

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, September 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 August 6, 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, October 1, 2020 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 4:01 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.

Others Present: Robert J. Bothe, Esq. and Peter Langdon, Esq. McGrath North

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Mr. Bourne opened the meeting with a request to move approval of the minutes to the August 6, 2020 OSERS Board of Trustees meeting. Mr. Havlovic made a motion to approve the minutes to the August 6, 2020 OSERS Board of Trustees meeting. Mr. Placzek 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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Ms. Carter gave the Board an overview of the OSERS financial statements for the period ending July 31, 2020. For the period ending July 31, 2020 the OSERS trust fund was valued at \$1.183 million with cash on hand of \$13 million. OSERS did close the month of July with a net operating income of \$10 million (using May 31st investment transactions).

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Ms. Carter updated the Board of Trustees on the 2020 / 2021 “regular interest” rate to be applied to employee contributions for the fiscal year September 1, 2020 through August 31, 2021. Ms. Carter reminded the Board of the definition of regular interest as defined in section 79-978 (25) of the Nebraska Revised Statutes. She further reminded the Board as outlined in the memorandum supplied to the Board that effective September 1, 2016 the rate of regular interest is to be the U.S. Treasury daily yield curve on the 1-year treasury on September 1. On September 1, 2020 the rate of the U.S. Treasury daily yield curve on the 1-year treasury was 12 basis points.

Ms. Carter indicated the rate will be applied to the members’ account balance as of August 31, 2020 and credited in monthly installments over the coming 12 months of the 2021 fiscal year.

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Mr. Bourne next asked Ms. Carter to provide an explanation for the signatory resolutions. Ms. Carter explained with the departure of Mr. Erikson and the appointment of Mr. Bourne, the OSERS Board of Trustees need to (1) remove Mr. Erikson from the OSERS banking relationship, and (2) authorize Mr. Bourne as a signatory on the banking relationship and any other documents requiring the signature of the President of the Board. Ms. Carter reminded the Board this resolution does not remove either herself as Executive Director or James Ellis from being authorized to sign on behalf of the Board of Trustees.

Ms. Johnson made a motion to remove Mr. Erikson from all banking authorizations and to add Mr. Bourne as an authorized signer on behalf of the Board of Trustees. Mr. Rae 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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The National Council on Teachers’ Retirement (NCTR) is holding its annual meeting as a virtual conference this year due to COVID-19. OSERS historically has attended the conference and represented the system at the business meeting with its delegates. Mr. Rea and Ms. Johnson indicated interest in attending and thus serving as a delegate representing OSERS.

Ms. Carter reminded the Board that historically when a member of the Board of Trustees leaves the Board, the OSERS Board submits a resolution of appreciation or memoriam. Ms. Carter indicated in the package were resolutions of appreciation, one for Mr. Erikson and one for Mr. Purdy. Both Mr. Erikson and Mr. Purdy served the OSERS Board of Trustees for over ten years.

Mr. Rea indicated he was serving on the Resolutions Committee this year at NCTR and appreciated the Board acknowledging the service of both Mr. Erikson and Mr. Purdy.

Mr. Bourne asked Ms. Carter to give the Board a high level overview reminder on the matter of LB 31 (2019). Ms. Carter reminded the Board, LB 31 (2019) calls for a study of the timeline, cost, and mechanics of transitioning the administration of the OSERS plan to the Nebraska Public Employees' Retirement Board. She reminded the Board it does not merge the plan into the Nebraska School Employees' Retirement System and the OSERS plan would be administered in its own silo. The report for LB 31 was submitted to the clerk of the Nebraska Legislature on June 26, 2020.

There will be a hearing under LR 318 (2020) on the outcome of LB 31. The presentation is scheduled for Friday, September 18, 2020. There will be a presentation by the Director of the NPERS and representative from Linea Solutions. Ms. Carter asked the Board given their time to review the report, what position does the Board want to take regarding LB 31.

Mr. Rea began the discussion with his assessment that there remain open unanswered questions. He also expressed concern there was no indication of continuing with an Omaha office if OSERS is transitioned to NPERS. Mr. Rea indicated the manner in which NPERS operates (based on his time serving on the NPERB) would result in a lessening of service to the OSERS members. Mr. Rea questioned whether the ongoing cost to administer OSERS would be higher than it is right now to administer OSERS here in Omaha. Mr. Rea reminded the Board that all expenses to administer OSERS is paid for by OSERS.

Mr. Placzek expressed his concern with transitioning the administration of OSERS to the NPERS and expressed his constituents would like to see the operations stay here in Omaha with OSERS. Ms. Johnson next expressed from her constituents that there is concern with having to operate with the NPERS operation. There are questions of timeliness and diligence. Mr. Havlovic expressed an interest in a bit of cost saving analysis. Given COVID-19 and the move to remote online working, he expressed interest in whether there could be some savings to the OSERS administration with more online services.

Dr. Logan expressed that members of NPERS who reside on the western edges of Nebraska are either working online or via telephone and U.S. mail with the NPERS office. She expressed that the District Board of Education is interested in moving forward with the

transition. Mr. Herchenbach questioned whether there is a way to influence the decision so that it is appealing to everyone, such as maintaining an office here in Omaha, etc.

The Board engaged in discussion about the merits of various aspects of the NPERS and Linea Solutions report as filed.

Mr. Rea made a motion that the OSERS Board take a position opposing the transition of the OSERS administration to the NPERS as outlined in LLB 31. Mr. Placzek seconded the motion.

Discussion continued with Mr. Bourne questioning whether a position should be taken at this time given not all the constituent groups have taken a formal position. Mr. Rea indicated he saw the decision as what is in the best interest of the plan and that if more details are needed to make that determination, then the Board should be opposed until the details are provided.

Mr. Bourne acknowledged the motion on the floor and called for the vote. The motion passed with the following roll call: Aye: Bourne – Johnson – Placzek – Rea – 4. Nay: Havlovic – Herchenbach – Logan – 3.

The discussion continued with an inquiry as to what the constituents of the OSERS plan want. Mr. Bourne expressed that there is an opportunity for the constituents to weigh in on the discussion and that does not appear to have happened. Discussion continued amongst the Board as to whether sufficient communication is being dispensed through the Better Together Coalition.

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Mr. Bourn next moved to the Executive Director's report. Ms. Carter indicated the following matters to the Board of Trustees:

- On August 7, 2020 OSERS received its state service annuity contribution from the state of Nebraska for the June 1, 2020 retirements in the amount of \$1,216,131
- In August OSERS also received its 2% contribution from the state of Nebraska based on October 2019 OSERS membership payroll. The contribution was \$7,301,786
 - Due to COVID-19 and the suspension of the 2020 legislative session, the appropriations bill authorizing this payment was not voted upon until August 2020
- August 18, 2020 OPS paid & OSERS received through the State Treasurer the \$21,356,991 for the 2020 additional required contributions as prescribed by the OSERS Valuation Report as of January 1, 2020
 - Valuation Report required an additional 5.59% of payroll ... or, \$19,825,251
 - OPS Paid \$21,356,991 ... or 7.73% more than required
- Retirement Workshops will resume ... online only
 - The session will be limited in the number of registrations (spouses can share and participate)
- The fiscal year 2020 audit is still underway and on track.

Mr. Rea indicated he had a Trustee report to share. He participated in another online retirement lecture on the sustainability of pension plans. The lecture covered the best case scenario for sustaining a pension plan as well as the pitfalls of a pay-as-you-go pension plan.

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, disability matter, and financial matters of retirees in the System. Mr. Havlovic 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 4:53 p.m.

The Board reconvened in open session at 5:50 p.m. Present at roll call were: Bourne – Havlovic – Herchenbach – Johnson – Logan – Placzek – Rea – 7.

Mr. Herchenbach made a motion the Board ratify September pension payroll in the amount of \$11,158,161.08 to 5,085 payees; ratify September staff payroll in the amount of \$31,441.44; approve 21 new retirements effective September 1, 2020 – first pension payment October 3, 2020; ratify the suspension of 13 retirements and the continuation of one joint & survivor annuities due to the death of the retiree for the month of September; ratify the processing of 13 refunds to former OSERS members in the aggregate of \$219,891.49 in the month of September; approve accounts payables for August in the aggregate of \$12,235.00. Mr. Havlovic seconded the motion. The motion passed with the following roll call: Aye: Bourne – Havlovic – Herchenbach – Johnson – Logan – Placzek – Rea – 7. Nay: - 0.

Approve September 2020 New Retirement Annuitants

EMPLOYEE	NAME		EMP		RET	YRS	AVERAGE		CHOSEN BENEFIT	
NUMBER	First	Last	TYPE	AGE	MONTH	SERVICE	SALARY	OPT	OMAHA	STATE
	Tracy	Alford	CMO		9	29				

EMPLOYEE	NAME		EMP		RET	YRS	AVERAGE		CHOSEN BENEFIT	
NUMBER	First	Last	TYPE	AGE	MONTH	SERVICE	SALARY	OPT	OMAHA	STATE
	Patrick	Baker	CMO		9	10				
	Gregory	Baustian	CMO		9	23.6				
	Mary	Brown	Para		9	16				
	Mary	Circo	T		9	19				
	Mary	Colasacco	T		9	22				
	Beverly	Cruse	Trans		9	14.4				
	Della	Fox	Para		9	21.5				
	Linda	Ganzel Trundle	T		9	16				
	Wilford	Jackson	Secur		9	18.1				
	Kathy	Jones	Nutri		9	13				
	Michael	Osborn	CMO		9	15				
	Samuel	Primm	Trans		9	6				
	Clarence	Reed	Para		9	7.5				
	Alan	Reid	Trans		9	7				
	Rita	Rounds	T		9	18				
	Annette	Steele	Para		9	14.9				
	Kimberly	Stoler	T		9	20				
	Stephen	Wilhelmsen	Trans		9	14.7				
	Julie	Williams	Para		9	22.5				
	Gale	Woerman	T		9	26				
Count			21							
Average				65		17	\$40,645.58		\$1,145.79	\$49.80
Median				65		16	\$35,685.76		\$680.04	\$49.68
Addition to Pension Payroll - September 2020										\$25,057.73

Approve Terminations of Annuitants' Payments Due to Death

EMPLOYEE			RET	DATE OF	OSERS	Survivor	Survivor's	Overpayment
NUMBER	NAME	AGE	YEAR	DEATH	BENEFIT	Beneficiary	Benefit \$	Benefit \$
	Dorene Evans		1987	Jul-20				
	Bette Ewing		1997	Jul-20				
	Catherine Jones		1994	Jul-02				
	Cheryl Tomlinson		2014	Jul-20				
	Josephine Hernandez		2012	Jul-20				
	Stewart Dale		2006	Jul-20				
	Roy Chapman		2013	Jul-20				
	Bobbie Rosenberry		2000	Jul-20				
	David Bailey, Sr.		2016	Jul-20				
Terminated from Retiree Payroll – September 2020					\$18,403.48			
	Kathleen Ganson		2011	Jun-20		Carrie Hoppe		
	Ann Ochoa		2018	Mar-20		Nancy Brady		
	Robert E. Samuels, III		2019	Jul-20		Robert E. Samuels, IV		
						Kevin Samuels		
						Craig Samuels		
	Connie J. Wheeler		2017	Jul-20		Hilah Wheeler		
						Jessee Wheeler		
						Rachel Wheeler		
						Brian Wheeler		
	Scott A. Bessman		2019	Jul-20		Gary Bessman		
Continued Benefit Under Joint Survivor - September 2020					\$7,477.48		\$1,223.78	
Average Age at Death		76						
Average Years Retired			11					

• September Refunds

ID	First Name	Middle	Last	End Balanc	Term Date	Accrued Service	Dist Type
	Patrick	J	Jordan		1/18/2005	0.0	Rollover
	Ahmed	S	Ismaeil		1/31/2020	0.7	Direct
	Mark	A	Buell		7/31/2020	2.0	Rollover
	LaMea	A	Nared		3/3/2020	2.9	Direct
	Daisy	R	Fuentes		3/15/2019	3.0	Direct
	Elizabeth	A	Campbell		6/2/2020	3.3	Direct
	Ebony	N	Hawkins		7/31/2019	4.1	Direct
	Gail		Burroughs		5/16/2018	4.6	Direct
	Jessica	R	Tessin		7/31/2019	4.7	Direct
	Puspa	L	Nepal		7/31/2019	5.1	Direct
	Alice	K	Lewis		1/14/2020	6.2	Direct
	Sarah	A	Hester		7/31/2012	8.0	Rollover
	Lee Marcus		Burton		6/22/2020	13.0	Direct
COUNT							13
TOTAL Refunds				\$219,891.49			
AVERAGE				\$16,914.73	4.4		
MEDIAN				\$12,609.68	4.1		

Accounts / Payables for August 2020 = \$12,235.00

Legal Services

McGrath North - Litigation	\$7,515.00	
McGrath North - General	\$4,718.00	\$12,235.00

There being no further business to come before the Board, the meeting was adjourned at 5:52 p.m.

_____/s/____

Cecelia M. Carter, Executive Director