

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, February 4, 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 January 7, 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, March 4, 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 4:02 p.m.

Present at roll call: Bourne – Johnson – Logan – Rea – 4 present. Absent: Havlovic – Herchenbach - Placzek - 3.

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

Others Present: Robert J. Bothe, Esq. McGrath North (via telephone)

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Mr. Board next call for public comment.

- Robert Miller, President of Omaha Education Association

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Mr. Bourne next requested move approval of the minutes to the January 7, 2021 OSERS Board of Trustees meeting. Dr. Logan made a motion to approve the minutes to the January 7, 2021 OSERS Board of Trustees meeting. Mr. Rea seconded the motion. Mr. Bourne asked for discussion. There being no discussion, the motion passed with the following roll call: Aye: Bourne – Johnson – Logan – Rea – 4. Nay: - 0.

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Ms. Carter presented the OSERS financial statements for the periods ending November and December 2020. For the month ending November 30, 2020 the trust fund had a valuation of \$1.309 billion with cash on hand of \$12.987 million. For the month ending December 31, 2020 the trust fund had a valuation of \$1.396 billion with cash on hand of \$13.057 million.

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Mr. Bourne introduced Patrice Beckham of Cavanaugh Macdonald, actuarial technical advisor to the Board of Trustees to present an educational overview of actuarial assumptions pertaining to pension plans. This educational overview is in anticipation of the forthcoming valuation report and four-year experience study.

Ms. Beckham reviewed her document titled: Omaha School Employees' Retirement System, Overview of 2021 Actuarial Projects (dated February 4, 2021). It was noted the Valuation Report is an annual report giving a snapshot of the Omaha School Employees' Retirement System as of January 1 of each year; and the Experience Study is a more in-depth review of the demographics of the plan conducted every four-years.

Ms. Beckham gave the Board an outline of the upcoming process. The January 1, 2021 Valuation Report should be available and presented to the Board of Trustees in May 2021. In September of 2021 the Experience Study for the period of 2017-2020 should be presented to the Board of Trustees. The decisions of the Board of Trustees regarding changes (if any) to the experience study assumptions will be effective for the January 1, 2022 Valuation Report.

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Mr. Bourne asked Ms. Carter to review the legislative bill LB 145 which calls for a compliance audit of the OSERS plan as well as an audit of the OSERS plan by the Nebraska Auditor of Public Accounts. Ms. Carter gave the Board an overview of the current statutes regarding audits of the OSERS plan. She explained the statute currently does not call for a periodic compliance audit, but does give the Board of Trustees the option to conduct an audit of the affairs of the plan through use of either a CPA firm or the Nebraska Auditor of Public Accounts.

Mr. Bourne explained that he is requesting the director to develop an RFP solicitation for a compliance audit to be presented to the Board of Trustees at the March meeting. In addition, he is asking for the contracted auditing firm, Seim Johnson, to outline their work product review for the OSERS audit.

Next, Mr. Bourne informed the Board that given the prospect of LB 145, if a compliance audit is conducted, a finding could reveal outdated policy and procedures. Therefore, he is asking the director to begin updating the policies and procedures manual so as to be proactive.

Ms. Carter reviewed the 1st reading of the proposed fiscal year 2022 budget for OSERS. She explained column B of the handout indicated fiscal year 2020 actual expenditures. Column C indicates fiscal year 2021 adopted budget and column D indicates fiscal year 2021 fiscal year to date through December 2021. Column E indicates forecasted fiscal year 2021 expenditures and column F indicates the proposed 2022 fiscal year budget.

The proposed budget includes added expenses in anticipation of a compliance audit and an audit by the Nebraska auditor of public accounts. She further explained the various line items and whether the line item remained the same, were increased or decreased and the reasoning. Ms. Carter further explained the graph found with the proposed budget which compared the cost of administering the OSERS plan in relationship to the asset value, which resulted in an overall cost of 19 basis points for fiscal year ended 2020.

Ms. Carter gave the Executive Director's report which included the following information. The Nomination Period for the 2021 Trustee election opens Friday, February 5, 2021 at 9:00 a.m. and closes on Friday, February 12, 2021 at 4:00 p.m. Nominations can only be taken in person, the election policy does not accept email nominations. She explained those wishing to nominate themselves may do so by coming to the TAC building or having someone in the building come to the Retirement Office to place the nomination.

IRS Form 1099-R and 1099-MISC for tax year 2020 were sent to recipients at the end of January 2021 in accordance with federal requirements. There were 5,724 Form 1099-Rs and 3 form 1099-MISC mailed to recipients of pension payments and other payments from the OSERS trust fund.

Due to COVID-19, the Nebraska legislators have adopted new options for giving testimony during legislative hearings. Testimony can be given either in-person, written testimony in-lieu of in-person, position paper, or comment through a web portal. Each type of testimony receives different treatment for the official records.

Ms. Carter informed the Board, as a cost savings measure the monthly pension payroll statements will stop being sent via U.S. Mail on a monthly basis effective either April or May 2021. This will not preclude the required mailing of the annual IRS Forms 1099-Rs which are used by pension recipients to report their pension income to the IRS. This change only impacts retirees who retired before January 1, 2015. Anyone retired on or after January 1, 2015 is able to access a monthly pension statement online.

Ms. Carter noted to the board the staff is working in-person in the office with social distancing and necessary COVID protocols.

For the trustee report, Mr. Rea acknowledged the various legislative bills in the 2021 legislative session that impacts OSERS and the neutral position indicated by the Nebraska State Education Association. He informed the Board that NSEA informed him earlier this date that they will oppose the transfer bills and board governance bills.

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, and financial matters of retirees in the System. Dr. Logan seconded the motion and the motion was adopted by the following roll call: Aye: Bourne – Johnson – Logan – Rea - 4. Nay: – 0.

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

The Board entered into closed session at 5:12 p.m.

The Board reconvened in open session at 5:17 p.m. Present at roll call were: Bourne – Johnson – Logan - Rea - 4.

Ms. Johnson made a motion the Board ratify the February pension payroll in the amount of \$11,225,767.49 to 5,094 payees; approve staff payroll in the amount of \$ 32,303.18; approve 4 new retirements effective February 1, 2021 – first pension check paid March 3, 2021; ratify the termination of 12 retirements due to the death of the retiree; approve refunds of \$354,197.82 to 26 former employees and members of OSERS; and approve accounts payables in the amount of \$16,848.67. Dr. Logan seconded the motion. The motion passed with the following roll call: Aye: Bourne – Johnson – Logan – Rea – 4. Nay: - 0.

Approve February New Retirement Annuitants (first check March 3, 2021) [4 count]

EMPLOYEE	NAME		EMP		RET	YRS	AVERAGE		CHOSEN BENEFIT	
NUMBER	First	Last	TYPE	AGE	MONTH	SERVICE	SALARY	OPT	OMAHA	STATE
	Wanda	Chartier	Other		2	28.8				
	Carla	Andreessen	T		2	23				
	Michael	Jones	CMO		2	17				
	Catherine	Janovich	Para		2	18.5				
Count			4							
Average				60		16.4	\$45,099.87		\$1,559.70	\$54.74

Median			59		15.3	\$43,854.66		\$1,656.45	\$45.49
Addition to Pension Payroll -February 2021									\$6,457.78

Approve Terminations of Annuitants' Payments Due to Death – January 2021
[12 count]

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	OSERS BENEFIT	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Geraldine Miller		1994	20-Dec				
	Vera Chavez		1986	20-Dec				
	Verly Hoffman		1983	20-Dec				
	Barbara Soseman		1998	20-Dec				
	Barbara Elder		1987	20-Dec				
	Nancy Reed		2007	20-Dec				
	Winston Baber		1995	20-Dec				
	Marcelle Hagen		2007	20-Dec				
	Lylan Webb		1994	20-Dec				
	Shirley Nagel		1998	20-Dec				
	Kathleen Sortino		2007	20-Dec				
	Margaret Roddy		1993	20-Dec				
Terminated from Retiree Payroll – February 2021					\$12,996.86			
Continued Benefit Under Joint Survivor - February 2021								
Elected Lump Sum Distribution - February 2021								
Average Age at Death		85						
Average Years Retired			23					

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

February Refunds [26 count]

ID	First Name	Last	Deceased	End Balanc	Death Date	Term Date	Accrued Service	Dist Type	
	Hannah	Bell				12/9/2020	0.0	Direct	
	Christina	Chavez				10/2/2020	0.2	Direct	
	Kaija	Reich				11/18/2020	0.9	Direct	
	Todd	Johnson				7/31/2020	1.0	Rollover	
	Taylor	Trimble				7/31/2020	1.0	Direct	
	Alysia	Jones				10/12/2020	1.1	Direct	
	Kaileacha	Prince				10/29/2020	1.5	Direct	
	Erin	Persinger				7/31/2020	1.7	Direct	
	Rebecca	Ensser				7/31/2020	3.0	Rollover	
	Maylin	Soca Perez				10/8/2020	3.2	Direct	
	Nathan	Sievers				7/31/2020	3.8	Rollover	
	Christine	Ebke				7/31/2009	4.0	Rollover	
	Shannon	Giasson				2/28/2019	4.0	Rollover	
	Marc	Chedel	Dean Chedel		10/6/2020	10/6/2020	4.2	Death	
	Paul	Schram				10/23/2020	4.3	Rollover	
	Lilian	Fernandez				12/9/2020	4.5	Direct	
	Kimberly	Priebe				12/11/2020	4.7	Direct	
	Jeffrey	Hunter				7/31/2019	5.0	Direct	
	Kristen	Williamson				7/31/2020	5.0	Direct	
	Teraniesha	Haynie				12/11/2020	5.3	Direct	
	Nicholas	Benner				10/29/2020	6.0	Rollover	
	Felicia	Nofuente				7/31/2020	6.0	Direct	
	Ozzie	Smith				11/23/2020	7.5	Direct	
	Jennifer	Jones				7/31/2020	8.0	Direct	

ID	First Name	Last	Deceased	End Balanc	Death Date	Term Date	Accrued Service	Dist Type	
	Angela	Gosch				12/7/2020	9.4	Direct	
	Estate of Catherine	Vasquez	Catherine Vasquez		8/21/2020	8/21/2020	14.5	Death	
COUNT							26		
TOTAL Refunds				\$354,197.82					
AVERAGE				\$13,622.99			4.2		38
MEDIAN				\$12,998.92			4.1		34

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

Accounts / Payables for February 2021 = \$16,848.67

Legal Counsel

McGrath North (General)

\$10,998.67 **\$10,998.67**

Consultant

Seim Johnson (4th of 4 invoice)

\$5,850.00 **\$5,850.00**

There being no further business to come before the Board, the meeting was adjourned at 5:18 p.m.

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