

## PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

March 31, 2008

9:00 A.M.

A regular meeting of the Public Employees Retirement Board convened at 9:00 a.m., Monday, March 31, 2008, in the NIFA Board Room, 1230 "O" Street, Suite 200, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda mailed March 21, 2008. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, March 17, 2008. D. Blank chaired the meeting and S. Linder recorded the minutes.

MEMBERS PRESENT:

DENIS BLANK, CHAIR  
SGT. GLENN ELWELL, VICE-CHAIR  
DALE KAHLA  
MARK SHEPARD  
JUDGE GLENN CAMERER  
RICHARD WASSINGER  
DON PEDERSON  
ELAINE STUHR  
DAVE BOMBERGER, EX-OFFICIO

### NONMEMBERS PRESENT:

PHYLLIS CHAMBERS Director	GARY BUSH DAS - State Budget Administrator's Office
RANDY GERKE Deputy Director	MARY JOCHIM Sterling Financial Advisors
JOE SCHAEFER Legal Counsel	BEN MATTERN Ameritas
JAN FOX Training Supervisor	LIZ LEBER State Auditor's Office
JERRY BROWN IT Manager	NEIL BATEMAN Retired Teachers
TERESA ZULAUF Internal Auditor	SHEILA LINDER Administrative Assistant

**Agenda Item 1:** D. Blank stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is located on the front table.

**Agenda Items 2 and 3 – Meeting Called to Order:** D. Blank called the March 31, 2008, Board Meeting to order at 9:00 a.m. Present at roll call: D. Blank, D. Kahla, M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, and D. Bomberger. Absent: None.

**Agenda Item 4 – Approval of Minutes:** G. Camerer moved for approval of the minutes of the February 25, 2008, Board Meeting. Motion was seconded by G. Elwell. Members voted as follows: For: D. Kahla, M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, and D. Blank. Against: None. Motion carried.

**Agenda Item 5 – Approval of Budget Status Report & February Retirement Report:** G. Camerer moved to approve the budget status report and the February 2008 Retirement Report. Motion was seconded by R. Wassinger.

E. Stuhr noted that nothing is budgeted for vacation, sick, or holiday leave under Personal Services, although expenses are shown on the report. R. Gerke stated leave is not normally split out, but is included in the top line with wages. The bottom line is carefully watched on PSL. The state does not budget for sick leave.

Members voted on the motion as follows: For: M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, D. Blank, and D. Kahla. 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 – Ameritas Annual Report:** B. Mattern was present to give the Ameritas Annual Report for the 2007 calendar year. He circulated copies of the Executive Summary and explained the information provided in the summary.

B. Mattern informed the Board of the major projects completed in 2007 for NPERS, as well as the major projects for 2008. NPERS and Ameritas staff continue to meet monthly to prioritize the projects.

M. Jochim complimented B. Mattern and Ameritas staff on the work they do. Sterling receives technical calls that take a large amount of research. She stated Ameritas is good to work with and pays attention to each and every member.

P. Chambers also complemented B. Mattern and Ameritas, noting they respond promptly to NPERS' needs.

A copy of the Annual Report and Executive Summary can be reviewed at the NPERS Office.

D. Kahla moved to approve the Ameritas Annual Report. G. Elwell seconded the motion. Members voted as follows: For: G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, D. Blank, D. Kahla, and M. Shepard. Against: None. Motion carried.

**Agenda Item 8 – Information System (IT) Update:** J. Brown reported the IT staff is continuing to work with Saber on the PIRs so these items are completed before the conversion.

J. Brown reported development and programming is being done mainly off-shore.

Saber is looking at the resources to see if they have the resources to combine phase 2 and phase 3 testing.

Saber is bringing in additional resources to help with the NPRIS project, the DROP plan and the Cube Method.

The Nebraska Information Technology Commission (NITC) panel did not meet in March.

E. Stuhr moved to approve the IT update. M. Shepard seconded the motion. Members voted as follows: For: M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, D. Blank, and D. Kahla. Against: None. Motion carried.

**Agenda Item 9 – Internal Auditor Report:** T. Zulauf reported the NPERS staff has received several calls from employers regarding “members receiving cash in lieu of compensation” issues and part-time employees that are not making contributions. The School, Judges and Patrol audit points were distributed to the managers and the Internal Audit staff has been working with the managers to get the points cleaned up.

The auditors have been in the NPERS office since March 4<sup>th</sup>, working on the State and County audit. The State and County audit points were also distributed to the managers. The Audit committee will meet with P. Chambers and T. Zulauf following the PERB meeting today.

T. Zulauf reported work is continuing on the reconciliation project. All accounts have been reviewed once and there are 11 that need a second review. She stated 1200 accounts have been reviewed.

T. Zulauf has answered questions from Buck Consultants that arose from data Ameritas sent regarding the ERBF report.

T. Zulauf asked for 15 minutes in executive session to discuss an error that was made.

The Board took a break at 10:20 a.m. and reconvened at 10:34 a.m.

G. Camerer moved to approve the Auditor’s Report. D. Pederson seconded the motion. Members voted as follows: For: R. Wassinger, D. Pederson, E. Stuhr, D. Blank, D. Kahla, M. Shepard, G. Elwell, and G. Camerer. Against: None. Motion carried.

**Agenda Item 10 – Legislative Update:** J. Schaefer reported LB 968 has been advanced to general file. He summarized LB 1147 (NPERS technical bill), which now includes provisions of LB 937, 938, and LB1143. LB 371 (peace officer defined benefit plan) is the committee’s second priority bill and is on general file with a committee amendment. LB 968 (Omaha service annuity bill) advanced to general file with a committee amendment.

D. Pederson moved to approve the Legislative Update. D. Kahla seconded the motion. Members voted as follows: For: D. Pederson, E. Stuhr, D. Blank, D. Kahla, M. Shepard, G. Elwell, G. Camerer, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 11 – Investment Officer’s Update:** D. Bomberger stated the Nebraska Investment Council (NIC) has not met since the PERB’s last meeting. Copies of the NIC’s Annual Report that was presented to the Legislative Retirement Committee on March 27<sup>th</sup> were provided to the Board members.

The next NIC meeting will be held on April 8<sup>th</sup>. The Council will review the asset liability study that Ennis Knupp has prepared. They will also be reviewing recommendations about modifying the strategic asset allocation to support the defined benefit plan.

G. Camerer moved to approve the Investment Officer’s report. D. Kahla seconded the motion. Members voted as follows: For: E. Stuhr, D. Blank, D. Kahla, M. Shepard, G. Elwell, G. Camerer, R. Wassinger, and D. Pederson. Against: None. Motion carried.

**Agenda Item 12 – Director’s Report:** P. Chambers reported the staff has been spending a large amount of time working to fill the open positions. The position in the Call Center has been filled. The expectation is to have the audit position filled this week. Interviews are being held this week for the Retirement Plan Supervisor position.

The Annual report to the legislature was provided to the Board members this morning. P. Chambers presented the report to the Retirement Committee on March 26<sup>th</sup>. She briefly reviewed highlights in the report. A copy of the report can be obtained at the NPERS Office.

T. Zulauf and P. Chambers met with State Auditor Mike Foley, Pat Redding and Krista Davis regarding the reconciliation process. They were shown how the accounts are being corrected and the process used.

P. Chambers met with two of the members of the University of Nebraska Quality Assurance team for the NPRIS project. She also met with Brenda Decker, Chief Information Officer (CIO) for the State, and talked to her about the costs of the NPRIS project. P. Chambers asked for documentation of the work being done by the CIO employees. She also requested a written commitment from B. Decker assuring us the Office of the CIO will be able to support the NPRIS system upon completion of the conversion. Costs will continue to be monitored. B. Decker will also be reviewing the hosting costs for the NPERS servers.

P. Chambers is planning to attend the client education conference being held by Ennis Knupp in Chicago on April 22<sup>nd</sup> and 23<sup>rd</sup>, which the NIC members have been encouraged to attend.

P. Chambers spoke to the Northeast Nebraska School Superintendents group in Wayne last week.

P. Chambers noted an updated list of the Board members was included in their packets, as well as statistics on the benefits department activity.

R. Wassinger moved to approve the Director’s report. E. Stuhr seconded the motion. Members voted as follows: For: D. Blank, D. Kahla, M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, and E. Stuhr. Against: None. Motion carried.

**Agenda Item 13 – Board Committee Reports:** No reports

**Agenda Item 14 – Board Education/Travel Requests:** G. Camerer moved to approve the Director's travel to the client education conference in Chicago, Illinois. D. Kahla seconded the motion. Members voted as follows: For: D. Kahla, M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, and D. Blank. Against: None. Motion carried.

**Agenda Item 15 – Future Meetings/Agendas:** The next meeting will be held on Monday, April 28, 2008, in the Atrium Conference Center, 1200 "N" Street, Suite 206, Lincoln, Nebraska.

**Agenda Items 16 and 17 – Executive Session:** At 11:16 a.m., G. Camerer moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing Retirement No. 427708, a disability application, and other legal and personnel matters, for the protection of public interest, and the matter of concern by the Internal Auditor. Motion was seconded by D. Kahla. D. Blank repeated the motion for the record. Members voted as follows: For: M. Shepard, G. Elwell, G. Camerer, R. Wassinger, D. Pederson, E. Stuhr, D. Blank, and D. Kahla. Against: None. Motion carried.

R. Wassinger left the meeting during executive session.

At 12:01 p.m., G. Camerer moved that the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by D. Kahla. Members voted as follows: For: G. Elwell, G. Camerer, D. Pederson, E. Stuhr, D. Blank, D. Kahla, and M. Shepard. Against: None. Motion carried.

D. Kahla moved for approval of the disability application for Retirement 427708. G. Elwell seconded the motion. Members voted as follows: For: G. Camerer, D. Pederson, E. Stuhr, D. Blank, D. Kahla, M. Shepard, and G. Elwell. Against: None. Motion carried.

**Adjournment:** G. Elwell moved that the meeting adjourn. Motion was seconded by D. Pederson. Members voted as follows: For: D. Pederson, E. Stuhr, D. Blank, D. Kahla, M. Shepard, G. Elwell, and G. Camerer. Against: None. Motion carried.

The meeting adjourned at 12:03 p.m.

Phyllis G. Chambers  
Director