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**PUBLIC EMPLOYEES RETIREMENT BOARD MEETING**

**September 20, 2021**

**9:30 A.M.**

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, September 20, 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, September 10, 2021. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, September 13, 2021. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

**MEMBERS PRESENT:**

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

**MEMBERS ABSENT:**

ALLEN SIMPSON

**MEMBER NOMIMNEES PRESENT:**

GERALD CLAUSEN

**NONMEMBERS PRESENT:**

RANDY GERKE  
 Director  
 ORRON HILL  
 Legal Counsel/Deputy Director  
 TIM BAKER (Virtual)  
 Internal Auditor  
 TERESA ZULUAF  
 Controller  
 JACK HARDY  
 Information Technology (IT) Manager  
 MELISSA NUSS  
 Retirement Plan Manager

TYLER CUMMINGS  
 Retirement Plan Manager  
 HEATHER CRITCHFIELD-SMITH  
 Educations Services Manager  
 JOHNETTA LANG  
 Data Services Manager  
 NEIL SULLIVAN  
 State Budget Office  
 CINDY JANSSEN  
 State Auditor's 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 September 20, 2021, Board Meeting to order at 9:30 a.m. Present at meeting: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, T. Zimmerman, and M. Walden-Newman. Absent: A. Simpson.

**Excuse Board Member:** P. Lancaster moved to excuse A. Simpson. Motion was seconded by M. Jahnke. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman.

**Agenda Item 4 – Approval of Minutes:** P. Lancaster moved for approval of the minutes of the August 16, 2021, Board Meeting. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 5 – Approval of Budget Status Report & August Retirement Report:** M. Jahnke moved to approve the Budget Status Report and the August 2021 Retirement Report. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, 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.

**Agenda Item 7 – State and County Audit Report:** C. Janssen gave the State and County Audit report. There were two report findings she discussed. The first finding in the report involved a number of inaccurate accrual entries. The second finding of the report dealt with two distribution errors.

P. Lancaster moved to approve the State and County Audit Report. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 8 – Internal Auditor's Report:** T. Baker gave the Internal Auditor's report.

There were eight School audits issued from June through August. He stated his team does follow-up with Schools after an audit report has been completed. There were nine follow-ups completed this past quarter.

There were eleven County audits issued during the past quarter. There are seven follow-ups on previous audits that are currently in progress.

Some of the findings in the Schools audits include employers not tracking extra duty hours, errors in reporting hours worked, omitting of eligible compensation for retirement calculations, and not enrolling employees into the plan on a timely basis.

Some of the findings in the County audits include employers not properly submitting Voluntary Enrollment forms, employers not properly submitting Non-Contributing forms, and submitting incorrect employee demographic information.

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

The PERB took a break from 10:37 a.m. to 10:49 a.m.

**Agenda Items 9 – Investment Officer's Report:** M. Walden-Walden gave the Investment Officer's Report.

He stated investment return for the Defined Benefit plans for fiscal year 2021 was 29.9%. He also discussed the asset allocations of the investment funds for the plans.

He discussed the capital market assumptions and the plan to change the bond asset allocation managers.

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

**Agenda Items 10 – Actuarial Audit Proposal:** R. Gerke discussed the actuarial audit proposal. A solicitation letter was sent out to five actuarial firms to conduct an actuarial audit on Cavanaugh Macdonald. Gabriel, Roeder, Smith & Company (GRS) was the only actuarial firm to send a proposal within the budgetary limitations.

P. Lancaster moved to approve the Actuarial Audit Proposal. Motion was seconded by J. Schulz. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 11 – Director's Report:** R. Gerke gave the Director's Report.

- Gerald Clausen's confirmation hearing for the public PERB seat was September 14, 2021. The debate and confirmation for his appointment by the Legislature should be completed before the end of the special legislative session.
- The School, Judges, and Patrol audit entrance interview was conducted on September 14, 2021.
- The Benefits department continues to work on June 1, 2021, School effective retirement date (EFD) applications. They have also begun processing July 1, 2021, EFD applications.

- The website redesign continues to move forward, and a test website has been provided to NPERS.
- The solicitation letter for the technology assessment was sent out and four bids have been received.
- Meetings have continued between NPERS, Omaha Public Schools (OPS), and the Omaha School Employees' Retirement System (OSERS) regarding the OSERS transfer project.
- IT is reporting to the Office of the Chief Information Officer (OCIO) leadership monthly on the OSERS transfer project. The Nebraska Information Technology Commission (NITC) has made the OSERS transfer project one of the top twenty projects on their list.
- There will be an oversight vendor to oversee the OSERS transfer project. A statement of work was recently submitted by a vendor that has previously done some work for the State of Nebraska but NPERS has not had time to review it.
- The State and County seminars are currently in progress. There are slots available for some of the in-person seminars and webinars. A new topic regarding elder fraud has been added to the seminar. The financial planning seminars have not had many people sign up.
- The Education Services department will soon complete an informational video regarding the direct deposit form.
- The Department of Administrative Services (DAS) has completed the position description questionnaire (PDQ) for the proposed Security Analyst position. The actual title of the position would be an IT Developer. The next steps were discussed to add this position to the agency.
- The Accounting II position has been filled and will start September 27, 2021.
- There are three open positions in the agency: Office Specialist I, Mail Room Clerk I, and SOS Benefits Processing.
- October is the Excellence in Leadership recognition month, and the two winners of the award will be honored at the next PERB meeting.
- He requested to attend the National Council on Teacher Retirement virtual conference from October 11 – 14, 2021 with a registration cost of \$500.

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

M. Jahnke moved to approve the Director's request to attend the virtual NCTR conference from October 11 – 14, 2021. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 12 – Board Committee Reports:** There were none.

**Agenda Item 13 – Board Education/Travel Requests:** J. Elliott and K. Ackerman requested approval to attend the virtual NCTR conference from October 11 – 14, 2021 with a registration cost of \$500. P. Lancaster moved to approve J. Elliott's and K. Ackerman's request to attend the virtual NCTR conference from October 11 – 14, 2021. Motion was seconded by T. Zimmerman. Members voted as follows: For: M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Abstain: J. Elliott and K. Ackerman. Motion carried.

**Agenda Item 14 – Future Meetings/Agendas:** The next PERB meeting is on October 18, 2021.

**Agenda Items 15 and 16 – Executive Session:** At 12:02 p.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, and T. Zimmerman. Against: None. Motion carried.

At 1:50 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, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke moved for approval of Case Review No. D-21-14 and Case Review No. D-21-16. K. Ackerman seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke moved to deny Case Review No. D-21-15. K. Ackerman seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

M. Walden-Newman left the meeting.

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

The meeting adjourned at 1:53 p.m.



Randy Gerke  
Director