



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

November 21, 2022

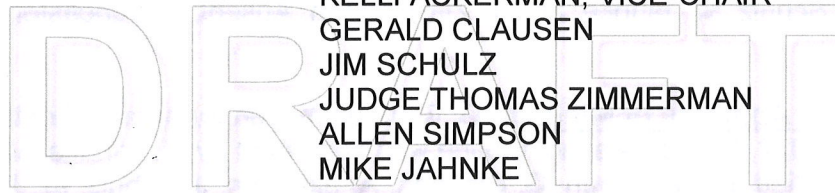
9:30 A.M.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, November 21, 2022, in the First Nebraska Administrative Building, Lower-Level Training and Development Room, 1526 "K" Street, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, November 8, 2022. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, November 14, 2022. J. Elliott chaired the meeting and B. Dinges recorded the minutes.

MEMBERS PRESENT:

JANIS ELLIOTT, CHAIR
 KELLI ACKERMAN, VICE-CHAIR
 GERALD CLAUSEN
 JIM SCHULZ
 JUDGE THOMAS ZIMMERMAN
 ALLEN SIMPSON
 MIKE JAHNKE



MEMBERS NOT PRESENT:

PAM LANCASTER
 MICHAEL WALDEN-NEWMAN, EX-OFFICIO

NONMEMBERS PRESENT:

RANDY GERKE
 Director
 ORRON HILL
 Deputy Director/Legal Counsel
 TERESA ZULAUF
 Controller
 MELISSA NUSS
 Benefits Processing Manager
 TYLER CUMMINGS
 Retirement Plan Manager
 JOHNETTA LANG
 Data Services Manager
 BRENDA DINGES
 Member Services Manager
 DEAN GRESS
 IT Senior Developer

MARIA DAVIS
 Retirement Specialist II NPERs
 HEATHER CRITCHFIELD-SMITH
 Education Services Manager
 BRENT BANISTER
 Cavanaugh Macdonald
 KELSEY FOLEY
 Nebraska State Education Association
 JASON HAYES
 Nebraska State Education Association
 ZACH WELLS
 Nebraska Auditors
 RYAN WALTON
 State Budget Office
 DON WESLEY
 O'Hara Lindsay Government Relations

SENATOR ROB CLEMENTS

Public
PAT BECKHAM
Cavanaugh Macdonald
JAYDEEP DESHPANDE
OSERS Transfer Project Manager
BILL BIVEN
Legislative Fiscal Office
VANESSA HOHLEN
Internal Auditor

SHANE RHIAN
Omaha Public Schools CFO
JOSH RUHNKE
Ameritas
ERIC ASBOE
Supreme Court
KATE ALLEN
Legislative Retirement Committee

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 November 21, 2022, Board Meeting to order at 9:32 a.m. Present at meeting: J. Elliott, K. Ackerman, G. Clausen, A. Simpson, J. Schulz, M. Jahnke, and T. Zimmerman. Absent: P. Lancaster, M. Walden-Newman.

Agenda Item 4 – Approval of Minutes: G. Clausen moved for approval of the minutes of the September 19, 2022, Board Meeting. Motion was seconded by M. Jahnke. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, A. Simpson, J. Schulz, M. Jahnke and T. Zimmerman. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & September/October Retirement Reports: M. Jahnke moved to approve the Budget Status Report and the September/October 2022 Retirement Reports. Motion was seconded by K. Ackerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, A. Simpson, J. Schulz, M. Jahnke and T. Zimmerman. Against: None. Motion carried.

Agenda Item 6 – Public Comments or Correspondence from Citizens: There were none.

Agenda Item 7 – Auditor of Public Accounts- State & County Audit:

Z. Wells began by saying the Auditors appreciate the assistance NPERS gives them in providing information to make things easier during the audit.

The Auditors issued an unmodified opinion on financial statements. One recommendation was made on a reconciliation between Enterprise One and State Street Bank. There were errors in the amount of about \$48 million dollars in E-1. The financial statements however were correct.

Areas that could be affected were State DC, County DC, State ERBF, County ERBF and the DCP plans.

The Auditors recommend NPERS improve processes to make sure errors are being caught and corrected.

They also issued the GASB 68 Report used for School and County audits.

J. Schulz asked R. Gerke to explain how the error occurred and it was due to the entries not being entered into E-1. NPERS was aware of the problem and was already in the process of correcting the issue by the time the Auditors came upon it.

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

Agenda Item 8 – July 1, 2022, Actuarial Valuation Results for School, Judges, and Patrol:

P. Beckham stated the reports are based on a very long-term obligation to fund the plans in the future and are used to measure assets and liabilities. Contribution rates are largely employee and employer, however if the rates are insufficient the State will cover the shortfall the day after the fiscal year-end.

P. Beckham mentioned changes from LB 17 which will incrementally increase court fees for the Judges Plan over a 4-year period. NPERS is in the second step of the phase-in of the latest experience study.

She touched base on the payroll-related state contribution beginning July 1, 2023, with the contribution rate going no higher than 5% with the option for reduction. Due to smoothing the assets were 7.8% compared to the actual market value of -8.3%.

She presented the change in unfunded actuarial liability along with the change in the funded ratio of the three plans. The School, Judges, and State Patrol plans have a funding ratio of 98.42%, 101.32%, and 90.67%, respectively.

B. Banister discussed future projections for both the short-term and long-term regarding additional State contributions and of both employees and employers for the three plans.

T. Zimmerman moved to approve the July 1, 2022, Actuarial Valuation Results for the School, Judges, and State Patrol plans. The Motion was seconded by K. Ackerman. Members voted as follows: For J. Elliott, K. Ackerman, G. Clausen, A. Simpson, J. Schulz, M. Jahnke, and T. Zimmerman. Against: None. Motion carried

The PERB took a break from 10:50 a.m. to 11:04 a.m.

Agenda Item 9 – Excellence in Leadership Recognition: R. Gerke stated the month of October is Employee Recognition for the State of Nebraska. NPERS selects two employees

for the Excellence in Leadership award each year and this year's honorees were Maria Davis, Retirement Specialist II in Benefits, and Brenda Dinges, Member Services Manager. R. Gerke provided a summary of staff comments regarding the honorees and J. Elliott presented both honorees with a framed certificate award.

Agenda Item 10 – Legal/Legislative Update: O. Hill gave the Legal/Legislative Update. He provided a summary of the potential legislation for the upcoming 2023 legislative session.

- Technical compliance bill related to the aspects of military service credit for our military personnel under Federal Rules and Regs to include additional types of military duties.
- Technical language to LB 700 that added an E clause to update statutory dates.
- Attorney General's opinion adopted and NPERS is requesting specific immigration documents be provided by employees to employers so if needed we can request them for review. This includes all plans.
- Language to aid in substituting, specifically if the employee has not taken a distribution from the plan to allow more days for subbing.

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

Agenda Item 11- Omaha School Employees' Retirement System (OSERS) Transfer Project:

J. Deshpande stated the RFP responses were received from the vendors and NPERS completed the evaluation of the RFP responses as well as the interviews with the vendors.

Jaydeep Deshpande, Francis Bressler and John Duggan personally attended the oral interviews.

R. Gerke indicated the team had a vendor that met the criteria of the RFP. J. Schulz motioned to give R. Gerke and the team authorization to move forward with the vendor negotiations on best and final offer in the OSERS Transfer Project with the intent to award the contract followed by contract negotiations within the timeline and budget authorized in the RFP. The motion was seconded by T. Zimmerman. Members voted as follows: For J. Elliott, K. Ackerman, G. Clausen, A. Simpson, J. Schulz, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

T. Cummings continues to work in Omaha. The Retirement Specialist II position for the OSERS Plan has been filled by T. Wuestewald, a current NPERS employee, T. Wuestewald has started going to Omaha to train with T. Cummings.

NPRIS budget for RFP is \$4.2 million for programming with a completion timeline of September 2024. NPERS goal is to have the system up and running by July 2024.

M. Jahnke moved to approve the OSERS Transfer Project Update. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, J. Schulz, and G. Clausen, K. Ackerman, M. Jahnke, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Item 12 – Director’s Report: R. Gerke gave the Director’s Report.

- Mass Mutual/Empower transfer went smoothly. A sixth of the General account has also now been transferred.
- Dividend payout is almost complete except for a few small issues.
- SJP audit is nearly complete.
- Notification sent to members on new design of our website.
- State & County Seminar season is complete, and attendance was up for both in person and webinar sessions. Costs were down significantly, so no increase in price is required.
- Cindy Koenig Warnke spoke about Elder Fraud at an agency meeting. It was very informative and educational.
- Issues regarding subbing and immigration has been a topic of discussion for the past month and legislation will be required.
- J. Hardy is holding W4-P weekly meetings trying to streamline the process and programming.
- R. Gerke reported attending the NCTR conference.
- After meeting J. Elliott, R. Gerke, P. Beckham, and B. Banister were scheduled to meet the Governor elect to discuss funding of the plans.
- November 22, 2022, the actuaries will provide their report to the Legislative Retirement Committee on the funding of the SJP plans at 9:00 a.m. OSERS had their audit report presented to the Legislative Retirement Committee at 10:30 a.m. and the underfunded plans will meet at 1:30 p.m.
- Personnel update: 2 Call Center positions have been filled; 1 Retirement Specialist I position has been filled. Still in need of an Auditor, an Accountant I position, as well as an SOS Receptionist.

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

Agenda Item 13 – Board Committee Reports: There were none.

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

Agenda Item 14 – Board Education/Travel Requests: There were none.

Agenda Item 15 – Future Meetings/Agendas: The next PERB meeting is on December 19, 2022.

Agenda Items 16 and 17 – Executive Session: At 11:44 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-22-18; Prevention of Needless Injury to the Reputation of an Individual; Protection of Public Interest. Motion was seconded by T. Zimmerman; J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, A. Simpson, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

At 12:43 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, G. Clausen, J. Schulz, A. Simpson, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

M. Jahnke moved for approval of Case Review No. D-22-18. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, A. Simpson, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

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

The meeting adjourned at 12:45 p.m.



Randy Gerke
Director