



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

September 19, 2022

9:30 A.M.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, September 19, 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, September 9, 2022. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, September 12, 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
MICHAEL WALDEN-NEWMAN, EX-OFFICIO

MEMBER NOT PRESENT:

PAM LANCASTER
ALLEN SIMPSON
MIKE JAHNKE

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

PAT BECKHAM

Cavanaugh Macdonald

JAYDEEP DESHPANDE

OSERS Transfer Project Manager

BILL BIVEN

Legislative Fiscal Office

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 September 19, 2022, Board Meeting to order at 9:30 a.m. Present at meeting: J. Elliott, K. Ackerman, G. Clausen, M. Walden-Newman, J. Schulz and T. Zimmerman. Absent: P. Lancaster, M. Jahnke and A. Simpson.

Agenda Item 4 – Approval of Minutes: G. Clausen moved for approval of the minutes of the August 15, 2022, Board Meeting. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

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

Agenda Item 6 – Public Comments or Correspondence from Citizens: K. Allen spoke of her experience with her office visit at NPERS and how pleased she was with the meeting.

Agenda Item 7 – January 1, 2022, OSERS Actuarial Valuation Reports:

P. Beckham stated the amortization period for OSERS changed from 30 years to 25 years and she discussed the economic assumptions that are being phased-in over four years. She further explained the smoothing method used by OSERS and that it differs from what NPERS uses.

P. Beckham presented the funded ratio of OSERS which was 62% on January 1, 2021 and increased to 63% on January 1, 2022. She mentioned that additional contributions from Omaha Public Schools are likely until 2049, due to OSERS funded status and the phase-in of assumption changes. Due to the implementation of assumptions the investment return for 2021 was 18%.

P. Beckham discussed some of the differences of the four tiers of OSERS. She provided a breakdown of OSERS membership and stated the total number of members in the plan was 14,837 as of January 1, 2022.

S. Rhian explained that Omaha Public Schools full-time and part-time employees received a bonus that would be paid out over the next two years. This bonus is considered compensation for retirement purposes.

The PERB took a break from 10:46 a.m. to 10:57 a.m.

Agenda Item 8 – Investment Officer’s Report: M. Walden-Newman gave the Investment Officer’s Report. The report included quarterly investment returns for second quarter and 2022 Capital Market Assumptions.

Both Stocks and bonds have lost money in the second quarter. YTD returns for DB & CB plans are down over 13% and the FY DB plan down 8% which is a 23% swing from last year’s YTD total. Our portfolio beat our policy benchmarks and the long-term numbers are positive.

NIC is finishing up the Equity Review Study to evaluate the structure of the equity funds that will increase the global managers ability to include larger global stock exposure.

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

Agenda Item 9 – Omaha School Employees’ Retirement System (OSERS) Transfer Project:

J. Deshpande provided an update on the OSERS Transfer Project. He mentioned 1099-Rs were discussed at the Steering Committee meeting which was held on August 8, 2022.

He stated the Office of the Chief Information Officer (OCIO) has approved the request for proposal (RFP).

NPERS is still waiting on the State Purchasing Bureau to approve the RFP.

R. Gerke reported he spoke with the Department of Administrative Services about the construction of the additional office space at NPERS, which should commence in October.

He announced Cecilia Carter retired from OSERS September 19, 2022.

He stated T. Cummings continues to work in Omaha part-time. The Retirement Specialist II position has been posted and interviews with potential candidates will begin soon.

R. Gerke commented on salary differences between OPS and NPERS retirement staff.

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

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

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

- Blackout notice was mailed out by Ameritas August 23, 2022. Blackout period for the Empower transfer will start September 23, 2022.
- He stated Empower would pay out the Guaranteed Fund account over the next five years in six installments with the first payments going out October 28, 2022.
- Budget was submitted before September 15, 2022, by T. Zulauf and can be viewed online.
- The audit meeting with the APA and audit committee as well as the State and County exit meeting followed the Board meeting.
- There was a monetary point for the State & County Plans.
- A Death point on the School, Judges, and Patrol plans. NPERS is in the process of partnering with Vital Statistics to help aid in this situation.
- Meetings are being held to implement the new W4-P forms by the first of the year.
- Subbing issues have come up due to LB147. Working with the Schools to work out solutions to correct the discrepancies and inconsistencies. Will require legislation and policy changes.

G. Clausen moved to approve the Director’s Report. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, 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 October 17, 2022.

Agenda Items 14 and 15 – Executive Session: At 11:58 a.m., K. Ackerman 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-22-15; Prevention of Needless Injury to the Reputation of an Individual; Case Review No. D-22-16; Prevention of Needless Injury to the Reputation of an Individual; Case Review No. D-22-17; 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 T. Zimmerman; J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

At 12:43 p.m., K. Ackerman moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by G. Clausen. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

T. Zimmerman moved for approval of Case Review No. D-22-15, Case Review No. D-22-16, and Case Review No. D-22-17. Motion was seconded by G. Clausen. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, J. Schulz, and T. Zimmerman. Against: None. Motion carried.

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

The meeting adjourned at 12:45 p.m.



Randy Gerke
Director

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