

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, April 2, 2020, at 10:01 a.m. at 3215 Cuming Street, Omaha, Nebraska.

Pursuant to Section 84-1411 of the Nebraska Statutes, notice of this meeting was given on March 5, 2020.

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Before the meeting began, Mr. Erikson advised the Board members and listening public of the protocols for this telephonic meeting.

President Erikson then announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees is scheduled for Thursday, May 7, 2020 at 4:00 p.m., at the Teachers Administrative Center, 3215 Cuming Street, 2<sup>nd</sup> floor, Omaha, Nebraska. He further announced that given the current pandemic emergency and the governor's executive order #20-03, the next regular meeting could be held earlier in the day and be a telephonic meeting also. 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 10:01 a.m.

Present, on the telephone at roll call: Erikson –Havlovic – Logan - Placzek – Purdy - Rea – 6 present. Absent: Herchenbach – 1.

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

Others Present on the telephone: Robert J. Bothe, Esq. McGrath North.

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Mr. Erikson called for approval of the minutes. Mr. Purdy moved the board of trustees approve the minutes to the March 5, 2020 board of trustees meeting. Mr. Placzek seconded the motion. The motion passed by the following roll call: Aye: Erikson – Havlovic – Logan - Placzek – Purdy - Rea - 6. Nay: – 0.

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Mr. Erikson asked Mr. Bothe to provide the Board with an overview of litigation matters. Mr. Bothe gave the Board an outline and results of several motions argued before the judge (via

telephone) in the matter of *The Water Works Board of the City of Birmingham, et al v. U. S. Bank (D.S.D. 2018)*. The plaintiffs were satisfied with the outcome of the motions. The trial is scheduled for June 2020, however, given the current pandemic of COVID-19 the trial date will be more than likely be postponed. He also alerted the Board that one plaintiff in the matter elected to settle the case outside of a trial.

Mr. Purdy made a motion to ratify April pension payments in the amount of \$10,801,648.06 paid to 4,969 payees; ratify March staff payroll in the amount of \$31,441.44; ratify 9 new retirees effective April 1, 2020 – first pension check paid May 3, 2020; ratify termination of 13 retirements and the continuation of four joint & survivor annuity retirements due to the death of the retiree for April; ratify April 2020 refunds to 21 former OSERS members in the sum of \$559,340.49; ratify accounts payables for the month of April in the amount of \$15,700.72  
 Mr. Havlovic seconded the motion. The motion was adopted by the following roll call: Aye: Erikson – Havlovic – Logan - Placzek - Purdy – Rea - 6. Nay: – 0.

- April New Retirement Annuitants

EE			EMP		RET	RET	Final Avg		CHOSEN BENEFIT	
Number		NAME	TYPE	AGE	MONTH	YRS	Salary	OPT	OMAHA	STATE
	<i>Avalee</i>	<i>Edwards</i>	Trans		4.0	7.8				
	Cindy	Hicks	Trans		4.0	5.4				
	Michael	Kotrous	CMO		4.0	45.0				
	Kevin	Menghini	CMO		4.0	33.0				
	Kitten	Slezak	Other		4.0	25.0				
	Diane	Stein	Other		4.0	7.0				
	<i>Mary</i>	<i>Van Sant</i>	Para		4.0	16.0				
	<i>Jacqueline</i>	<i>Wills</i>	Other		4.0	21.5				
	David	Young	CMO		4.0	32.0				
<b>Count</b>			<b>9</b>							
<b>Average</b>				<b>65</b>		<b>21</b>	<b>\$49,584</b>		<b>\$1,697</b>	<b>\$61</b>
<b>Median</b>				<b>65</b>		<b>22</b>	<b>\$45,535</b>		<b>\$1,797</b>	<b>\$56</b>
<b>Addition to Pension Payroll</b>										<b>\$15,758</b>

- April Terminations of Annuitants' Payments Due to Death

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	OSERS BENEFIT	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Laura Powers		1978	Feb-20				
	Mildred Milea		1982	Feb-20				
	Joyce Egan		2004	Feb-20				
	Virginia Pinker		1988	Feb-20				
	Alfred Dimauro		1993	Feb-20				
	James Craigmile		1995	Feb-20				
	Nancy Swanson		1994	Feb-20				
	Mary Barry		1998	Feb-20				
	Amanda Thatcher		2015	Feb-20				
	Shannon Slobotski		2015	Feb-20				
	Kim Wills		2015	Feb-20				
	David Rieger		2013	Feb-20				
*	Terrance Williamson		2013	Feb-20		Karen Williamson		
<b>Terminated from Retiree Payroll – April 2020</b>					<b>\$39,551.70</b>			<b>\$0.00</b>
	Robert Harden		1995	Feb-20		Judith Harden		
	John Smith		2002	Feb-20		Dianne Smith		
	James Edwards		1991	Feb-20		Debora Edwards		
	Phillip Bachenberg		2020	Feb-20		Hedi Bachenberg		
<b>Continued Retirement to Beneficiary – April 2020</b>					<b>\$13,273.93</b>		<b>\$11,100.40</b>	
<b>Average Age at Death</b>		<b>76</b>						
<b>Average Years Retired</b>		<b>19</b>						

\* Lump sum payment to beneficiary

- April Refunds [ 21 count]

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Brenda	Jenkins			2/13/2020	0.0	Direct
	Sarah	Nelson			7/31/2019	1.0	Rollover
	Theresa	Burke			1/31/2020	1.9	Direct
	Kolbie	Sweeney			7/31/2017	2.0	Direct
	Aman	Glaious			1/30/2020	2.2	Direct
	Leslie	Wrinkle			7/31/2019	3.0	Rollover
	Robert	Harrer			12/13/2019	3.5	Direct
	Kelsey	Essink			1/3/2020	4.7	Rollover
	Stacy	Phillips			4/12/2019	4.7	Rollover
	Brandi	Bobkovas			2/11/2020	5.7	Rollover
	Timothy	Avants			7/31/2017	6.0	Rollover
	Tiffany	Youngblood			2/14/2020	6.0	Rollover
	Manee	Lor			7/31/2019	7.0	Direct
	Heather	Nissen			7/31/2016	8.0	Rollover
	Johnny	Vasquez			2/14/2020	8.3	Direct
	Jason	Jones			1/31/2020	8.9	Direct
	Judith	Schumacher			7/31/2019	10.0	Rollover
	<b>Robin</b>	<b>Stec</b>			<b>9/2/2016</b>	<b>10.1</b>	<b>Rollover</b>
	Michelle	Ledford			7/31/2019	12.0	Direct
	<b>Laura</b>	<b>Andersen</b>			<b>12/6/2019</b>	<b>15.2</b>	<b>Rollover</b>
	Felicia	Montes			10/16/2019	15.2	Direct
<b>COUNT</b>		<b>21</b>					
<b>TOTAL Refunds</b>			<b>\$559,340.49</b>				
<b>AVERAGE</b>			<b>\$26,635.26</b>			<b>6.4</b>	
<b>MEDIAN</b>			<b>\$21,708.46</b>			<b>6.0</b>	

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

**Accounts / Payables for April 2020 = \$15,700.72**

**Consultants**

Pension Benefit Information -annual	\$2,797.00	
Election Service Company	\$6,966.72	<b>\$9,763.72</b>

**Legal Services**

McGrath North - Litigation	\$4,933.00	
McGrath North - General	\$1,004.00	<b>\$,5937.00</b>

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Ms. Carter reviewed the OSERS financial statements for the month of February 2020. For the period ending February 29, 2020 the OSERS portfolio was valued at \$1,329 billion. Cash on hand as of February 29, 2020 was \$768 thousand. This is due to the funding of the March 3 pension payments at the end of February.

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Mr. Erikson next asked Ms. Carter to review the OSERS portfolio performance for the 4<sup>th</sup> quarter 2019. Ms. Carter indicated as of December 31, 2019 the OSERS portfolio closed at \$1.323 billion, up 13.8% for the calendar year 2019. Ms. Carter indicated the double-digit return will provide some cushion to the January 1, 2020 Valuation report and the District's additional required contribution. Ms. Carter reported the Valuation Report as of January 1, 2020 is expected for the May Board meeting.

Mr. Purdy questioned the valuation of the OSERS portfolio given the 1<sup>st</sup> quarter 2020 stock market decline. Ms. Carter reported the March performance valuation would not be available until mid-May, but certainly, the gains made in 2019 will be gone for 1<sup>st</sup> quarter 2020. Mr. Purdy also questioned the asset allocation of the OSERS portfolio and Ms. Carter indicated the Nebraska Investment Council is working with the asset allocation currently in place and will weather the market volatility.

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The Board then reviewed the 2020 Trustee election for the retired member seat. Ms. Carter reviewed the status of the election process. The retiree file data was produced as of March 31, 2020. There were 4,579 eligible voters for the election. Ballots will go into the mail on April

16<sup>th</sup> with online voting opening on April 20<sup>th</sup> and will close on May 4<sup>th</sup>. Votes by mail must be received at the election company by May 11<sup>th</sup> (with a postmark date of May 4, 2020).

Dr. Logan raised the question as to whether it would be prudent to postpone the 2020 retiree trustee election given the current state of the COVID-19 pandemic. The concern stemmed from concern for the retirees as the most vulnerable population during this pandemic. The board discussed whether there was a requirement to hold the election given the term of the office in question and the requirements of state statute on the election schedule for the OSERS plan. There was discussion that the entire election process provides eligible voters to vote online or via mail-in ballot using the postage paid envelope provided in the election package.

The board contemplated asking state Senator Kolterman to seek approval to delay the election given the pandemic. After further discussion, the board instructed Ms. Carter to seek input and guidance from state Senator Kolterman (Chair, Nebraska Legislative Retirement Committee) on seeking gubernatorial approval to delay the election from the schedule as outlined in state statute. Ms. Carter indicated she would report back to the board afterwards.

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Next the Board reviewed the Community Business trustee appointment. Ms. Carter presented the *job description* for the seat. She noted the position will be posted to the OSERS web site on Friday and she will work OPS human resources to also post the open position to the OPS job board (as was done in 2018). Ms. Carter indicated the deadline for applications from interested individuals would be Wednesday, April 22, 2020 with the ability to present a recommendation to the Board at the May 7<sup>th</sup> board meeting.

Mr. Rea made a motion the Board approve the job description for the Community Business Trustee with an application deadline of April 22, 2020. Mr. Placzek seconded the motion. The motion passed with the following roll call: Aye: Erikson – Havlovic – Logan – Placzek – Purdy – Rea – 6. Nay: - 0.

Mr. Erikson next appointed trustees Roger Rea, Lance Purdy, and Scott Herchenbach to an ad-hoc committee with Mr. Rea as chair, to work with Ms. Carter and review the applications in order to bring a recommendation back to the Board of Trustees.

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Ms. Carter outlined for the Board the adjustments made to accommodate the *social distancing, and stay at home* directives brought on by the COVID-19 pandemic. Staff can work remotely from home; retirement meetings are conducted over the telephone. Voice mail messages are forwarded to our email and a new app allows our phone line to forward to our laptops to be answered. She is holding weekly check-in meetings via the Zoom application with staff. The scheduled retirement workshops are cancelled and will resume when we are able to gather in groups again; however, an online presentation is under production.

Mr. Erikson expressed on behalf of the Board, gratitude to the staff for adjusting and accommodating members of the OSERS plan during these unusual times.

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Mr. Erikson next called for the Trustees' Report. Mr. Purdy asked whether there has been communication on why Mr. Herchenbach has not attended the last two meetings. Mr. Erikson indicated he has not heard from Mr. Herchenbach regarding his attendance to the meetings. Ms. Carter indicated Mr. Herchenbach did touch base for the March meeting that he would not be able to attend.

Mr. Purdy also announced his retirement scheduled for the end of this 2020 school year. Congratulations came from other board trustees. Mr. Rea especially welcomed Mr. Purdy to the ranks of the retirees.

Mr. Rea asked for an update from the Better Together Coalition and whether there would be more meetings before the next legislative session. Ms. Carter indicated there were no scheduled meetings since the District closure due to the pandemic. Dr. Logan indicated she expected virtual meetings to resume in the fall, however nothing has been planned.

Ms. Carter indicated that with respect to Mr. Purdy's retirement announcement, she will have the statutes available for the next meeting with next steps.

With no further business to come before the Board, the meeting was adjourned by common consent at 10:47 a.m.

/s/

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Cecelia M. Carter, Executive Director