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PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

APRIL 15, 2019

9:30 A.M.

A regular meeting of the Public Employees Retirement Board convened at 9:34 a.m., Monday, April 15, 2019, at the 1526 Building, 4th Floor, Conference Room 4D, 1526 "K" Street, Lincoln, Nebraska.

The Board members were notified of this meeting by the Agenda posted on the PERB SharePoint website on Friday, April 5, 2019. Public notice of this meeting was published in the Omaha World Herald on Monday, April 8, 2019, and the Lincoln Journal Star on Tuesday, April 9, 2019. J. Elliott chaired the meeting and M. Nuss recorded the minutes.

MEMBERS PRESENT: **JANIS ELLIOTT, CHAIR**
 KELLI ACKERMAN
 PAM LANCASTER
 JIM SCHULZ
 MICHAEL WALDEN-NEWMAN, EX-OFFICIO

MEMBERS ABSENT: **DENIS BLANK**
 JUDGE J DERR

NONMEMBERS PRESENT:

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| RANDY GERKE Director | DIANE HOLTORF Internal Auditor |
| ORRON HILL Deputy Director and Legal Counsel | JOHN WINKELMAN Education Manager |
| PATTY PIERSON Retirement Plan Manager | JOHNETTA LANG Data Services Specialist |
| JACK HARDY IT Manager | DEAN GRESS Senior Applications Developer |
| TERESA ZULAUF Controller | NANCY REIMER Ameritas |
| MELISSA NUSS Retirement Plan Manager | NEIL SULLIVAN State Budget Office |
| KERRY FINA Education Services Trainer | |

Agenda Item 1: J. Elliott stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is located on the table by the door.

Agenda Items 2 and 3 – Meeting Called to Order: J. Elliott called the April 15, 2019, Board Meeting to order at 9:34 a.m. Present at roll call: J. Elliott, K. Ackerman, J. Schulz, P. Lancaster, and M. Walden-Newman. Absent: D. Blank and J. Derr.

Agenda Item 4 – Approval of Minutes: J. Schulz moved for approval of the minutes of the March 18, 2019, Board Meeting. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & March 2019 Retirement Report: K. Ackerman moved to approve the Budget Status Report and the March 2019 Retirement Report. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

Agenda Item 6 – Public Comments or Correspondence from Citizens: There were no public comments or correspondence from citizens with business not scheduled on the agenda.

Agenda Item 7 – Mutual of Omaha DCP Annuity Contract: T. Zulauf presented the renewal of the Deferred Compensation Plan (DCP) contract which is renewed annually. In the last year, 21 members took an annuity for DCP. There were no changes to the plan. There are 3,552 members participating in the DCP Plan.

P. Lancaster moved to approve Endorsement 15 of the Mutual of Omaha/United of Omaha Contract. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

Agenda Item 8 – Legal/Legislative Update: O. Hill provided the legislative update.

O. Hill stated LB31 is currently on select file. He thanked Neil Sullivan, State Budget Analyst, for his assistance, regarding proposed amendment language. O. Hill reported there was discussion on the floor, regarding the bill, including a letter read into the record from Marque Snow, Omaha Public Schools (OPS) Board President, who clarified his comments, stating a merger between Omaha School Employees Retirement System (OSERS) and Nebraska Public Employees Retirement Systems (NPERS), were incorrect. O. Hill stated the bill's provisions are clear that OPS assumes the cost of the study.

The omnibus bill, LB34, which includes: LB35, LB36, and LB565, under Amendment 591, has passed on final reading with an emergency clause, and it was presented to the Governor on April 19, 2019. O. Hill clarified the emergency clause means the bill will go into effect the day following the Governor's signature.

O. Hill stated plan handbooks will be updated at the end of the Legislative session to reflect changes resulting from new statutes.

J. Elliott thanked both R. Gerke and O. Hill for their work during this legislative session.

K. Ackerman moved to approve the Legal/Legislative Update. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

Agenda Item 9 – Director’s Report: R. Gerke presented the Director’s report.

R. Gerke stated he provided testimony at the hearing for LB31 in a neutral capacity, as did Cecilia Carter, Executive Director of OSERS. He stated M. Snow and Jason Hayes, Director of Public Policy with the Nebraska State Education Association, testified in a proponent capacity. If the Governor signs the bill, he stated NPERS would begin immediate planning.

R. Gerke reported he and O. Hill spoke at the Nebraska Association of School Business Officials (NASBO) conference on April 11, 2019. They spoke about the proposed study in LB31, and clarified it did not constitute a merger of OSERS and NPERS plans.

R. Gerke presented the Annual Report to the Legislature for the Legislative Retirement Committee on March 27, 2019. Committee members inquired about NPERS’ upcoming compliance audit. R. Gerke replied it is natural to have some findings, but assured them there should be no significant findings.

R. Gerke stated there are many process enhancements and initiatives occurring throughout the agency, including:

- J. Winkelman has introduced an initiative to begin offering DCP plan participation for State members during annual open enrollment. NPERS is scheduling a meeting with Jason Jackson, Director of the Department of Administrative Services (DAS), to discuss the project.
- The print to mailroom process is being expanded.
- O. Hill has initiated an improved Required Minimum Distribution (RMD) process along with the Benefits Department.
- J. Hardy and Ameritas have been working on automating the State refund process.
- Charles Waity is driving an automated importing process of various files called the DIP process.
- J. Hardy is exploring online form processing.
- J. Winkelman will continue to send outreach letters to notify School members who may be eligible for distribution. There were 280 letters distributed, with 106 responses to date, and 9 members are already receiving benefits due to the response.

PERB members stated the initiatives reflect an energy and excitement in the agency, regarding innovation and ideas.

R. Gerke stated J. Winkelman cancelled two seminars, due to inclement weather. R. Gerke commented J. Winkelman was invited to provide an additional Retirement 101 seminar for the Department of Agriculture. He also provided a State Patrol seminar and an additional School Retirement 101 seminar on a Saturday for Lincoln Public School members.

R. Gerke stated the fiscal year end is approaching.

He reported the agency is now fully staffed.

He stated Cavanaugh Macdonald will present the State and County Actuarial Valuations and the State and County Equal Retirement Benefit Fund (ERBF) Reports at the next PERB meeting on May 20, 2019.

R. Gerke requested travel, with up to \$4,000 in expenses, to attend the National Council on Teacher Retirement (NCTR) Director's meeting held June 12-14, 2019, in Boise, ID.

K. Ackerman commended NPERS staff and R. Gerke's leadership. J. Schulz said he has experienced constant states of improvement upon his joining the PERB.

P. Lancaster moved to approve the Director's Report and approve a travel request for R. Gerke up to \$4,000 in expenses, to attend the NCTR Director's meeting held June 12-14, 2019. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

The PERB took a break from 10:27 a.m. to 10:38 a.m.

T. Zulauf informed the PERB that an additional school will be utilizing Automated Clearing House (ACH), and schools have a deadline of July 1, 2019, to complete the transition.

Agenda Item 10 – Board Committee Reports: There were no reports. R. Gerke stated he and M. Nuss toured Innovation Campus to determine whether it would be suitable for the July PERB Retreat. Due to expense and space, it was determined another space will be selected. R. Gerke encouraged the PERB to share subject ideas with him.

Agenda Item 11 – Board Education/Travel Requests: J. Elliott requested travel, with up to \$4,500 in expenses, to attend the NCTR Trustee workshop, held July 21-24, 2019, in Berkeley, CA.

P. Lancaster moved to approve up to \$4,500 in expenses for J. Elliott, to attend the NCTR Trustee workshop, held July 21-24, 2019, in Berkeley, CA. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, P. Lancaster, and J. Schulz. Against: None. Abstain: J. Elliott. Motion carried.

Agenda Item 12 – Future Meetings/Agendas: The next PERB meeting will be Monday, May 20, 2019.

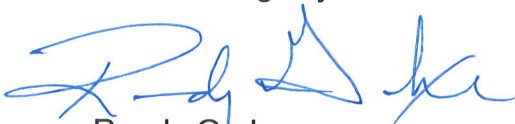
Agenda Item 13 and 14 – Executive Session: At 10:49 a.m., K. Ackerman moved the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members, personnel matters, and legal matters: Case Review No. D-19-6: Prevention of Needless Injury to the Reputation of an Individual, Case Review No. D-19-7: Prevention of Needless Injury to the Reputation of an Individual, Case Review No. D-19-8: Prevention of Needless Injury to the Reputation of an Individual, Case Review No. D-19-9: Prevention of Needless Injury to the Reputation of an Individual, Personnel Matters, Protection of Public Interest, Prevention of Needless Injury to the Reputation of an Individual; and Update on Pending Legal Matters; Protection of Public Interest. J. Schulz seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

At 12:03 p.m., P. Lancaster moved the Board exit Executive Session and reconvene in Regular Session. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

J. Schulz moved for approval of D-19-6, D-19-7, D-19-8, and D-19-9. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

Adjournment: J. Schulz moved that the meeting adjourn. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, and J. Schulz. Against: None. Motion carried.

The meeting adjourned at 12:05 p.m.



Randy Gerke
Director