nuno			7/31/2019	2.00	Rollover
	Nicholas	Mayfield			7/31/2019	2.00	Rollover
	Carlos	Moreno			7/31/2019	2.00	Direct
	Maureen	O'Brien			7/31/2019	2.00	Rollover
	Heather	Ortez			4/19/2019	2.00	Direct
	Emily	Peery			7/31/2019	2.00	Rollover
	Rachel	Platt			5/24/2019	2.00	Rollover

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Jaclyn	Reinsch			7/31/2019	2.00	Direct
	Kayla	Robinson			7/31/2019	2.00	Rollover
	Allison	Saner			7/31/2019	2.00	Rollover
	Nicki	Scalise			7/31/2019	2.00	Direct
	Alan	Schueler			7/31/2019	2.00	Direct
	Nicole	Thomas			7/31/2019	2.00	Direct
	Shaimesha	Wilburn			7/31/2019	2.00	Direct
	Tia	Dorsey			7/31/2019	2.30	Direct
	Sade	Griggs			7/31/2019	2.30	Direct
	Steven	Saunders			5/3/2019	2.30	Direct
	Franklin	Pefung			7/31/2019	2.50	Direct
	Julia	Oliver			7/31/2019	2.60	Rollover
	Dylan	Doggett			7/31/2019	2.70	Rollover
	Kelsey	Kalinski			7/31/2019	2.70	Rollover
	Kevin	Wilkison			7/31/2019	2.70	Direct
	Takiya	Chatmon			7/31/2019	2.80	Direct
	Linzee	Gammell			7/31/2019	2.80	Direct
	Karlynn	Mizell			7/31/2019	2.80	Rollover
	Naomi	Becker			7/31/2019	3.00	Rollover
	Angela	Bultez			7/31/2019	3.00	Direct
	Susan	DeVeney			7/31/2019	3.00	Rollover
	Gary	Flores			7/31/2019	3.00	Direct
	Justin	Hayes			7/31/2019	3.00	Direct
	Emily	Hudson			7/31/2019	3.00	Direct
	James	Larson			7/31/2019	3.00	Rollover
	Chelsey	Pacl			7/31/2019	3.00	Direct
	Johanna	Shinn			7/31/2019	3.00	Direct
	Connor	Sullivan			7/31/2019	3.00	Rollover
	Bernadette	Swenson			7/31/2019	3.00	Rollover
	Salena	Vidlak			7/31/2019	3.00	Direct
	Dean	Wood			7/31/2019	3.00	Rollover
	Contesse	Fleming			7/31/2019	3.20	Direct
	Ronald	Berry			6/12/2019	3.50	Rollover

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Audrey	Posthuma			7/31/2019	3.70	Rollover
	Sineah	Young			7/31/2019	3.70	Direct
	Benjamin	Nore			7/31/2019	3.90	Direct
	Kylie	Wees			7/31/2019	3.90	Rollover
	Michael	Brown			7/31/2019	4.00	Direct
	Amanda	Good			7/31/2019	4.00	Rollover
	Elizabeth	Hersh			7/31/2019	4.00	Direct
	Brenda	Hunt			7/31/2019	4.00	Direct
	Abbie	Niles			7/31/2019	4.00	Direct
	Elizabeth	Townsend			7/31/2019	4.00	Direct
	Mayra	Montano			7/31/2019	4.50	Direct
	Lanesha	Wood			7/31/2019	4.50	Direct
	Sandra	Galvan			7/31/2019	4.80	Direct
	Whitney	Littlejohn			7/31/2019	4.90	Direct
	Nina	Wilson			7/31/2019	4.90	Direct
	Derek	Babb			7/31/2019	5.00	Rollover
	Danelle	Brown			7/31/2019	5.00	Direct
	Dara	Hogan			7/19/2019	5.00	Rollover
	Darwin	Robinson			7/31/2019	5.00	Direct
	Rozlyn	Leonard			8/23/2019	5.20	Direct
	TaeLaur	Smith			7/31/2019	5.40	Direct
	Neil	Bowman			7/31/2019	5.70	Direct
	Patricia	Johnson			7/31/2019	6.00	Direct
	Brooke	Rowan			7/31/2019	6.00	Direct
	Monique	Tate			7/31/2019	6.00	Direct
	Elizabeth	Udhus			7/31/2019	6.00	Direct
	Katrina	Uhing			7/31/2019	6.00	Direct
	Sha-Don	White			7/31/2019	6.00	Direct
	Kiayi	Franklin			7/31/2019	6.50	Direct
	Cristina	Valencia-Ramirez			7/31/2019	6.90	Direct
	Sean	Lockard			5/24/2019	7.00	Direct
	August	Traylor			7/31/2019	7.00	Direct
	Jennifer	VonStup			7/31/2019	7.70	Rollover

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Joseph	Enright			8/16/2019	8.00	Direct
	Katie	Grant			7/31/2019	8.00	Rollover
	Janie	Helt			7/31/2019	8.40	Rollover
	Georgia	Hart			7/31/2019	9.00	Direct
	Tuyen	Lam			6/28/2019	9.00	Direct
	Maria	Silva Martinez			7/31/2019	9.30	Direct
	Shannon	Calpin			7/31/2019	10.00	Direct
	Julie	Cornett			7/31/2019	10.00	Direct
	Glenn	Harper			8/4/2019	11.00	Direct
	John	Svehla			7/31/2019	11.00	Direct
	Euvondia	Vaughan			7/31/2019	11.10	Direct
	Migdalia	Leroux			7/31/2019	11.20	Direct
	Thang	Tran			7/31/2019	12.00	Rollover
	Aaron	Brooker			7/31/2019	12.80	Rollover
	Callie	Burks			7/31/2019	13.00	Direct
	Dwayne	Harris			7/31/2018	13.00	Direct
	Antonish	Morris			7/31/2019	14.50	Direct
	Eugene	Craig			7/26/2019	18.00	Rollover
	Kisha	Witherspoon			7/31/2019	20.50	Direct
COUNT							143
TOTAL Refunds			\$1,952,088.37				
AVERAGE			\$13,650.97		3.8		
MEDIAN			\$8,196.77		2.7		

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

Accounts / Payables for October 2019 = \$29,323.08

- **Legal Counsel**

McGrath North (Litigation)	3,072.00	
McGrath North (General)	6,921.00	
McGrath North (AAM-Special)	5,376.00	\$15,369.00

- **Miscellaneous**

Peetz & Company (4thQ 2019)	12,200.00
Pension Benefit Information LLC (quarterly fee)	916.08

NCTR – R. Rea (airfare)	466.00	
NCTR – D. Erikson (airfare)	372.00	\$13,954.08

- 5248 -

Mr. Erikson acknowledged the next item on the agenda. Ms. Carter gave a presentation of the 2nd quarter 2019 portfolio performance from AON Consulting and the Nebraska Investment Council report. The OSERS portfolio closed on June 30, 2019 at \$1,260 billion, an increase of \$17,948 million from first quarter 2019. The following are the performance returns for the indicated periods.

Allocation		Performance(%)							
Market Value (\$)	%	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years	10 Years	
OSERS	1,260,636,172	100.0	2.5 (88)	8.2 (92)	2.5 (78)	4.8 (79)	5.9 (96)	3.0 (99)	7.5 (95)
Policy Index			3.2 (42)	9.6 (78)	5.1 (13)	7.4 (16)	8.8 (49)	5.7 (55)	9.3 (31)

Ms. Carter indicated she engaged the Nebraska Investment Council and AON to review the manner of reporting of OSERS alternative investments. The concern was the reports were not showing the receipt of distributions from the legacy alternative investments as part of the quarterly reporting. AON Consulting agreed the inclusion of distributions received from the legacy alternative investments could be added to the quarterly reporting in the same manner as reported for NPERS alternative investments.

Ms. Carter also reviewed the AON Consulting Capital Markets report. This report indicated the consulting firm’s expectation on overall asset class returns for the coming ten year and thirty year periods. Given the asset allocation of the overall portfolio managed by the Nebraska Investment Council, the annualized return (10 year forecast) is 6.2% with a standard deviation of 12.2%, and the annualized return (30 year forecast) is 6.7% with a standard deviation of 12.5%.

- 5249 -

Ms. Carter reviewed the financial statements and budget variance report for the month ending August 31, 2019. At the close, the unaudited valuation on the OSERS portfolio was \$1,305 billion. Ms. Carter reminded the Board these were unaudited financial statements and the investment return was a month in the rear. The audited financial statements for the fiscal year ending August 31, 2019 will be presented in December 2019.

- 5250 -

Ms. Carter gave a recap of the Better Together Coalition meeting held September 4, 2019. At the BTC meeting it was decided the District would engage the OSER actuary to analyze three

more options, which are: (1) the effects of moving the OSERS funding policy from four year smoothing to five year smoothing; (2) the effects of moving the year-end valuation report date from January 1 to July 1; and (3) the effects of imposing a 30-year cap on years of service with distribution of the employee contributions contributed from year 31 until retirement. Ms. Carter also noted, the facilitator for the BTC and she are trying to coordinate a meeting between two representatives of OSERS and two representatives of the OPS Board of Education to prepare for the upcoming Nebraska Legislative Retirement Committee hearing in November.

- 5251 -

The meeting then moved to the Executive Director's report. Ms. Carter reviewed for the board the following topics:

- The status of the LB 31 (2019) study through the Nebraska Public Employees' Retirement System (NPERS). She indicated the Director of NPERS sent an email the previous day with updates on the questions the NPERS staff has on the OSERS system
- The 2019 actuarial services RFP was issued on September 24, 2019 with a due date for responses of October 28, 2019
 - After discussion with the Board, it was determined Mr. Scott Herchenbach along with OSERS staff will review the responses received and make a recommendation to the Board of Trustees
- The 2019 audit of financial statements is in progress and field work is scheduled for later in October
- Tom Macdonald of Cavanaugh Macdonald has retired. Ed Koebel was named Chief Executive Officer; Todd Green and Alisa Bennett were named Presidents on the seven member board of manager for the firm
- The 2019 Medical COLA was paid on October 3, 2019 in accordance with NE Rev Stat sec. 79-9, 103(13)
 - The 2019 payment of medical COLA was \$371,949.70
 - Medical COLA does not transfer to the surviving beneficiary upon the death of the retiree
- An overview of the 2019 AON Consulting client conference

- 5252 -

Mr. Erikson then called for any trustee reports. Mr. Rea noted the recent National Council Teachers' Retirement webinar on Fiduciary Duties and also noted he would not be in attendance at the November Board of Trustees meeting. Mr. Purdy asked about attendance at the retirement workshops titled: New Employee Retirement Workshops. Ms. Carter noted there are more in attendance at the beginning of the school year than towards the end of the school year.

There being no new business, the meeting adjourned at 5:16 p.m.

/s/

Cecelia M. Carter, Executive Director