

The Board of Trustees of the Omaha School Employees' Retirement System held a Regular Meeting on Thursday, March 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 February 4, 2020.

- 5391 -

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, April 1, 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 - Johnson – Rea – Ray (Logan designee) - 5 present.
Absent: Herchenbach - Placzek - 2.

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

Others Present: Peter Langdon, Esq. McGrath North (via telephone)

- 5392 -

Mr. Bourne next requested move approval of the minutes to the February 4, 2021 OSERS Board of Trustees meeting. Mr. Havlovic made a motion to approve the minutes to the February 4, 2021 OSERS Board of Trustees meeting. Ms. Johnson seconded the motion. Mr. Bourne asked for discussion. Mr. Rea indicated he sent Ms. Carter a couple of amendments to the minutes, to which Ms. Carter indicated they were already amended into the minutes presented to the Board this afternoon. The motion passed with the following roll call: Aye: Bourne – Johnson – Logan – Rea – 4. Nay: - 0.

- 5393 -

Ms. Carter presented the OSERS financial statements for the periods ending January 31, 2021. For the month ending January 31, 2021 the trust fund had a valuation of \$1.389 billion with cash on hand of \$13.495 million.

Mr. Bourne introduced Jack Peetz of Peetz & Company who appeared via video conferencing. Peetz & Company represents the OSERS Board of Trustees before the Nebraska Legislators. Mr. Peetz reviewed the legislative bills on file that impacted OSERS.

Mr. Bourne requested to Board review it's position on the bills that impact OSERS given the changes since the February 4, 2021 Board of Trustees meeting where the Board took a position to oppose the bills impacting OSERS. He explained the position of the OSERS constituents had been somewhat fluid since the last Board of Trustees meeting. Given the modifications made to the bills since the February 4th board meeting, as well as changes to constituents' positions, Mr. Peetz was instructed to file *written testimony in lieu of in-person* statements on behalf of OSERS. Mr. Bourne asked if it is the pleasure of the Board, he'd request the Board ratify the change to the Board's positions which were filed on behalf of OSERS at the February 23, 2021 public hearings as follows: LB 145 (the audit bill) a position of support; LB 146 (definition of termination bill) a position of support, and LB 582 (board governance change) a position of neutral. Mr. Bourne reiterated that given the fluid dynamics following the February 4th Board of Trustees meeting, he request the Board to ratify the positions offered in the *written testimony in lieu of in-person* statements filed by Peetz & Company on behalf of OSERS. Ms. Johnson seconded motion. The motion to ratify the modification to the Board positions on the stated legislative bills passed with the following vote: Aye: Bourne – Havlovic – Johnson – Rea – 4, Nay: Ray – 1.

Mr. Bourne explained that Mr. Herchenbach would be late and expressed an interest in participating in the discussion on the compliance audit. Therefore, Mr. Bourne is electing to skip the next item on the agenda and move onto the matter of the OSERS policy and procedures manual. Mr. Bourne turned the discussion over to Peter Langdon, Esq. who explained that he and the Executive Director took this opportunity to re-align the old OSERS policies. Using the NPERB Board Policies, the draft of the OSERS policies will be modeled after the NPERB and made applicable to OSERS. Mr. Langdon also explained that any policies adopted by the OSERS board since 2016 would be incorporated into the draft as well. He further explained there are policies in the draft that may be new to the OSERS board of trustees. The new policies were in the NPERB policies and were thought to be applicable to OSERS.

Ms. Carter explained the anticipated upcoming timeline. The plan is to review the draft and continue working with Mr. Langdon but have a draft available for the OSERS board to review around March 19th. This is to permit the board to give input before the April 2021 board of trustees meeting.

- 5396 -

Ms. Carter reviewed the 2nd reading of the proposed fiscal year 2022 budget for OSERS. She explained there were no comments from board members since the February board meeting. Therefore, the numbers remain the same and she ask that board approve the proposed budget for fiscal year 2022 as prepared pertaining to the Purchased Services, the Supplies and Materials, and the Other Expenditures. The reason for not including Salaries and Employee Benefits at this time is because we do not know what the salaries will be for the non-negotiated staff all of whom are OPS employees.

Ms. Johnson made the motion to adopt the fiscal year 2022 proposed budget for Purchases Services, Supplies and Materials, Capital Outlay, and Other Expenditures. Salaries and Employee Benefits subject to future negotiations. Mr. Rea seconded the motion. The motion passed with the following roll call: Aye: Bourne – Havlovic – Johnson – Rea – 4. Nay: Ray – 1.

- 5397 -

Ms. Carter gave the Board an update on the 2021 Trustee election. She reminded the Board of the timeline thus far. The nomination period was from February 5, 2021 through February 12, 2021. During that timeframe, no one was nominated for the certificated seat #1 (term of office July 1, 2021 – June 30, 2025).

The Board decided to hold off making any decisions on this matter given Mr. Havlovic explained there are other matters drawing his attention and he would remain in the OSERS trustee seat for now and keep the Board updated.

- 5398-

Ms. Carter gave the Executive Director's report which included the following information. The staff continues to work with OPS finance to coordinate the elimination of the monthly pension statements to the 3,000+ retirees that retired before January 1, 2015. To find an alternative is becoming costly.

The 4th Q 2020 investment performance report will be presented at the upcoming March 11, 2021 Nebraska Investment Council meeting.

Earlier that day, Ms. Carter was informed by OPS finance that 42 refunds sent to non-Nebraska residents were reported incorrectly indicating that Nebraska state tax was withheld from their distribution (when in fact it was not). OPS finance is sending out the corrected Form 1099-R with a cover letter approved by OSERS.

OSERS staff is in the process of conducting its semi-annual review of outstanding warrants. These are pension checks, refund checks, and account payable checks that go uncashed. Mr. Bourne asked whether uncashed checks are property of the trust fund or do they go to the state as

unclaimed property. Ms. Carter indicated she instructs the reversal to be put back into the OSERS trust fund. Mr. Langdon noted to the board that follow-up on uncashed checks (or missing participants) is a high priority topic with the Dept. of Labor. Ms. Carter indicated there will be an update at the next meeting.

Mr. Herchenbach arrived at 4:37 p.m.

- 5399 -

Mr. Bourne requested the board continue with the Trustee report and then go back to the Compliance Audit agenda item. Mr. Bourne called for any trustee report.

Mr. Rea indicated that he had received a copy of the CalSTRS Sustainability Report. He gave an overview of the subject matter discussed in the report and that CalSTRS has lowered its discount rate several times over the past several years. Ms. Carter indicated she had the report and would disseminate it to the other board members in an email.

Mr. Bourne next asked Ms. Carter to review the NASRA Issue Brief: Public Pension Plan Investment Return Assumptions. Ms. Carter explained the relationship of the investment return assumptions to the unfunded liability on the pension plan. She outlined what other pension plans are doing in comparison to what is expected of in future market earnings.

- 5400 -

Mr. Bourne returned to the Compliance Audit agenda item. He gave an overview of the current legislative bill currently in the legislature. Mr. Bourne expressed his position, regardless of the outcome of the legislative bill concerning the audit, it would be best practice to conduct a compliance audit of the OSERS pension plan. Mr. Bourne reviewed the request from the February meeting for Ms. Carter to bring forth an RFP for a compliance audit.

Mr. Herchenbach made a motion for the Board of Trustees to approve the draft request for proposal for compliance audit services and direct it be issued March 8, 2021 with a response due date of 4:00 p.m. April 9, 2021. Mr. Havlovic seconded the motion. The motion passed with the following roll call vote: Aye: Bourne – Havlovic – Herchenbach – Johnson – Rea – Ray – 6. Nay: - 0.

- 5401 -

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, financial matters regarding members of OSERS. Mr. Herchenbach seconded the motion and the motion was adopted by the following roll call: Aye: Bourne – Havlovic – Herchenbach - Johnson – Rea - Ray - 6. Nay: – 0.

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

The Board entered into closed session at 4:54 p.m.

The Board reconvened in open session at 5:00 p.m. Present at roll call were: Bourne – Havlovic – Herchenbach - Johnson – Rea – Ray - 6.

Ms. Havlovic made a motion the Board ratify the March pension payroll in the amount of \$11,406,842.42 to 5,082 payees; approve staff payroll in the amount of \$32,303.18; approve 10 new retirements effective March 1, 2021 – first pension check paid April 3, 2021; ratify the termination of 12 retirements due to the death of the retiree, the continuation of 5 retirements to the surviving joint annuitant, and the payout of 1 deceased retiree’s employee contributions as a lump sum payment; approve refunds of \$361,070.29 to 26 former employees and members of OSERS; and approve accounts payables in the amount of \$15,459.00. Ms. Johnson seconded the motion. The motion passed with the following roll call: Aye: Bourne – Havlovic – Herchenbach - Johnson – Rea – Ray – 6. Nay: - 0.

Approve March New Retirement Annuitants (first check April 3, 2021) [10 count]

EMPLOYEE	NAME		EMP		RET	YRS	AVERAGE		CHOSEN BENEFIT	
NUMBER	First	Last	TYPE	AGE	MONTH	SERVICE	SALARY	OPT	OMAHA	STATE
	Julie	Buehler	Para		3	11.1				
	Theresa	Bush	CMO		3	11				
	Michael	Cameron	CMO		3	27				
	Kurt	Childers	CMO		3	29				
	Reginald	Gunter	Security		3	15.5				
	Roxanne	Nichols	Nutri		3	17.5				
	Laurie	Parmentier	Other		3	27				
	Terry	Parmentier	CMO		3	20				
	Kristi	Peterson	Other		3	31.5				
	Michael	Vacek	CMO		3	30				
Count			10							
Average				63.5		22.0	\$46,101.63		\$1,678.44	\$54.48
Median				63.0		23.5	\$52,035.53		\$2,075.04	\$52.93
Addition to Pension Payroll -March 2021										\$17,329.13

Approve Terminations of Annuitants' Payments Due to Death – March 2021

[18 count]

EMPLOYEE NUMBER	NAME	AGE	RET YEAR	DATE OF DEATH	OSERS BENEFIT	Survivor Beneficiary	Survivor's Benefit \$	Overpayment Benefit \$
	Maxine Marcum		1988	Jan-21				
	Joanne Sokalsky		2001	Jan-21				
	Jacqueline Brink		1997	Jan-21				
	Dorothy Chaka		1991	Jan-21				
	Shirley Zerzan		1996	Jan-21				
	Elaine Penkava		1998	Jan-21				
	John Hansen		1994	Jan-21				
	Joanne Fead		1996	Jan-21				
	Rose Holmes		1986	Jan-21				
	Jacqueline Sowers		1990	Jan-21				
	Sharon Gathmann		1995	Jan-21				
	Cleo Seuntjens		2014	Jan-21				
Terminated from Retiree Payroll – March 2021					\$24,480.88			
	Walter Sharp		1990	Jan-21		Dorothy Sharp		
	Harry Beckner		1992	Jan-21		Eunice Beckner		
	Eunice Beckner		1992	Jan-21		Eunice Beckner		
	Scott Marcum		2007	Jan-21		Linda Marcum		
	Douglas Taylor		2020	Jan-21		Lauren Edwards		
Continued Benefit Under Joint Survivor - March 2021					\$14,489.59		\$13,859.58	
	Terri McNiel		2019	Jan-21		William McNiel		
						Judith McNiel		
Elected Lump Sum Distribution - March 2021					\$2,541.19		\$202,138.22	
Average Age at Death		84						
Average Years Retired			23					

March Refunds [26 count]

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type	Age
	Anay	Hobson			1/25/2021	0.0	Direct	
	Helene	Williams			12/14/2020	0.1	Direct	
	Etta	Tran			12/11/2020	0.3	Direct	
	Mercedes	Ahumada			8/13/2020	0.4	Direct	
	Desiree	Cannon			12/31/2020	0.5	Rollover	
	Colleen	O'Doherty			12/11/2020	0.5	Direct	
	Tabetha	Vogt			7/31/2020	1.0	Rollover	
	Charlene	Segebart			9/15/2006	1.1	Rollover	
	Sandra	Pittman			1/5/2021	1.3	Direct	
	Diane	Brinson			10/30/2020	1.4	Direct	
	Theresa	McKee			1/4/2021	1.4	Rollover	
	Rosalba	Chavez Valdovinos			11/11/2020	1.5	Direct	
	Shanda	Jackson			12/11/2020	1.5	Direct	
	Reaunna	Murrell			12/11/2020	1.5	Direct	
	Kari	Pape			7/31/2020	2.0	Direct	
	Espen	Sandnes			7/31/2020	2.0	Direct	
	Terel	Thornton			8/10/2020	2.1	Direct	
	Barbara	Meredith			12/31/2020	2.4	Rollover	
	Merixell	Broto Blasco			5/31/2020	2.5	Direct	
	Tineka	McCraney			1/7/2021	2.5	Direct	
	Pacquisha	Partee			1/7/2021	2.6	Direct	
	Raquel	Cuartero Arina			7/31/2020	3.0	Direct	
	Lorenzo	Garcia Moyano			5/31/2020	3.0	Direct	
	Abbey	Miller			7/31/2019	3.0	Rollover	

ID	First Name	Last	End Balanc	Death Date	Term Date	Accrued Service	Dist Type	Age
	Valerie	Davis			1/5/2021	3.3	Rollover	
	James	Fairbanks			8/31/2020	3.3	Direct	
	Rita	Scott			1/6/2021	3.5	Direct	
	Shane	Staiger			1/6/2021	3.6	Direct	
	Haley	Gillett			7/31/2020	4.0	Rollover	
	Monica	Mosley			12/15/2020	4.1	Direct	
	Joseph	Christensen			7/31/2018	5.0	Direct	
	Cristi	Midkiff			7/31/2009	5.0	Rollover	
	Apyrl	Beck			7/31/2015	11.0	Rollover	
	Michael	Mulligan		1/25/2021	7/31/2017	18.0	Death	
	Silvia	Meza			7/31/2020	18.9	Direct	
COUNT							26	
TOTAL Refunds			\$361,070.29					
AVERAGE			\$10,316.29			3.4		42
MEDIAN			\$5,565.04			2.4		40

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

Accounts / Payables for March 2021 = \$15,459.00

Legal Counsel

McGrath North (General) \$15,226.00 **\$15,226.00**

Purchased Services

PBI – Death Audit Services (monthly fee) \$233.00 **\$233.00**

There being no further business to come before the Board, the meeting was adjourned at 5:02 p.m.

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