

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, December 3, 2020, 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 5, 2020.

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Mr. Bourne announced, pursuant to Section 84-1411 of the Nebraska Statutes, the next regular meeting of the Board of Trustees is scheduled for Thursday, January 7, 2021 at 4:00 p.m., at the 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. Bourne called the meeting to order at 4:03 p.m.

Present at roll call: Bourne – Havlovic – Herchenbach - Johnson – Logan – Placzek - Rea – 7 present. Absent: - 0.

Staff Present: Cecelia M. Carter, Executive Director; James Ellis, Retirement Specialist; Donald Deseck, Retirement Technician

Others Present: Robert Bothe, Esq. McGrath North; Darren Olsten, Seim Johnson

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Mr. Bourne next requested move approval of the minutes to the November 5, 2020 OSERS Board of Trustees meeting. Mr. Rea made a motion to approve the minutes to the November 5, 2020 OSERS Board of Trustees meeting. Mr. Placzek seconded the motion. Mr. Bourne asked for discussion. Ms. Carter indicated there was a correction to the 1st paragraph on page 3 and that the amended minutes were before the Board. Ms. Carter read the new version of the 1st paragraph on page 3. The motion passed with the following roll call: Aye: Bourne – Havlovic – Herchenback - Johnson – Logan – Placzek - Rea – 7. Nay: - 0. Abstained: – 0.

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Mr. Darren Olsten of Seim Johnson presented to the Board the Audited Financial Statements Report for fiscal year ending August 31, 2020. Mr. Olsten gave an overview of the processes and the work collaborated with the OSERS staff, the OPS Finance and Accounting department

along with the Nebraska Investment Council. Mr. Olsten indicated there were two findings to report. Each were related to processing procedures performed by OPS Accounting. He indicated they were being addressed.

The Audited Financial Statements for the fiscal year ending August 31, 2020 are available online on the OSERS web site at www.osers.org

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Mr. Bourne moved onto item number 4 concerning the renewal of the Peetz & Company engagement. Mr. Bourne gave a historical overview of the Peetz & Company engagement and indicated the firm was hired in 2017 to serve as the government relations firm for the Omaha School Employees' Retirement System.

Mr. Rea made a motion to authorize the Executive Director to execute a renewal contract with Peetz & Company for calendar years 2021 and 2022 at a rate of \$40,000 per annum. Mr. Placzek seconded the motion. Mr. Herchenbach initiated a conversation on seeing the value of OSERS engaging a government relations firm. Mr. Rea and Mr. Bourne gave an overview of the role of a government relations firm and Mr. Bourne pointed out the expectations identified in the engagement contract. The motion passed with the following roll call: Aye: Bourne – Havlovic – Johnson – Placzek – Rea – 5. Nay: Herchenbach – Logan – 2.

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Mr. Bourne next asked Ms. Carter to review the 2021 Board of Trustees Election Calendar. Ms. Carter reminded the Board of the purpose of the calendar and noted the 2021 trustee seat up for election is the “certificated active member seat #1” which is currently held by Delayne Havlovic. The term of the seat is from July 1, 2021 through June 30, 2025. Mr. Herchenbach made a motion to approve the 2021 Trustee Election Calendar for the Certificated Seat #1 to serve the four-year term of July 1, 2021 – June 30, 2025 as presented. Dr. Logan seconded the motion. The motion passed with the following roll call: Aye: Bourne – Havlovic – Herchenbach – Johnson – Logan – Placzek – Rea – 7. Nay: -0.

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Mr. Bourne notified the Board that the next item would be held over to January to vote upon so that everyone could fully digest the new policy. He then asked Ms. Carter to present the Disability Retirement Policy. Ms. Carter advised the Board the question of a disability retirement is increasing amongst the membership and she wanted to ensure clear procedures were in place to safeguard both the member and the board. Ms. Carter indicated there are several individuals who have started the disability retirement process and have not provided all the necessary documentation. The Nebraska Revised Statutes do not provide for a time limit to

complete the disability retirement application process and therefore, the open period of these incomplete applications could be costly to the retirement system at a future date. The Board engaged in dialogue regarding disability retirements.

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Ms. Carter gave the Executive Director's report and reviewed the following items with the Board of Trustees. First was a review of the November 16th Nebraska Public Employees' Retirement Board meeting where Cavanaugh Macdonald advised the NPERB on the actuarial assumptions given their recent Experience Study. There was also discussion by NPERS in-house legal counsel on legislation to transition the management of OSERS to the NPERB on September 1, 2023. Mr. Hill of NPERS indicated he had reviewed two versions of drafted legislation and that the legislation did call for an additional seat added to the NPERB to represent OSERS.

Ms. Carter informed the Board that OPS has initiated a new benefit, a voluntary short term disability benefit. Ms. Carter indicated she wanted to ensure the short term disability leave would not inadvertently increase a members' years of creditable service if they are not receiving compensation from OPS during this leave time.

Ms. Carter noted that Senator Kolterman has scheduled a meeting for next week to discuss OSERS undertaking a compliance audit (similar to the one required of the NPERS). A required compliance audit is not in the OSERS statutes as it is in the NPERS statutes.

At the upcoming OSERS meetings in January, Peetz & Company will present an overview of the upcoming legislative session. The Nebraska State Investment Officer and a representative of AON Consulting will present 3rd Q 2020 performance along with a capital markets overview.

Ms. Carter reminded the Board and public that due to January 3, 2021 falling on a Sunday and given the first business day prior is December 31, 2020, the January pension payment is scheduled for Monday, January 4, 2021. To have paid the pension payment the first business day prior would have made the payment in the 2020 taxable year.

OSERS staff will be working remote beginning Monday, December 14 through Sunday, January 3 in response to the TAC building construction and the COVID-19. The staff has a schedule of who is responsible for incoming mail and sorting for work production during this time period. When we return in January we will continue to operate on a split staff so as to avoid all in the office at the same time.

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Mr. Rea gave a trustee report on the following item. Historically, OSERS set the discount rate assumption in step with the state retirement system discount rate. However, since 2017 the Nebraska Investment Council oversees the management of the investments. He recommended that given the state now oversees the management of the investments and if the state retirement system is to take over management of OSERS, then if the discount rate is lowered based on the

recommendation of the actuary, the state should become responsible for the portion of the unfunded liability attributable to the years the state managed the investments.

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Ms. Johnson 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, and financial matters of retirees in the System. Mr. Placzek seconded the motion and the motion was adopted by the following roll call: Aye: Bourne – Havlovic – Herchenbach - Johnson – Logan – Placzek - Rea - 7. Nay: – 0.

Mr. Bourne reminded the public of the purpose of closed session.

The Board entered into closed session at 5:01 p.m.

The Board reconvened in open session at 5:06 p.m. Present at roll call were: Bourne – Havlovic – Herchenbach - Johnson – Logan - Placzek - Rea - 7.

Ms. Johnson made a motion the Board ratify December pension payroll in the amount of \$11,179,957.05 to 5,098 payees; approve December staff payroll in the amount of \$31,836.55; approve 5 new retirements effective December 1, 2020 – first pension payment January 4, 2020; ratify the suspension of 19 retirements and the continuation of four joint & survivor annuities due to the death of the retiree for the month of December; approve the processing of 41 refunds to former OSERS members in the aggregate of \$932,723.76 in the month of December; approve accounts payables for December in the aggregate of \$28,735.00. Mr. Placzek seconded the motion. The motion passed with the following roll call: Aye: Bourne – Havlovic – Herchenbach - Johnson – Logan – Placzek - Rea – 7. Nay: - 0.

Approve December New Retirement Annuitants (first check January 4, 2021) [5 count]

EMPLOYEE	NAME		EMP		RET	YRS	AVERAGE		CHOSEN BENEFIT	
NUMBER	First	Last	TYPE	AGE	MONTH	SERVICE	SALARY	OPT	OMAHA	STATE
	Mary Beth	Bartek	Para		12	6				
	Michael	Garza	Secur		12	5.1				
	Annette	Herrington	CMO		12	30				
	Constance	Klahn	OP		12	32				
	Edward	Novak	Trans		12	13.5				
Count			5							
Average				70.2		17.3	\$33,144.89		\$1,109.07	\$54.10

Median			67.0		13.5	\$30,618.10		\$688.91	\$47.25
Addition to Pension Payroll -December 2020									\$5,815.83

Approve Terminations of Annuitants' Payments Due to Death – December 2020
[23 count]

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	OSERS BENEFIT	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Valentine, Lorraine		1985	Oct-20				
	Rastede, Jean		1994	Oct-20				
	Bader, Mary		1996	Oct-20				
	Kuhlman, Lucille		1988	Oct-20				
	Cooper, James		2000	Oct-20				
	Hansen, Margie		1999	Oct-20				
	Fleming, Marilyn		1992	Aug-20				
	Dalley II, Arthur		2010					
	Poorker, Beverly		1988	Sep-20				
	Latimer, Louise		2000	Oct-20				
	Pivonka, Jean		2008	Oct-20				
	Wojtkiewica, Patricia		1996	Oct-20				
	Merrill, Barbara		2009	Oct-20				
	Thomas, T. Norman		2015					
	Traas, George		2006	Oct-20				
	Monjarez, Augustine		2014	Oct-20				
	Collins Wright, Patricia		2018	Oct-20				
	Kinsella Sr. Daniel		2017	Oct-20				
Terminated from Retiree Payroll – December 2020					\$47,548.12			
	Porter, Marilyn		2003	Oct-20		Myron Porter		

	Ramirez, Richard		1995	Oct-20		Jeanne Ramirez		
	Adams, Deanna		2017	Oct-20		Mark Adams		
	Danner, Spencer		2017	Oct-20		Lori Danner		
	Hemenway, James		2004	Oct-20		Margaret Hamenway		
Continued Benefit Under Joint Survivor - December 2020						\$6,342.19		\$4,364.60
Average Age at Death			80					
Average Years Retired			16.9					

Entries in Bold indicate a lump sum payout of remaining retirement benefits.

December Refunds [41 count]

ID	First Name	Middle	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Adjovi	N	Nomenyo			8/19/2020	0.0	Direct
	Tristan	J	Creel			9/18/2020	0.1	Direct
	Shannon	R	Estes-Kucera			10/2/2020	0.4	Direct
	Tanganece	L	Ayer			9/28/2020	0.5	Direct
	Patricia	J	Fugitt			9/27/2020	0.6	Direct
	Brian	J	Zuerlein			8/11/2020	0.7	Direct
	Harold	J	Anding			7/31/2020	0.8	Direct
	Haze	Hillary	Holtorf			7/31/2020	1.0	Direct
	Jodi	M	Ray			10/2/2020	1.2	Direct
	Mary	Kathryn	Bruner			10/27/2020	1.4	Rollover
	LaKeisha	R	Hollins			8/17/2020	1.4	Direct
	Carl	L	Thomas			9/8/2020	1.4	Direct
	Susan	M	Schulte			8/6/2020	1.7	Direct
	Gloria	E	Corrales			9/30/2020	1.9	Direct

	Thomas	R	Jones			9/4/2020	2.0	Direct
	Jiayi		Lu			7/31/2020	2.0	Direct
ID	First Name	Middle	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type
	Mark	A	Maxwell			9/21/2020	2.1	Direct
	Amy		Brandt			10/2/2020	2.3	Direct
	Michele		Morgan		10/4/2020	10/4/2020	2.3	Death
	Ibeth		Villa			8/19/2020	3.0	Direct
	Amon	L	Tidmore			10/20/2020	3.4	Direct
	Sara	E	Edminsten			7/31/2020	4.0	Direct
	Megan	B	Kinsella			7/31/2020	4.0	Rollover
	Joan	M	Oliver			9/21/2020	4.1	Direct
	Charmaine	Y	Box			9/25/2020	4.2	Rollover
	Jeremy	D	Cowley			6/30/2020	5.0	Rollover
	Alice	M	Dunn			10/2/2020	5.3	Direct
	Wendy	A	Hernandez			7/31/2020	5.8	Direct
	Jill	A	Talmon			7/31/2019	7.3	Rollover
	Amy	L	Hill			7/31/2020	8.0	Rollover
	Gayle	M	Mann			10/7/2020	8.2	Rollover
	Emili	L	Brosnan			7/31/2017	8.4	Rollover
	Halley	E	Taylor			9/14/2020	9.9	Direct
	Kelli	D	Mosley			10/5/2020	12.0	Direct
	Erinn	L	Keefe			7/31/2019	16.0	Rollover
	Rachelle	D	Bingham			10/2/2020	16.2	Direct
	Nichole	L	Kershaw			2/2/2020	18.5	Rollover
	Jolynn	M	Hurwitz			7/31/2011	21.0	Rollover
	Mikayla		Ross		8/9/2020	8/9/2020	22.0	Rollover
	Alexander		Kiihne		8/9/2020	8/9/2020	22.0	Rollover

	Diane	Johansen	Direct
COUNT			41
TOTAL Refunds		932,723.76	
AVERAGE		22,749.36	5.8
MEDIAN		9,678.76	3.2

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

Accounts / Payables for December 2020 = \$28,735.00

Legal Counsel

McGrath North (General)

\$16,055.00 **\$16,055.00**

Consultant

Cavanaugh Macdonald

\$8,705.00

Seim Johnson (3rd billing of 4)

\$3,975.00 **\$12,680.00**

There being no further business to come before the Board, the meeting was adjourned at 5:09 p.m.

_____/s/_____
 Cecelia M. Carter, Executive Director