

**OMAHA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING**

Thursday, April 6, 2023, at 4:00 PM

Omaha Public Schools  
Teacher Administrative Center  
Board Room, 2<sup>nd</sup> Floor  
3215 Cuming Street  
Omaha, NE 68131

**MEETING MINUTES**

Ms. Erdenberger, Vice President, opened the meeting at approximately 4:10PM. Mr. Bourne, President, arrived during the announcement of the Nebraska Open Meetings Act notice and presided over the remainder of the meeting.

**Roll Call**

Present: Bourne, Erdenberger, Block, Head, and Johnson – five present.  
Absent: Herchenbach and Logan – two absent.

Staff present: Shane Rhian, Administrator

Others present: Matt Ray, OPS Deputy Superintendent, Megan Neiles-Brasch, OPS General Counsel

**Public Comment**

Mr. Bourne announced the opportunity for public comment, there were no requests to provide public comment.

Minutes from the last Trustees' meeting on May 5, 2022 were approved.

Moved by Mr. Head

Seconded by Ms. Johnson

Aye: Bourne, Erdenberger, Block, Head, Johnson – five ayes

Nay: None

Mr. Rhian provided an update on the 2024 OSERS transition to NPERS, including the following:

- NPERS vendor for OSERS transition started work in late January
  - Linea was the selected vendor
  - Same firm that did the 2019 feasibility study
- Project Areas
  - Business Analysis – Reviewing current day to day OSERS business processes and developing NPERS processes post transition
  - Data Conversion – Identifying OSERS data needed to be delivered to NPERS

- System Development – Identifying changes to NPERS system to administer OSERS
- Kickoff meetings have been held and detailed tasks and timelines are being developed
- A high level timeline from Linea was also presented

Mr. Rhian presented the Administrator's Report which included the following:

- Corrected 1099-R Tax Forms
  - 1099-R tax forms were sent to individuals with the incorrect Federal Employee Identification Number (FEIN)
  - The FEIN was inadvertently changed from OSERS to OPS during an update of the HR System
  - The change was not detected during the preparation of the 1099-Rs, review was focused on detailed individual information being correct
  - Notified by retiree on Feb 21<sup>st</sup> that the FEIN number was different than the prior year
  - Communication of the error was sent to all applicable individuals on Feb 24<sup>th</sup>
  - Corrected 1099-Rs were mailed to all applicable individuals on Mar 10<sup>th</sup>
  - Internal procedures have been updated to include a step to review the FEIN during preparation for Tax Year 2023 and 2024
- System Interest Calculation Error
  - Pension Module had the interest calculation method erroneously changed on Jan 28<sup>th</sup> while correcting a routine monthly process
  - Update from Oracle contained a "standard" interest calculation method different from OSERS statutory method and was not detected during testing of the change
  - Change of interest calculation was noticed by the Nebraska Auditor of Public Accounts during audit testing on Mar 8<sup>th</sup>
  - Solution in progress to correct interest calculation, expected to be complete this week or early next week
  - Active and Terminated-Vested members of OSERS received statements in February with incorrect interest earned balances
  - Corrected statements will be mailed in early April
  - February refunds to 44 individuals were overstated
  - Corrected balances being recalculated
  - Overpayment notices being prepared
- Actuarial Valuation Update
  - Information has been provided to Cavanaugh Macdonald
  - Staff is currently working on responding to data validation questions
  - Current timeline is to have the draft report available and a presentation on the results at the June 1st meeting
- Audit Update
  - The Nebraska Auditor of Public Accounts began work in mid-February
  - There have been delays due to the System Interest Calculation error and loss of institutional knowledge with the retirement of the former Executive Director and Benefits Manager
  - Still on track to have the audit completed by the statutory deadline of June 30<sup>th</sup>

Mr. Rhian presented a proposed meeting schedule for the Trustees for the remainder of 2023 with meeting dates scheduled for June 1<sup>st</sup>, September 7<sup>th</sup>, and December 7<sup>th</sup> at the TAC Board Room at 4:00 PM. Schedule was approved as presented.

Moved by Ms. Johnson

Seconded by Mr. Head

Aye: Bourne, Erdenberger, Block, Head, Johnson – five ayes

Nay: None

Mr. Bourne announced the next regularly scheduled meeting for June 1, 2023 at 4:00 in the TAC Board Room.

The meeting was adjourned at approximately 4:55 PM.

Moved by Mr. Head

Seconded by Ms. Johnson

Aye: Bourne, Erdenberger, Block, Head, Johnson – five ayes

Nay: None