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PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

AUGUST 19, 2019

9:30 A.M.

A regular meeting of the Public Employees Retirement Board convened at 9:34 a.m., Monday, August 19, 2019, in 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, August 9, 2019. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, August 12, 2019. J. Elliott chaired the meeting and M. Nuss recorded the minutes.

MEMBERS PRESENT:

- JANIS ELLIOTT, CHAIR
- KELLI ACKERMAN, VICE-CHAIR
- JUDGE J. DERR
- PAM LANCASTER
- JIM SCHULZ
- ALLEN SIMPSON
- MIKE JAHNKE
- MICHAEL WALDEN-NEWMAN, EX-OFFICIO

MEMBERS ABSENT: NONE

NONMEMBERS PRESENT:

RANDY GERKE Director	ELANIE STUHR Former PERB Member
ORRON HILL Legal Counsel/ Deputy Director	DEAN GRESS Senior IT Applications Developer
TERESA ZULAUF Controller	JOHNETTA LANG Data Services Lead
JACK HARDY Information Technology Manager	MARIA DAVIS Retirement Specialist Lead
PATTY PIERSON Retirement Plan Manager	JULIE WITT Retirement Specialist
MELISSA NUSS Retirement Plan Manager	DAN SMITH Retirement Specialist
JOHN WINKELMAN Education Services Manager	MITCH SNYDER Retirement Specialist Lead
HEATHER CRITCHFELD-SMITH Education Services Trainer	ERIC ASBOE Nebraska Supreme Court

TIM BAKER
NPERS Internal Auditor Candidate

NEIL BATEMAN
Retired Educator

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 August 19, 2019, Board Meeting to order at 9:34 a.m. Present at roll call: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, J. Schulz, and Michael Walden-Newman. Absent: None.

Agenda Item 4 – Approval of Minutes: J. Elliott announced the minutes of the July 15, 2019, Board Meeting were not attached to the Public emails, and will be voted on at the September 16, 2019, PERB meeting, so the public may review.

Agenda Item 5 – Approval of Budget Status Report & July 2019 Retirement Report: J. Schulz moved to approve the Budget Status Report and the July 2019 Retirement Report. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, 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. J. Elliott recognized Elaine Stuhr, a former PERB Public Member, in attendance at today's meeting, and thanked her for her many contributions to the PERB and the plans she served while on the Board.

Agenda Item 7 – Legal/Legislative Update: O. Hill thanked R. Gerke for giving him the opportunity to attend and present at the Nebraska Council of School Administrators (NCSA) Administrator Days. O. Hill discussed community outreach efforts, which included giving a presentation with Mike Delaney, Director of NCSA, and Sarah Waldman, Director of Teammates, at NCSA Administrator Days. They advised attendees on employees, retirement, and volunteerism, in regard to providing service to community partners, such as Teammates. In conjunction with NSEA, there will be additional publications in relation to the matter to educate members and employers on this subject. O. Hill stated his other presentation at NCSA Administrator Days included consistency, accuracy, and timely reporting, building on a unified educational effort with NPERS' employer workshops that have also been addressing reporting matters.

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

Agenda Item 8 – Board Committee Reports: J. Derr deferred to O. Hill for the final presentation of the Board Policy revisions. O. Hill stated there were only editorial revisions made to the draft policies presented to the PERB at the July 15, 2019, annual retreat.

J. Schulz moved to approve the new Board Policies. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

P. Lancaster, Chairperson of the Budget and Personnel Committee, provided the Committee's recommendation for the NPERS Internal Auditor position. She stated the Committee; herself, K. Ackerman, and A. Simpson, along with R. Gerke, conducted interviews for the Internal Auditor position. She announced Tim Baker as the committee's recommendation for Internal Auditor. She stated he has over 32 years of auditing experience with State agencies, including serving the Departments of Health and Human Services, Transportation, and Education.

T. Baker was invited to address the PERB. T. Baker provided the PERB with additional background, and stated, he welcomed the opportunity to join NPERS. He invited the PERB to ask any questions they may have for him.

J. Elliott stated the Internal Auditor answers to the PERB directly, which is why the PERB must approve the position.

P. Lancaster moved to approve Tim Baker as the NPERS Internal Auditor. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

Agenda Item 9 – NPERS Employee Spotlight: P. Pierson introduced the Schools team from the Benefits Department, including; Erin McCabe, Linda Fuelling, Dan Smith, Julie Witt, Susan Bauer, Devon Schumacher, and Maria Davis. Cathy Evans is a part of the team, but was not in attendance. M. Davis provided additional statistics, stating, since January, approximately 970 estimate requests were received by her team. She mentioned there are over 50 years of combined experienced on their team.

The PERB took a break from 10:10 a.m. to 10:22 a.m.

Agenda Item 10 – Director's Report: R. Gerke reported COLA letters went out in July. He reported the COLA was 1.44%.

He reported the Omaha School Employees Retirement System (OSERS) study is moving forward. Cecilia Carter and OSERS have provided additional information for NPERS to review. R. Gerke will continue to review and request additional information when needed. R. Gerke mentioned Perspecta is being consulted for assistance in the study, and DAS is assisting in developing a potential contract for them. The final results deadline for the study are due to the Legislature in June of 2020, although NPERS wants to provide a draft to the PERB by April of 2020.

R. Gerke mentioned there was an editorial in the Omaha World Herald which praised the NIC, NPERS, and Legislative Committee in their management of NPERS plans which are among the top 90% of plans nationwide.

He stated the open enrollment project between DAS and NPERS, to include Deferred Compensation Plan (DCP) enrollment, continues to move forward.

He reported the IT Department continues work on NPERS website redesign and a semi-automated call log for the Call Center, and Ron Woerner, of RWX Security Solutions, provided a security training to the staff of the Call Center.

He reported that new billing from the Office of the Chief Information Officer (OCIO) for image viewing are increasing costs to the agency, as fees transitioned from a user based fee, to a per image fee on OnBase. He suggested NPERS may have to submit a budget deficit request to fulfill the additional demands of the new fee system. R. Gerke confirmed the OnBase system is a mandatory requirement for State agency usage.

R. Gerke reported on a potential multi-factor authentication project, and commented the OCIO is interested in having discussions on development of this function.

He stated School employer workshops were held in July, and trainers included J. Winkelman and H. Critchfield-Smith, from Education Services and Sarah Wuestewald and Caleb Taylor, from Accounting. He stated there were 238 attendees at school seminars, with 176 schools represented. State and County seminars will begin in the fall.

R. Gerke reported Educational Services filled the open Artist position, the Internal Auditor position has been filled, and two positions were filled in Data Services. He stated a new SOS position was approved for utilization for front desk services, which will result in more support for the Call Center.

R. Gerke stated there is a new process for required minimum distributions (RMDs).

P. Pierson presented additional information on the new RMD processes. She stated O. Hill developed an enhanced notification process to serve both RMDs and Unclaimed property. She provided additional distinguishing information regarding RMDs in different plans.

O. Hill stated the federal tax code specifies rollovers may not include RMD money.

O. Hill reported he and M. Nuss developed additional talking points for the Call Center in handling the increased volume of calls and expertise needed to support member services in regard to RMD process changes. He discussed proposed federal legislation that could lead to substantial changes to RMDs in the future. M. Nuss provided information on the Call Center in response to the increased volume of calls due to the RMD changes.

R. Gerke stated the agency has a new phone carrier and new phones were installed in August.

He stated a disaster recovery drill utilizing a calling tree exercise will take place soon and will include the PERB members.

He stated MassMutual will be attending the September 16, 2019, PERB meeting. R. Gerke requested MassMutual to provide a summary and report for the PERB, identifying under-performing funds, so the PERB may vote on potential changes. The PERB requested M. Walden-Newman review the under-performing funds and provide recommendations to the PERB.

R. Gerke reported the State and County Audit Report will be provided at the PERB meeting on September 16, 2019.

R. Gerke requested travel, with up to \$4000 in expenses, to the National Council on Teacher Retirement (NCTR) National Conference in Nashville, TN, from October 12-15, 2019.

P. Lancaster moved to approve the Director's Report. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

Agenda Item 11 – Board Education/Travel Requests: J. Elliott reported on her attendance at the 2019 NCTR Trustee Workshop in Berkeley, CA. She stated she attended notable presentations which included; the function of a Chief Purpose Officer, artificial Intelligence, federal changes in retirement, DC plans for education professionals, and discussions of hedge funds. Additional topics included DNA factors and drug interactions, finance presentations, and personal techniques in negotiations.

J. Elliott requested travel, with up to \$4000 in expenses, to the NCTR National Conference in Nashville, TN, from October 12-15, 2019.

K. Ackerman requested travel, with up to \$4000 in expenses, to the NCTR National Conference in Nashville, TN, from October 12-15, 2019.

P. Lancaster moved to approve each travel request up to \$4000 for R. Gerke, J. Elliott, and K. Ackerman, to attend the NCTR Annual conference in Nashville, T.N., from October 12-15, 2019. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

Agenda Item 12 – Future Meetings/Agendas: The next PERB meeting is Monday, September 16, 2019.

Agenda Items 13 and 14 – Executive Session: At 11:32 a.m., M. Jahnke moved the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members and legal matters: Case Review No. D-19-16; Prevention of Needless Injury to the Reputation of an Individual, Case Review No. D-19-17; 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. Derr seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

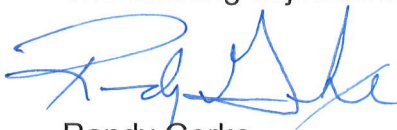
At 1:17 p.m., P. Lancaster moved the Board exit Executive Session and reconvene in Regular Session. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

J. Derr moved for approval of Case Review No. D-19-16. P. Lancaster seconded the motion. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

J. Derr moved for approval of Case Review No. D-19-17. A. Simpson seconded the motion. Members voted as follows: For: For: K. Ackerman, J. Derr, J. Elliott, P. Lancaster, M. Jahnke, A. Simpson, and J. Schulz. Against: None. Motion carried.

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

The meeting adjourned at 1:19 p.m.



Randy Gerke
Director

