



1526 K Street, Suite 400
P.O. Box 94816
Lincoln, NE 68509-4816
Phone 402-471-2053
Toll Free 800-245-5712
Fax 402-471-9493
npers.ne.gov

PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

August 16, 2021

9:30 A.M.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, August 16, 2021, in the 1526 Building, Fourth Floor, Conference Room 4D, 1526 "K" Street, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, August 6, 2021. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, August 9, 2021. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

MEMBERS PRESENT:

JANIS ELLIOTT, CHAIR
KELLI ACKERMAN, VICE-CHAIR
MIKE JAHNKE
PAM LANCASTER
JIM SCHULZ
ALLEN SIMPSON
THOMAS ZIMMERMAN
MICHAEL WALDEN-NEWMAN, EX-OFFICIO

MEMBER NOMIMNEES PRESENT:

GERALD CLAUSEN

NONMEMBERS PRESENT:

RANDY GERKE

Director

ORRON HILL

Legal Counsel/Deputy Director

MELISSA NUSS

Retirement Plan Manager

TYLER CUMMINGS

Retirement Plan Manager

HEATHER CRITCHFIELD-SMITH

Education Services Manager

ANNA HAYDEN-ROY

Marketing & Communications Specialist

JEREMIAH CALCARA

Training Specialist

BILL BIVEN

Legislative Fiscal Office

CLAIRE OGLESBY

State Budget Office

JOSH RUHNKE

Ameritas

Agenda Item 1: J. Elliott stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is provided electronically, via a link on the final agenda posted on the Nebraska Public Employees Retirement Systems' (NPERS) website, on the Attorney General's website, 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 16, 2021, Board Meeting to order at 9:30 a.m. Present at meeting: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, T. Zimmerman, and M. Walden-Newman.

Agenda Item 4 – Approval of Minutes: The PERB discussed the July 19, 2021, minutes and some of the concerns regarding the cybersecurity presentation given by P. Wright. There was discussion about the Office of the Chief Information Officer's (OCIO) role if there was a cybersecurity incident at the agency. The PERB was concerned with the lack of clarity provided by the OCIO during the presentation and felt more clarification was needed.

The PERB was concerned with the following topics: purchasing additional cybersecurity insurance, implementing a cybersecurity audit, and where the responsibility lies if a cybersecurity incident occurred.

It was suggested by the PERB that they obtain a written response from the OCIO regarding the above concerns. It was also mentioned that they would like to have P. Wright attend a future meeting in order to address the PERB's concerns.

O. Hill stated the agency does have an incident response plan policy in place.

P. Lancaster moved for approval of the minutes of the July 19, 2021, Board Meeting. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, A. Simpson, and T. Zimmerman. Abstain: J. Schulz. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & July Retirement Report: J. Elliott stated there will be adjustments in the August 2021 Budget Status Report.

K. Ackerman moved to approve the Budget Status Report and the July 2021 Retirement Report. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. 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 introduced Gerald Clausen who has been appointed by Governor Ricketts to fill the vacant public PERB seat. G. Clausen introduced himself and provided a brief background of himself and his previous work history as a city manager.

Agenda Item 7 – Gage County Request for Participation in the State Deferred

Compensation 457 Plan (DCP): R. Gerke stated Gage County has requested participation for the State 457 plan as they will be terminating their current 457 plan. Gage County currently has six members in their DCP.

J. Schulz asked for clarification if Gage County had met the requirements to join the State DCP. O. Hill stated the county met the requirements to join the plan. He also stated members in the current plan will have one year to roll the money into an individual retirement account (IRA) or into the State 457 DCP.

J. Schulz moved to approve the Gage County's Request for Participation in the State Deferred Compensation 457 Plan. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Item 8 – Education Services Update: H. Critchfield-Smith presented the Education Services update. She provided a brief background on the varying roles she has held with NPERS during the past ten years.

She stated the importance of the Education Services department which provides educational materials to the members of the six retirement plans administered by the agency. She introduced the Education Services team, Anna Hayden-Roy and Jeremy Calcara.

She discussed the videos her team has created explaining how to complete some of NPERS forms. She discussed the different publications her team produces such as the Annual Investment Report, the plan handbooks, Annual Report to the Legislature, Employer Reporting manuals, and newsletters.

She discussed the seminars her team coordinated and the effects the pandemic had on organizing the seminars. This year they introduced virtual seminars (webinars) which were well attended and received positive feedback from members.

She stated her team has established a YouTube channel and placed a television in the lobby to play the videos her team produces.

Though School seminars have been conducted in the spring during the past, she said they have added School seminars during the fall schedule this year.

K. Ackerman thanked H. Critchfield-Smith and her team for the work they have accomplished. K. Ackerman hopes there can be more employer reporting seminars as there has been some turnover with employer reporting agents.

J. Elliott commented on the videos Education Services has produced. She stated this is a great tool for both members and employees. She also stated she is glad that the seminars will expand to a year-round basis.

T. Zimmerman moved to approve the Education Services Update. Motion was seconded by M. Jahnke. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Items 9 – Board Policy Review: O. Hill stated there were minor revisions to the PERB policies which included removing the requirement of posting meeting notices in the Omaha World-Herald and the Lincoln Journal-Star newspapers.

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

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

- The cost-of-living adjustment (COLA) letters and Defined Benefit statements were mailed to members during the past few weeks. There has been an increase in call volume and returned mail due to these letters.
- The School retirement season is underway, and the Benefits team is busy calculating and processing retirement benefits.
- The Cash Balance dividend was credited by Ameritas to member’s accounts as of July 30, 2021. There were around 1,400 members who took a distribution after December 31, 2020 and will need the dividend paid to them either in a lump sum or rollover.
- The fees charged by Ameritas will change and there was discussion when the dividends should be paid out. There will be a \$5 distribution fee for dividends which will save members around \$70,000 this year. One drawback is dividends of \$100 or less will have a \$5 fee. In the past, there would not have been a fee for these members.
- R. Gerke, O. Hill, and J. Hardy met with Pete Kroll to discuss three projects the agency will undertake this year. The solicitation letter for the information technology (IT) assessment has been sent out and responses are due September 8, 2021. A solicitation letter has been completed for the actuarial audit and responses are due September 3, 2021. A request for proposal (RFP) will need to be completed for the Omaha School Employees Retirement System (OSERS) transfer project.
- R. Gerke, O. Hill, T. Zulauf, and J. Hardy met with Dr. Cheryl Logan (Omaha Public Schools Superintendent), her Chief of Staff, Finance Officer, and Legal Counsel to discuss the transfer of OSERS.
- He is holding monthly meetings with Cecilia Carter, OSERS Director. The compliance audit for OSERS is underway and OSERS has received some feedback. OSERS is also undergoing an experience study.
- The State and County audit exit meeting was last week. There were two report points. Cindy Janssen will present the report at the next PERB meeting. The School, Judges, and Patrol audit will begin at the end of September.
- Online non-contributing forms are now mandatory for Schools. The State is currently in the testing phase for electronic non-contributing forms.
- The website redesign has started, and the hope is the project will be completed by the end of this year.

- There was an agency meeting on August 2, 2021, regarding fraud. Officer Chad Hein from the Lincoln Police Department was the guest speaker.
- C. Holmes, Accountant II, will be retiring September 10, 2021, leaving two open positions in the Accounting department. One of the open positions is waiting on a position description questionnaire (PDQ) to be completed.
- There was a PDQ submitted to the Department of Administrative Services (DAS) for the IT Security Analyst position.

M. Jahnke moved to approve the Director's Report. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Item 11 – Board Committee Reports: There were none.

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

J. Elliott thanked the PERB for allowing her to attend the National Council on Teacher Retirement (NCTR) trustee workshop. She appreciated the investment education provided during the workshop. She also stated there was education about conducting system audits and cybersecurity issues during the workshop.

Agenda Item 13 – Future Meetings/Agendas: The next PERB meeting is on September 20, 2021.

Agenda Items 14 and 15 – Executive Session: At 10:47 a.m., M. Jahnke moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members, personnel matters, and pending legal matters; Protection of Public Interest, Prevention of Needless Injury to the Reputation of an Individual; Update on Pending Legal Matters; Protection of Public Interest. Motion was seconded by K. Ackerman. J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke moved for approval of Case Review No. D-21-13. P. Lancaster seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

At 12:00 p.m., M. Jahnke moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

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

The meeting adjourned at 12:02 p.m.

A handwritten signature in blue ink, appearing to read "Randy Gerke". The signature is stylized with a large initial "R" and a distinct "G".

Randy Gerke
Director