

PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

September 21, 2009

9:00 A.M.

A regular meeting of the Public Employees Retirement Board convened at 9:03 a.m., Monday, September 21, 2009, in the Atrium Conference Room, 1200 "N" Street, Suite 206, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda mailed September 14, 2009. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, September 14, 2009. D. Blank chaired the meeting and V. Huber recorded the minutes.

MEMBERS PRESENT: DENIS BLANK, CHAIR
MARK SHEPARD
RICHARD WASSINGER
DON PEDERSON
ELAINE STUHR
JANIS ELLIOTT
JOE JURICH, EX-OFFICIO

MEMBERS ABSENT: JUDGE GLENN CAMERER
SGT. GLENN ELWELL, VICE-CHAIR

NONMEMBERS PRESENT:

PHYLLIS CHAMBERS Director	GARY BUSH AS - State Budget Administrator's Office
RANDY GERKE Deputy Director	NANCY REIMER Ameritas
JOE SCHAEFER Legal Counsel	NEIL BATEMAN Retired Teachers
MIDEN EBERT Retirement Plan Supervisor	ERIC ASBOE Nebraska Supreme Court
FRED TURNER IT Manager	VICKI HUBER Staff Assistant
TERESA ZULAUF Internal Auditor	

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 September 21, 2009, Board Meeting to order at 9:03 a.m. Present at roll call: D. Blank, M. Shepard,

R. Wassinger, D. Pederson, E. Stuhr, and J. Elliott. Absent: G. Elwell, G. Camerer, and J. Jurich.

Agenda Item 4 – Approval of Minutes: P. Chambers stated there was an addition on page 5 of the minutes. G. Elwell presided over the meeting after D. Blank left the meeting. M. Shepard moved for approval of the minutes of the August 24, 2009, Board Meeting and Retreat as corrected. Motion was seconded by D. Pederson. Members voted as follows: For: M. Shepard, R. Wassinger, D. Pederson, E. Stuhr, J. Elliott, and D. Blank. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & August Retirement Report: E. Stuhr moved to approve the budget status report and the August 2009 Retirement Report. Motion was seconded by R. Wassinger. Members voted as follows: For: R. Wassinger, D. Pederson, E. Stuhr, J. Elliott, D. Blank, and M. Shepard. 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 – Annuity Contract for State of NE DCP: R. Gerke gave a brief history of the contractual agreement with United of Omaha and requested the Board renew their contract for one year. A copy of the proposed contract was provided in the Board packet, along with a sample benefit.

D. Pederson moved to accept R. Gerke's request. J. Elliott seconded the motion. Members voted as follows: For: D. Pederson, E. Stuhr, J. Elliott, D. Blank, M. Shepard, and R. Wassinger. Against: None. Motion carried.

Agenda Item 8 – Information System Update: F. Turner reported 15 warranty problem incident reports (PIRs) and 35 post warranty PIRs as of this morning, September 21, 2009. He stated the problems cover a variety of issues and developers are making changes to the system that may cause additional problems.

F. Turner reported the Service Level Agreement (SLA) between NPERS and Saber was signed on August 27, 2009.

He stated training continues with developers and is approximately 45% complete. This week the developers from the Office of the Chief Information Officer (OCIO) will begin making changes with the help of Saber.

F. Turner reported presenting his final project report to the Nebraska Information Technology Commission (NITC) on September 8, 2009.

D. Pederson requested an explanation of the training contract with Saber. F. Turner explained the 18-month calendar for the training of the OCIO employees and stated further knowledge transfer will be done with additional OCIO employees in the future.

Agenda Item 9 – Legislative Update: J. Schaefer provided a brief update on possible upcoming legislation and stated he plans to meet with the Legislative Retirement Committee's legal counsel regarding recent interim studies and scheduled hearings.

He lead a brief discussion on the Uniformed Services Employment and Reemployment Rights Act (USERRA) and how certain retirement statutes may need to be clarified regarding costs incurred when granting service credit to members returning from military service.

R. Wassinger moved to approve the Legislative and Information System reports. E. Stuhr seconded the motion. Members voted as follows: For: E. Stuhr, J. Elliott, D. Blank, M. Shepard, R. Wassinger, and D. Pederson. Against: None. Motion carried.

Agenda Item 10 was presented out of order below.

Agenda Item 11 – Director's Report: P. Chambers followed up on the actuary report given at the August Meeting and Retreat. She has requested Dave Slishinsky provide an updated report using the new contribution rates.

P. Chambers provided the Board with some examples illustrating how School retirement benefits would be affected if the assumed rate of return was altered. She also provided a statistical report of options selected by retirees.

She reported NPERS has completed a new Employee Recognition Policy and it has been submitted to the Administrative Services department for approval.

P. Chambers reported a State and County exit audit conference is scheduled for Tuesday, September 22, 2009, at 2:00 p.m., in the TierOne Conference Center and invited the Board to attend. She stated the School, Judges, and Patrol entrance audit conference will take place at the same time. She reported receiving the audit draft for State and County, which contained ten audit points. NPERS will provide a written response to the State Auditor by October 2, 2009.

P. Chambers reminded the Board members to complete the Board Retreat evaluation and requested they return it to her or V. Huber.

She stated she and J. Elliott will be attending the National Council on Teacher Retirement (NCTR) Conference October 10-15, 2009.

P. Chambers reported the new State Investment Officer (SIO) will be announced at the next Nebraska Investment Council (NIC) meeting scheduled Tuesday, September 29, 2009, in Omaha.

J. Jurich joined the meeting at 9:48 a.m.

J. Elliott moved to approve the Director's Report. R. Wassinger seconded the motion. Members voted as follows: For: J. Elliott, D. Blank, M. Shepard, R. Wassinger, D. Pederson, and E. Stuhr. Against: None. Motion carried.

Agenda Item 10 – Investment Officer’s Update: J. Jurich reported total plan year to date numbers for the defined benefit plans have returned 13.35% for August. He stated all securities are responding favorably, except for real estate, which continues to lag.

He reported U.S. equity market returns year to date at 17.28%, non-U.S. is 23.16%, and global is 23.72%.

D. Pederson moved to accept the Investment Officer’s Report. M. Shepard seconded the motion. Members voted as follows: For: D. Blank, M. Shepard, R. Wassinger, D. Pederson, E. Stuhr, and J. Elliott. Against: None. Motion carried.

Agenda Item 12 – Board Committee Reports: There were no reports.

Agenda Item 13 – Board Education/Travel Requests: There were no requests.

Agenda Item 14 – Future Meetings/Agendas: E. Stuhr moved the Board change the next meeting scheduled for Monday, October 19, 2009, to Tuesday, October 20, 2009.

R. Wassinger seconded the motion. Members voted as follows: For: M. Shepard, R. Wassinger, D. Pederson, E. Stuhr, J. Elliott, and D. Blank. Against: None. Motion carried.

Due to the fact the October meeting date was changed, the Board will be notified of the location of the October meeting at a later date. Room reservations will need to be altered. (Note: Following the meeting, the Atrium Conference Center, 1200 “N” Street, Suite 206, Lincoln, Nebraska was reserved for the October meeting.)

Excuse Board Members: R. Wassinger moved to excuse G. Elwell and G. Camerer. E. Stuhr seconded the motion. Members voted as follows: For: M. Shepard, R. Wassinger, D. Pederson, E. Stuhr, J. Elliott, and D. Blank. Against: None. Motion carried.

Agenda Items 15 and 16 – Executive Session: At 9:48 a.m., R. Wassinger moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing Disability Applications for Retirement Nos. 117275, 429785, and 107018, personnel matters, and other legal matters. Motion was seconded by J. Elliott. D. Blank repeated the motion for the record. Members voted as follows: For: R. Wassinger, D. Pederson, E. Stuhr, J. Elliott, D. Blank, and M. Shepard. Against: None. Motion carried.

At 11:12 a.m., R. Wassinger moved that the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by J. Elliott. Members voted as follows: For: E. Stuhr, J. Elliott, D. Blank, M. Shepard, R. Wassinger, and D. Pederson. Against: None. Motion carried.

R. Wassinger moved for approval of the Disability Applications of Retirement Nos. 117275, 429785, and 107018. E. Stuhr seconded the motion. Members voted as follows: For: E. Stuhr, J. Elliott, D. Blank, M. Shepard, R. Wassinger, and D. Pederson. Against: None. Motion carried.

D. Blank stated the election of PERB officers will be held in January, by statute, and requested that E. Stuhr head the nominating committee. He requested J. Elliott and R. Wassinger join her on the committee. D. Blank invited Board members interested in a position, to please notify the committee.

Adjournment: E. Stuhr moved that the meeting adjourn. Motion was seconded by M. Shepard. Members voted as follows: For: J. Elliott, D. Blank, M. Shepard, R. Wassinger, D. Pederson, and E. Stuhr. Against: None. Motion carried.

The meeting adjourned at 11:15 a.m.

Phyllis G. Chambers
Director