

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, December 5, 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 November 7, 2019.

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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, January 9, 2020 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 – Placzek - Purdy – Rea – Ray (for Dr. Logan) - 5 present. Absent at roll call: Herchenbach (excused) – Havlovic – 2.

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

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

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Mr. Erikson introduced Mr. Darren Osten, CPA and Ms. Sarah Griger, CPA both of Seim Johnson. Mr. Osten thanked the board for the opportunity to audit the financial statements of the Omaha School Employees' Retirement System. Mr. Osten and Ms. Griger presented the OSERS Board of Trustees with the audited financial statements and report to the Board of Trustees. The report indicated an August 31, 2019 fiscal year-end total pension liability of \$2.240 billion with a fiduciary net position of \$1.295 billion resulting in a 57.82% funding ratio on a marked to market basis. Ms. Carter indicated the audited financial statements will be posted to the OSERS web site for the general public to read.

Mr. Havlovic entered the meeting during the audit presentation at 4:09 p.m.

Mr. Erikson then called for acceptance of the 2019 OSERS Audit Report. Mr. Rea made a motion the Board of Trustees accept the audit report as presented by Seim Johnson for the fiscal year ending August 31, 2019. Mr. Havlovic seconded the motion. The motion passed with the following roll call: Aye: Erikson – Havlovic – Placzek - Purdy – Rea – Ray - 6. Nay: – 0.

Mr. Erikson called for approval of the minutes. Mr. Purdy moved the board of trustees approve the minutes to the November 7, 2019 meeting. Mr. Placzek seconded the motion. The motion passed by the following roll call: Aye: Erikson – Havlovic – Placzek - Purdy – Rea – Ray - 6. Nay: – 0.

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

The Board entered into closed session at 4:24 p.m.

The Board resumed open session at 4:43 p.m. Present at roll call were: Erikson – Havlovic – Placzek - Purdy – Rea – Ray - 6.

Mr. Placzek made a motion to ratify December pension payments in the amount of \$10,675,242.09 paid to 4,978 payees; ratify December staff payroll in the amount of \$31,441.44; approve three new retirees effective December 1, 2019 – first pension check paid January 3, 2020; ratify termination of 13 retirements and the continuation of three joint & survivor annuity retirements due to the death of the retiree; approve December 2019 refunds to 41 former OSERS members in the sum of \$596,538.11; approve accounts payables for the month of December in the amount of \$32,888.14. Mr. Rea seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Havlovic – Placzek - Purdy – Rea – Ray - 6. Nay: – 0.

- New Retirements (effective December 1, 2019)

EMPLOYEE NUMBER	NAME		EMP TYPE	RET AGE	YRS MONTH	AVERAGE SERVICE	AVERAGE SALARY	OPT	CHOSEN BENEFIT	
	First	Last							OMAHA	STATE
	Lloyd	Hill	CMO		12.0	22.5				
	Helen	Jones	Para		12.0	11.3				
	Christine	Polzin	Para		12.0	22.2				
Count										3
Average					62		\$25,027.65	\$813.28	\$46.38	
Median					62		\$18,775.00	\$633.83	\$52.15	
Addition to Pension Payroll									\$1,545.64	

- Deaths

EMPLOYEE NUMBER	NAME		AGE	RET YEAR	DATE OF DEATH	BENEFIT OSERS	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Marlene	Gatz		2003	Oct-19				
	Shirley	Mumm		1992	Oct-19				
	Sarah	Conner		2003	Mar-19				
	Ruth	Kidd		1994	Oct-19				
	Clyde	Thomas		2002	Oct-19				
	Sibyl	Graham		1994	Oct-19				
	Wayne	Claycamp		1995	Oct-19				
	Clifton	Rockwell		1993	Oct-19				
	Dorothy	Curtis		1995	Oct-19				
	Ester	Wageman		1996	Oct-19				
	Carol	Edmonds		1995	Oct-19				
	Deanna	Duguay		2000	Oct-19				
	Marjorie	Bessey		1984	Oct-19				
	Phillip	Sayles		2014	Mar-19				
Terminated from Retiree Payroll – December 2019						\$17,430.99			\$1,950.00
	Velma	Lincoln		1988	Oct-19		Clyde Lincoln		
	Mary	Wilson		2005	Oct-19		David Wilson		
	Robert	Jones		1994	Oct-19		Catherine Jones		
Continued Retirement to Beneficiary – November 2019						\$7,366.71		\$6,766.71	
Average Age at Death			83						
Average Years Retired			22						

- Terminated Employees' Refunds

ID	First Name	Last Name	End Balance	Death Date	Term Date	Accrued Service	Dist Type
	Heather	Hibbeler			9/10/2019	0.0	Direct
	Jessica	Lopera Hernandez			8/9/2019	0.0	Direct
	Charlie	Steinhoff			8/22/2019	0.0	Direct
	Derrick	Strong			10/28/2019	0.0	Direct
	Tyletha	Thomas			9/23/2019	0.0	Direct
	Marshae	Walker			9/13/2019	0.0	Direct
	Trenay	Newsome			10/9/2019	0.1	Direct
	Dada	Broohm			8/12/2019	0.6	Direct
	Andrea	Tingle-Copeland			11/1/2019	0.7	Direct
	Jasmine	Agee			10/8/2019	0.9	Direct
	Shalia	Wilson			10/21/2019	1.0	Direct
	Raquish	Harbour			11/13/2018	1.4	Direct
	Tamiko	Haskin			10/6/2019	1.4	Direct
	D'Angela	Brown (Jo)		10/7/2019	10/7/2019	1.8	Death
	Alaya	West			7/31/2019	2.0	Direct
	Anita	Soto			7/31/2019	2.0	Rollover
	Annette	Volberding			10/13/2019	2.0	Rollover
	Jermaine	Ballard			9/24/2019	2.5	Rollover
	Molly	Bergstrom			7/31/2019	3.0	Rollover
	Leanne	Fisher			7/31/2019	3.0	Rollover
	Jessica	Ghiai			10/14/2019	3.3	Direct
	Jeremy	Cardwell			11/1/2019	3.7	Direct
	Timothy	Huber			9/24/2019	4.0	Direct

ID	First Name	Last Name	End Balance	Death Date	Term Date	Accrued Service	Dist Type
	Joan	Mattingly			7/31/2019	4.0	Rollover
	Ronald	Nice			9/5/2019	4.1	Direct
	Chad	Patterson			9/27/2019	4.2	Direct
	Thurayya	Liwaru-Rab			7/31/2018	5.0	Direct
	Calyn	Schlotfeld			7/31/2013	5.0	Direct
	Latisha	Beaugard			7/31/2019	5.0	Rollover
	Keegan	Korf			7/31/2019	5.0	Rollover
	Marisa	Mixan			7/31/2019	5.0	Rollover
	Minden	Yuskevich			7/31/2019	5.0	Rollover
	Stacy	Jackson			9/13/2019	5.7	Rollover
	Carmen	Butler			7/31/2019	6.7	Rollover
	Natalia	Macias Correa			7/31/2019	6.9	Rollover
	Shanna	Armsbury			7/31/2019	7.0	Direct
	Carly	Pester			7/31/2019	7.0	Rollover
	Chelsea	Merritt-Merboth			7/31/2016	7.7	Direct
	Jason	Peters (Mikki)		11/7/2019	11/7/2019	11.0	Death
	Pamela	Rowley			9/20/2019	11.1	Rollover
	Jennifer	Rowe			7/31/2019	12.0	Rollover
COUNT							41
TOTAL Refunds			\$596,538.11				
AVERAGE			\$14,549.71		3.7		
MEDIAN			\$11,285.47		3.3		

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

Accounts / Payables for November 2019 = \$32, 888.14

• **Legal Counsel**

McGrath North (Litigation - Nov)	5,144.14	
McGrath North (General - Nov)	4,583.00	
McGrath North (Litigation – Dec)	3,808.00	
McGrath North (General – Dec)	6,563.00	\$20,098.14

• **Consultants**

Cavanaugh Macdonald (2019 GASB 67)	9,500.00	\$9,500.00
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• **Miscellaneous**

National Institute on Retirement Security	1,250.00	
National Council Teachers’ Retirement	2,040.00	\$3,290.00

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Ms. Carter presented the OSERS financial statements and budget variance report for the period ending October 31, 2019. In the review, Ms. Carter presented the OSERS balance sheet, the OSERS income statement, and the OSERS cash on hand as prepared by OPS accounting.

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Ms. Carter presented to the Board of Trustees the 2020 Trustee Election Calendar. The 2020 election is for an annuitant member of OSERS representative. The 2020 election will be the first election for the retirees. The calendar was amended prior to the meeting with suggestions and spelling correction from trustees. After discussion, it was decided to move the date in which ballots are mailed out from the election service company to eligible members closer to the date the election period opens. This is in response to past elections where members stated they did not like having to wait four or five days to vote after receiving the election ballot package. The Board suggested amending the 2020 election calendar to move the date for mailing ballots out to eligible voters to April 15, 2020. The Board also reviewed the election policy rule that a retired member of OSERS who has returned to work and is currently contributing to a second retirement will be considered “active” and not eligible to vote in the retiree election. After further discussion, Mr. Rea made a motion to approve the 2020 OSERS Trustee Election Calendar with amendments. Mr. Purdy seconded the motion. The motion was adopted with the following roll call: Aye: Erikson – Havlovic – Placzek – Purdy – Rea – Ray – 6. Nay – 0.

Mr. Erikson recapped the actuarial services RFP and noted that at the last meeting it was reported there were three responses submitted. Ms. Carter reviewed with the Board of Trustees the RFP timeline. The responses were reviewed by the Executive Director, the retirement specialist, one retirement technician, and one OSERS board member. Ms. Carter informed the Board of Trustees the staff recommendation was to retain the services as offered by the current actuary, however, the one OSERS board member wanted the current actuary and one other bidder to make a presentation before the Board of Trustees. After further summation of the review process by Ms. Carter, Mr. Erikson expressed to the Board, he believed the question before the board is to either accept the recommendation of the staff or have a presentation before the Board of Trustees by two of the responders. After discussion amongst the Board of Trustees, Mr. Rea made a motion to approve the staff recommendation to continue with services from Cavanaugh Macdonald. The motion was seconded by Mr. Purdy. The motion tied with the following roll call: Aye: Erikson – Purdy – Rea. Nay: Havlovic – Placzek – Ray. In realizing the tie count, the Board continued discussion and after further discussion, Mr. Havlovic requested to amend his vote to an Aye. The motion passed.

Ms. Carter gave the Board a recap of the Better Together Coalition proposal for cost saving adjustments to the OSERS pension plan. These cost saving adjustments include the following:

- a. For current members – effective 2024 – no cost of living adjustment would be available until the member attained age 62 or experienced 2 years of retirement;
- b. For current members – effective 2022 – the retirement options available to new retirees would include a “Partial Lump Sum Option”;
- c. For new employees/members of OSERS – effective 2021 – use a 1.85% multiplier and no cost of living adjustments until the plan is 80% funded;
- d. For current retirees – effective 2024 – begin using a simple COLA until the plan is 105% funded, then resume compounding the COLA;
- e. The school district would commit to contributing an additional (1) \$25 million or (2) \$30 million or (3) \$35 million quarterly.

Ms. Carter reminded the Board, these proposed adjustments (except for the district additional financing) require passage of legislative bills by the Nebraska Unicameral before any of the proposals can be implemented.

Ms. Carter then gave the Executive Director’s report which covered the following topics:

- a. Notice of the 2019 Oracle charge from OPS was \$41,813.10, up 4% from 2018.
- b. Reminder of the audit services engagement expires in 2019 and the board will have to decide at the January 2020 meeting whether or not to extend the engagement.

- c. The December 4, 2019 retirement workshop hosted 60 participants. As of this date, there are 56 registered for February and 38 registered for March. OEA is coordinating a January 15 retirement workshop for OEA members.
- d. The 2019 OSERS Fact Sheet is available and posted to the OSER web page.

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Mr. Erikson called for any trustee's report. There being none and no new business to come before the Board, the meeting adjourned by common consent at 5:38 p.m.

/s/

Cecelia M. Carter, Executive Director