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PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

February 25, 2019

9:30 A.M.

A regular meeting of the Public Employees Retirement Board convened at 9:33 a.m., Monday, February 25, 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, February 15, 2019. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, February 18, 2019. J. Elliott chaired the meeting and M. Nuss recorded the minutes.

MEMBERS PRESENT:

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

MEMBERS ABSENT: DENNIS LEONARD

NONMEMBERS PRESENT:

RANDY GERKE Director	JOHN WINKELMAN Education Manager
ORRON HILL Legal Counsel/Deputy Director	KERRY FINA Education Services Trainer
PATTY PIERSON Retirement Plan Manager	JOHNETTA LANG Data Services
JACK HARDY IT Manager	VENKATA MANNAVA Senior Applications Developer
TERESA ZULAUF Controller	MELISSA KOLM Senior Applications Developer
MELISSA NUSS Retirement Plan Manager	DEAN GRESS Senior Applications Developer
JACK HARDY IT Manager	NANCY REIMER Ameritas

NEIL SULLIVAN
State Budget Office
ZACH WELLS
Auditor of Public Accounts

NEIL BATEMAN
Retired Teacher
DE TONACK
Nebraska School Employees Association

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 February 25, 2019, Board Meeting to order at 9:33 a.m. Present at roll call: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, A. Simpson, and M. Walden-Newman. Absent: D. Leonard.

Agenda Item 4 – Approval of Minutes: P. Lancaster moved for approval of the minutes of the January 28, 2019, Board Meeting. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Abstain: J. Derr. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & January 2019 Retirement Report: D. Blank moved to approve the Budget Status Report and the January 2019 Retirement Report. J. Schulz seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. 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 – School, Judges, and Patrol Audit Report: Zach Wells, Audit Manager at the Nebraska Auditor of Public Accounts, presented the Audit Report for the School, Judges, and State Patrol plans for fiscal year period July 1, 2017, through June 30, 2018. He stated there was an unmodified opinion and no recommendations or comments on the report issued on February 19, 2019. He reported no deficiencies in internal control or instances of noncompliance, or other matters that are required to be reported under Government Auditing Standards, were found.

Z. Wells thanked the NPERS staff for their assistance during the audit. R. Gerke thanked Z. Wells and his staff for their diligence.

P. Lancaster moved to approve the School, Judges, and Patrol Audit Report. J. Derr seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 8 – Information System Update: J. Hardy introduced the Information Systems (IT) staff to the PERB. Information System staff present were Venkata Mannava,

Melissa Kolm, Dean Gress, and Charles Waity. He listed staff unable to attend the meeting are Viji Pushkaran, Jayme Skov, and Chad Schlotfeld.

J. Hardy reported the LB415 implementation project is complete, aside from regular fixes and maintenance. He commented that the IT staff have produced complex solutions to the multiple tier challenges of the plans.

He reported the Disaster Recovery project is in progress, and the draft plan will soon be ready for a final review.

J. Hardy stated the refund interface project with Ameritas is in progress, with development and testing mostly complete at NPERS. Testing and programming by Ameritas will be completed before moving into production.

He stated work is continuing on death process improvements, which include updating and automating letters and forms.

He reported analyzing requirements for a new project to create an online process for submissions of non-contributing member forms has begun.

He stated an ongoing process to reduce printing use within the agency is continuing, and changing the paper-use culture of the agency is a part of this process.

He reported Windows 10 deployment has been completed, and he provided a list of production investigation reports (PIR).

J. Hardy asked the PERB if they have any additional items they would like to include on the IT report.

J. Elliott commended the IT staff for their ingenuity.

D. Blank moved to approve the Information System Report. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 9 – Legal/Legislative Update: O. Hill provided the Legislative and Legal Report.

He stated that LB32 and LB33 are on final reading.

He reported that LB34 is likely to be the “Christmas tree” bill, which may attach LB35, LB36, and LB565 rolled into LB34. He stated the white copy of LB565 provided for adjustments regarding beneficiary designations and death benefits. O. Hill thanked Kate Allen for her assistance with the adjustments.

O. Hill reported informational meetings with Senators who introduced LB363 and LB408 were held since the last PERB meeting.

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

Agenda Item 10 – Director’s Report: R. Gerke presented the Director’s Report.

He stated he and O. Hill met with Senator Crawford and Senator Bolz on their respective bills.

He reported he and O. Hill met with Mike Delaney, Executive Director of the Nebraska Council of School Administrators, K. Allen, and Sarah Waldman, Executive Director of Teammates, to discuss Teammates. He reported that a survey will be sent to schools to collect data regarding Teammates.

He clarified the hearing for LB31, regarding OSERS, will be held on March 19, 2019, at 5:00 p.m. R. Gerke stated NPERS has been contacted by Nebraska Public Radio and the Omaha World Herald (OWH) for comment on OSERS, and that NPERS has refrained from offering opinions regarding the articles. He stated the PERB will continue to be kept up to date on the OWH articles regarding OSERS investments.

R. Gerke announced D. Leonard is resigning as of March 1, 2019.

R. Gerke reported the Budget Hearing with the Appropriations Committee will be on March 1, 2019. He stated the retirement plans have been fully funded. He will report to the Committee and then take any questions they may have for him.

He stated the Actuarial Request for Proposal (RFP) process is almost complete, and the Department of Administrative Services will post an intent to contract on March 1, 2019.

He remarked that Education Services and NPERS staff have nearly completed the 2019 Annual Report to the Legislature.

He announced the next meeting is at Ameritas on Monday, March 18, 2019.

R. Gerke reported Educational Services sent a letter to approximately 300 School members who may have been eligible for a benefit, and approximately 25 of those members have now asked for further information regarding their account. He stated Educational Services also created an informational letter for employers to provide terminating employees.

He announced that M. Nuss is initiating the construction of a comprehensive training program for the Call Center, with an additional focus on creating a standard program to serve the entire agency.

He reported there are two Call Center openings, as two employees were moved laterally to Benefits to fill open positions in that department, and Data Services has filled an open position in the mailroom.

R. Gerke reported he volunteered to serve on the National Council of Teachers Retirement (NCTR) Education Committee. He provided several meeting topics for the Directors' Meeting held in June, and the Annual Conference in the fall, that may be utilized including cyber audits, cyber security, actuarial audits, and benefit adequacy studies.

R. Gerke commented that as D. Leonard is resigning as of March 1, 2019, the PERB will need to fill his position as the Chair of the Audit Committee, and fill his seat on the Legislative Committee.

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

Agenda Item 11 – Board Committee Reports: J. Schulz commented that the Legislative Committee has not met because the work of O. Hill, and his education of the PERB, has been so comprehensive regarding this year's legislation.

Agenda Item 12 – Board Education/Travel Requests: There were none.

Agenda Item 13 – Future Meetings/Agendas: The next PERB meeting will be Monday, March 18, 2019, at Ameritas.

Agenda Items 14 and 15 – Executive Session: At 10:13 a.m., D. Blank moved that 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-19-1, Additional information: 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. K. Ackerman seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

At 12:30 p.m., P. Lancaster moved that the Board exit Executive Session and reconvene in Regular Session. D. Blank seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

K. Ackerman moved to excuse D. Leonard. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

D. Blank moved to deny Case No. D-19-1. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, D. Blank, J. Derr, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

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

The meeting adjourned at 12:32 p.m.



Randy Gerke
Director