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## **PUBLIC EMPLOYEES RETIREMENT BOARD MEETING**

**January 24, 2022**

**9:30 A.M.**

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, January 24, 2022, in the First Nebraska Administrative Building, Fourth Floor, Lancaster Hearing Room, 1526 "K" Street, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, January 14, 2022. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, January 17, 2022. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

### **MEMBERS PRESENT:**

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

### **MEMBERS ABSENT:**

ALLEN SIMPSON

### **NONMEMBERS PRESENT:**

RANDY GERKE Director	JEREMY CALCARA Training Specialist
ORRON HILL Legal Counsel/Deputy Director	BILL BIVEN Fiscal Policy Office
TERESA ZULUAF Controller	JOSH RUHNKE Ameritas
JACK HARDY Information Technology (IT) Manager	CHIRSTI RINALDI Gartner Consulting
MELISSA NUSS Retirement Plan Manager	DIANNA WORONUK Ameritas
TYLER CUMMINGS Retirement Plan Manager	MARK METCALF Public
HEATHER CRITCHFIELD-SMITH Education Services Manager	KELLY MEYER Public
JOHNETTA LANG Data Services Manager	

**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 January 24, 2022, Board Meeting to order at 9:30 a.m. Present at meeting: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, M. Walden-Newman, and T. Zimmerman.

J. Elliott reminded the Board their Statement of Financial Interests form is due by March 1, 2022.

**Agenda Item 4 – Election of Officers:** J. Elliott reviewed the election of officers' procedures. She opened nominations for Board Secretary. P. Lancaster nominated R. Gerke for Board Secretary. J. Schulz seconded the motion. P. Lancaster moved nominations cease and a unanimous ballot be cast for R. Gerke. M. Jahnke seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

R. Gerke opened nominations for Board Chair. P. Lancaster nominated J. Elliott for Board Chair. T. Zimmerman seconded the motion. P. Lancaster moved nominations cease and a unanimous ballot be cast for J. Elliott. T. Zimmerman seconded the motion. Members voted as follows: For: K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Abstain: J. Elliott. Against: None. Motion carried.

J. Elliott opened nominations for Board Vice-Chair. P. Lancaster nominated K. Ackerman for Board Vice-Chair. T. Zimmerman seconded the motion. P. Lancaster moved nominations cease and a unanimous ballot be cast for K. Ackerman. T. Zimmerman seconded the motion. Members voted as follows: For: J. Elliott, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Abstain: K. Ackerman. Against: None. Motion carried.

**Agenda Item 5 – Approval of Minutes:** J. Schulz moved for approval of the minutes of the December 20, 2021, Board Meeting. Motion was seconded by M Jahnke. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 6 – Approval of Budget Status Report & December Retirement Report:** J. Schulz moved to approve the Budget Status Report and the December 2021 Retirement Report. Motion was seconded by K. Ackerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

J. Schulz noted NPERS is under budget currently for this fiscal year. R. Gerke stated there are still some items in the budget that have yet to happen or are still underway.

**Agenda Item 7 – Public Comments or Correspondence from Citizens:** There were none.

**Agenda Item 8 – Legal/Legislative Update:** O. Hill gave the Legal/Legislative Update.

He discussed two proposed bills that have been referred to the Legislative Retirement Committee.

- LB 700 is the technical and operational compliance bill.
- LB 1043 outlines the rules for Nebraska Department of Education, Department of Health and Human Services, and Department of Correctional Services employees that are participating in the School Plan.

He discussed other proposed bills that have been referred to other committees in which NPERS/PERB may want to take action.

- LB 992 appropriates \$310,500 to NPERS for a self-service function for State Patrol retired members to add, remove, update, and view payroll deductions. There is some confusion as to why the bill is being proposed as NPERS can only deduct Federal and Nebraska state taxes. He did reach out to Senator Morfeld's office to try and obtain more information about the proposed bill.
- LB 1011 provides, changes, and eliminates provisions relating to appropriations.
- LB 1083 provides for payment of claims against the state.

He discussed the proposed bills to spend the American Rescue Plan Act (ARPA) funds. Some of the proposed bills would direct funds to teachers which will have to be monitored to determine if the funds are compensation for retirement purposes.

There was discussion about how NPERS would monitor wages and compensation if any of the ARPA bills are passed. In the past, NPERS has reached out to the introducing senator regarding this topic. An amendment to a bill could be introduced to explicitly state whether or not the funds are considered compensation for retirement purposes.

The ARPA related bills are listed below:

- LB 696 appropriates federal funds to the State Department of Education for school employee retention payments.
- LB 1055 appropriates federal funds to the Department of Health and Human Services for premium-pay to front-line nurses.
- LB 1131 states intent is to appropriate federal funds for bonus payments for teachers, child care workers, and health care workers.
- LB 1138 appropriates federal funds to the Department of Health and Human Services for local public health departments.
- LB 1182 adopts the School Employees Pandemic Protection Act and states intent regarding federal funds.
- LB 1217 appropriates federal funds to the Department of Administrative Services for incentive payments to eligible school employees.
- LB 1220 appropriates federal funds to the State Department of Education for premium payments for teachers working in underserved communities.

O. Hill discussed other proposed bills he is monitoring and does not recommend taking any action on these bills.

There was discussion about how the courts implemented technology to conduct some of its processes virtually. T. Zimmerman mentioned how the court conducts its virtual presentation and suggested the PERB might look into offering both an in-person session and virtual session.

M. Jahnke moved to approve the Legal/Legislative Update. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

**Agenda Item 9 – OSERS Transfer Project:** Christy Rinaldi, from Gartner Consulting, provided a quick overview and update of the Omaha School Employees Retirement System (OSERS) transfer project. She provided an introduction, engagement schedule overview, and the accomplishments to-date.

Dianna Woronuk, from Gartner Consulting, provided the results of the Readiness Assessment dashboard. She stated there were three key strengths: commitment to success, strong foundation, and the existing baseline.

They have identified eleven key initiatives to improve NPERS' readiness:

- Finalize Project Governance
- Develop Project Charter
- Create a Benefits Realization Plan
- Develop a Staffing Plan
- Define NPERS Project Management Approach and Resource
- Perform Stakeholder Analysis
- Develop and Initiate an OCM Plan
- Develop a Communication Plan
- Create Data Conversion & Migration Plan
- Perform a Data Quality Assessment
- Build an Implementation Roadmap

Gartner has identified four paths for the development work of the OSERS Transfer project. Gartner recommends outsourcing the development portions of the project.

R. Gerke asked for clarification about the consulting aspect of the project. C. Rinaldi stated NPERS will need to appoint an internal Project Manager for the transfer.

C. Rinaldi discussed outsourcing the development of the transfer project. She stated organizations in a similar situation as NPERS typically outsource the development portion.

R. Gerke asked for clarification if the transfer project can be completed on time, within budget, and with quality work if NPERS does decide to outsource the development phase.

C. Rinaldi stated she felt this could be accomplished and Gartner would be able to provide resources to help facilitate the outsourcing.

P. Lancaster suggested any decision to outsource a portion of the transfer project be brought to the PERB for their vote of support.

Answering a PERB question, R. Gerke stated Omaha Public Schools (OPS) will be funding the transfer project.

J. Schulz moved to approve authorization for the Director to outsource the development portion of the OSERS Transfer Project. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

The PERB took a break from 11:02 a.m. to 11:14 a.m.

**Excuse Board Member:** M. Jahnke moved to excuse A. Simpson. P. Lancaster seconded the motion. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke thanked Heather Critchfield-Smith and Jeremy Calcara for their work educating the State Patrol members on the Deferred Compensation plan (DCP). He stated when the Retirement 101 seminar started, 17% of State Patrol members were enrolled in DCP. At the end of 2021, he stated 42% of State Patrol members are now enrolled into the DCP. He mentioned the education provided by H. Critchfield-Smith and J. Calcara is the main reason for the increase in DCP enrollments. M. Jahnke stated he is appreciative of the work Education Services has provided to the State Patrol members.

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

- The OSERS transfer project work plan was filed with the Legislature on December 23, 2021.
- He and J. Hardy continue to meet with Gartner on a weekly basis to discuss the OSERS transfer project.
- OPS voted on the Experience Study and by September 1, 2024, the OSERS plan will have the same assumptions as the NPERS School plan. He stated the new assumptions will increase the actuarial required contribution to the OSERS plan.
- R. Gerke met with the Department of Administrative Services about the office space needs for the OSERS transfer project.
- Education Services has begun working on the Annual Report to the Legislature.
- Tax table change letters were mailed out and 1099-R forms are scheduled to be mailed today.
- The actuarial audit conducted by Gabriel, Roeder, Smith & Company is still underway.
- Information is being gathered for the State and County valuation.
- The exit interview for the School, Judges, and Patrol audit should be completed in February.

- The technology assessment is still being completed by Provaliant.
- Ameritas will be providing in-person OMNI training for the NPERS staff on February 9, 2022.
- There is an open position for a Retirement Specialist I in Member Services. The IT Security Analyst position should be posted soon.
- The annual performance review deadline have been moved this year to April 1 rather than the service date anniversary of the team member.
- He discussed the Leadership Training program offered by the state which T. Zulauf, J. Hardy, and M. Nuss have all completed. He attended the graduation ceremony for M. Nuss on January 21, 2022. He stated T. Cummings and J. Lang are currently enrolled in the program.
- He stated the Statement of Financial Interest forms are due by March 1, 2022.

K. Ackerman moved to approve the Director's Report. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, 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.

**Agenda Item 13 – Future Meetings/Agendas:** The next PERB meeting is on February 28, 2022.

**Agenda Items 14 and 15 – Executive Session:** At 11:38 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: Case Review No. D-22-1; Prevention of Needless Injury to the Reputation of an Individual; Personnel Matters; Case Review No. D-22-2; 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. Motion was seconded by G. Clausen. J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

At 12:28 p.m., M. Jahnke moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

J. Elliott clarified the hourly rate is \$84.134 for the Director's salary that was approved during the December 20, 2021, meeting.

M. Jahnke moved for approval of Case Review No. D-22-1. Motion was seconded by K. Ackerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke moved for denial of Case Review No. D-22-2. Motion was seconded by G. Clausen. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

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

The meeting adjourned at 12:32 p.m.



Randy Gerke  
Director