

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

Monday, June 10, 2024, at 4:00 PM
Omaha Public Schools
Teacher Administrative Center
Teaching & Learning Center, 2nd Floor
3215 Cuming Street
Omaha, NE 68131

MEETING MINUTES

Mr. Bourne, President, opened the meeting at approximately 4:00PM.

Roll Call

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

Motion to excuse absence of Head and Herchenbach was approved.

Moved by Ms. Erdenberger
Seconded by Ms. Johnson
Aye: Bourne, Erdenberger, Block, Johnson, and Ray – five ayes
Nay: None

Staff present: Shane Rhian, Administrator

Others present: Megan Neiles-Brasch, OPS General Counsel

Mr. Head arrived at 4:02 PM

Public Comment

Mr. Bourne announced the opportunity for public comment, there was one request to provide public comment by Mr. Roger Rea, OEA Retired.

Approval of Minutes

Minutes from the last Trustees' meeting on December 7, 2023 were approved.

Moved by Mr. Head
Seconded by Ms. Johnson
Aye: Bourne, Erdenberger, Head, Johnson, and Ray – six ayes
Nay: None

Presentation of the OSERS Valuation Report as of January 1, 2024

Mr. Bryan Hoge and Ms. Megan Skiles from Cavanaugh Macdonald presented a summary of the OSERS Valuation Report as of January 1, 2023. Valuation report posted at ops.org/retirement.

Update on CYE December 31, 2023 Audit

Mr. Rhian provided an update on the CYE December 31, 2023 audit by the Nebraska Auditor of Public Accounts.

- Draft Management Letter and Audit Report issued on Thursday, June 6th
- Audit Report contains an unmodified opinion on the financial statements being properly presented
- Management Letter contains nine findings and recommendations
 - No Material Weaknesses (most severe level of finding)
 - Six Significant Deficiencies (second most severe level of finding)
 - Three Reportable Conditions (least severe level of finding)
 - Most findings are repeats of prior year findings or inadequate resolution of them
 - Management's responses will be provided to APA on Monday, June 17th
- APA has requested the opportunity to present at the next Trustees meeting on August 1st

Update on OSERS Transition to NPERS

Mr. Rhian provided an update on the OSERS management transition to NPERS.

- All activities on track for a successful conversion of data to NPERS by August 31, 2024
- Transition work is progressing well
 - No escalations or issues noted by NPERS at the June Steering Committee meeting
- Scanning by the Secretary of State (SOS)
 - 97 sent to SOS to date
 - 52,257 documents scanned
 - 235,086 pages scanned
- Data Quality Checkpoints(DQCP)
 - 4 DQCP reports shared with OPS for corrections
 - Discussion with OPS ongoing for remaining DQCP's and more will be shared in the coming months
- Cutover Discussion
 - Cutover date tentatively finalized to be as follows:
 - As of August 22nd, all OSERS processing activity will be finalized
 - On August 23rd OSERS will run the payroll consolidation for all payrolls that have already been paid out to contributing members
 - On August 23rd OSERS will process the payroll for retirees to be paid out for September 3rd
 - Post August 23rd, all forms that are received by OSERS will be saved and handed over to NPERS for processing in September

- Service Credit for Benefit Calculation Change
 - PeopleSoft has historically calculated benefits using service credit in one-tenth-year increments, likely since 2005-06.
 - LB 364, Laws 2005, changed how service credit was awarded and accumulated
 - From half-year increments to one-tenth-year increments
 - Did not change how benefits were calculated
 - NPERS will be configuring their system to utilize half-year increments
 - As of January 1st, there were approximately 552 of 5,988 retirees receiving monthly benefits calculated using the incorrect one-tenth-year increment
 - Monthly overpayment amount is approximately \$9,100 and cumulative overpayment amount is approximately \$615,000 to date
 - Baird Holm is currently reviewing IRS regulations for corrective actions needed

Administrator's Report

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

- Summary of Pension Benefits Payments from January 3, 2024 to June 3, 2024
- Summary of Refund Payments to Terminated Members from December 2023 to May 2024
- OSERS monthly financial statements for April 2024
- OSERS Quarterly Investment Review from Aon to the Nebraska Investment Council as of December 31, 2023.

Mr. Bourne announced the next regularly scheduled meeting for Thursday, August 1, 2024, at 4:00 in the TAC Teaching & Learning Center.

The meeting was adjourned at approximately 5:05 PM.

Moved by Mr. Head

Seconded by Ms. Johnson

Aye: Bourne, Erdenberger, Block, Head, Johnson, and Ray – six ayes

Nay: None