

**PUBLIC EMPLOYEES RETIREMENT BOARD MEETING  
CORRECTED MINUTES**

FEBRUARY 25, 2013

10:00 A.M.

A regular meeting of the Public Employees Retirement Board convened at 10:00 a.m., Monday, February 25, 2013, in the Great Western Bank Conference Center, Second Floor, 1221 "N" Street.

The Board members were notified of this meeting by Agenda mailed Friday, February 15, 2013. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, February 18, 2013. D. Blank chaired the meeting and V. Huber recorded the minutes.

MEMBERS PRESENT: DENIS BLANK, CHAIR  
RICHARD WASSINGER, VICE-CHAIR  
ELAINE STUHR  
JUDGE RANDALL REHMEIER  
RON ECKLUND  
DARRELL FISHER  
JEFF STATES, EX-OFFICIO

MEMBERS ABSENT: JANIS ELLIOTT  
STUART SIMPSON

NONMEMBERS PRESENT:

PHYLLIS CHAMBERS Director	TERESA ZULAUF Internal Auditor
RANDY GERKE Deputy Director	NANCY REIMER Ameritas
MATT EFFKEN Legal Counsel	NEIL BATEMAN Retired Teachers
MIDEN EBERT Retirement Plan Supervisor	VICKI HUBER Administrative Secretary
FRED TURNER IT Manager	

**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 table by the doors.

**Agenda Items 2 and 3 – Meeting Called to Order:** D. Blank called the February 25, 2013, Board Meeting to order at 10:00 a.m. Present at roll call: D. Blank, R. Wassinger, E. Stuhr, R. Rehmeier, R. Ecklund, D. Fisher, and J. States. Absent: J. Elliott and S. Simpson.

**Agenda Item 4 – Approval of Minutes:** R. Ecklund moved for approval of the minutes of the January 28, 2013, Board Meeting. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 5 – Approval of Budget Status Report & January 2013 Retirement Report:** E. Stuhr moved to approve the budget status report and the January 2013 Retirement Report. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. 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 – Internal Audit Plan:** The 3-Year Internal Audit Plan addresses the audit priorities of the PERB and serves as the work plan for NPERS' Internal Auditor. The Board was provided copies of the updated Internal Audit Plan for January 2013 - December 2015. T. Zulauf stated the Board Audit Committee reviewed the Plan prior to the meeting. She reviewed all recent revisions that have been made to the Plan. The Plan is subject to revisions at any time.

R. Ecklund moved to approve the Three-Year Internal Audit Plan. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 8 – Legal/Legislative Update:** M. Effken provided a list of legislative bills directly effecting retirement. He reviewed the contents of each bill and their progress. He reported all of the bills are still in committee and all hearings have been held, except for LB355 and LB552. The hearing for LB552, which establishes a new Cash Balance plan for Firefighters of First Class Cities, is scheduled for Tuesday, March 5<sup>th</sup>. He noted, under LB552, another board member would be added to the PERB; to represent members of the First Class Cities Firefighters plan.

M. Effken stated discussions continue with the Retirement Committee's legal counsel, regarding the final language of NPERS' technical bill, LB263. This bill is expected to pass.

R. Rehmeier moved to approve the Legal/Legislative Update. E. Stuhr seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 9 – Investment Officer’s Update:** J. States reported the Nebraska Investment Council (NIC) has no major concerns with their proposed budget. He reported their Appropriations Hearing was scheduled for later that week.

He stated his agency is scheduled to move to the Assurity Building at the end of June.

J. States reported performance in January and February was positive and the fiscal year to date performance for the defined benefit plans is at 6.3%. He commented that in recent years, March and April are not good performance months. The cash balance returns are at 12.9% as of December 31, 2012. He stated earnings continue to be strong in the corporate world.

He stated the NIC will be reviewing investments in the Defined Contribution and Deferred Compensation plans; to be sure enough options are available for participants.

E. Stuhr moved to approve the Investment Officer’s Update. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Excuse Board Members:** R. Ecklund moved to excuse J. Elliott and S. Simpson. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 10 – Director’s Report:** P. Chambers welcomed Darrell Fisher to his first PERB meeting. The Confirmation Hearings for D. Fisher and E. Stuhr were held at 9:00 a.m. that day.

P. Chambers reported most of her time has been spent working on legislation recently. She attended nine hearings and as directed by the Board, she testified neutrally for all bills.

She reported NPERS’ new legal counsel, M. Effken, started on February 14<sup>th</sup>.

P. Chambers and M. Effken met with Kate Allen and Jason Hayes, concerning School legislation.

She stated she has been working with R. Gerke, John Winkelman, and Angela Hatcher on the 2013 Annual Report to the Legislature. A draft of the report was provided to the Board at the meeting. The report was scheduled to be sent to the printer that week and will be presented to the Legislature on Wednesday, March 27, 2013. She stated the report’s format is the same as recent years. She reviewed some of the highlights of the report.

E. Stuhr complimented NPERS on a very inclusive report.

NPERS’ Appropriations Hearing is scheduled for Thursday, February 28, 2013. P. Chambers reported receiving the appropriations budget on Friday, February 22<sup>nd</sup>. She provided copies and reviewed the revisions made to the Governor’s recommendations. She stated she plans to testify at the Appropriations Hearing.

P. Chambers stated she has not received word from the state auditors, regarding the School Judges, and Patrol audit. She will notify the Board when a audit exit conference is scheduled.

She reported NPERS' IT and Accounting departments have been working on upgrading the Traverse software. R. Gerke has been working on the financial statements.

P. Chambers stated she and F. Turner have discussed renewing NPERS' agreement with Hewlett Packard State and Local (HPSL) for emergency support services. She reported having to use their services this past year. The contract expires March 31, 2013. The renewal agreement should be presented at the next PERB meeting.

P. Chambers stated a draft of the CEM Benchmarking report should be available in March, possibly with a report to the Board in April. She announced the CEM World Pension Administration Peer Conference is May 6-9, 2013. She requested approval to attend the conference with \$1500 in expenses, to cover travel. The conference fees are included in the program.

She reported 811 members have already registered for the School retirement seminars and 8 of the Lincoln and Omaha seminars are at capacity.

P. Chambers stated NPERS is working on required minimum distributions (RMDs). The Internal Auditor is auditing the RMDs. She explained a member's first RMD is due April 1st of the year following the year they reach the age 70 ½.

She reported contacting Assistant Attorney General, Dale Comer, regarding the use of tablets as it relates to the Open Meetings Law. Mr. Comer advised, the use of electronic documents tablets is acceptable, as long as paper copies are available for viewing. Confidential matters do not have to be available to the public.

R. Ecklund moved to approve the Director's Report and request for travel to the CEM World Pension Administration Peer Conference, with expenses not to exceed \$1500. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 11 – Board Committee Reports:** On behalf of the Board Education Committee, R. Rehmeier discussed the need to determine the date and location of the PERB Annual Retreat. The retreat it is currently scheduled for Monday, July 15, 2013. The NIC's retreat is scheduled for July 16<sup>th</sup>. P. Chambers reported Meredith Williams, Executive Director of NCTR, has indicated he will present and there are plans for the new actuary, Cavanaugh MacDonald Consulting, LLC to attend.

R. Wassinger reported the Board Personnel Committee met, regarding the Director's evaluation. PERB members will be emailed evaluation forms and are asked to complete and return them to the Committee.

**Agenda Item 12 – Board Education/Travel Requests:** There were no additional requests.

**Agenda Item 13 – Future Meetings/Agendas:** The next meeting will be held on Monday, March 18, 2013, At Ameritas Life Insurance, 5900 “O” Street.

**Agenda Items 14 and 15 – Executive Session:** At 11:52 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. 137866, 132728, 068516, and 140674; personnel matters; and other legal matters. E. Stuhr seconded the motion. D. Blank repeated the motion for the record. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

At 12:32 p.m., R. Ecklund moved that the Board exit Executive Session and reconvene in Regular Session. R. Rehmeier seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

At the January PERB meeting the Board tabled the Disability Application for Retirement No. 137866, until this meeting. At the time of the meeting, the Board had not received further information regarding the member's application.

R. Wassinger moved for approval of the Disability Applications of Retirement Nos. 132728, 068516, and 140674; with Retirement No. 132728 requiring reevaluation in one year and to table Disability Application for Retirement No. 137866, until the member approaches the Board again. R. Rehmeier seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

**Adjournment:** E. Stuhr moved that the meeting adjourn. R. Rehmeier seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, R. Rehmeier, E. Stuhr, and R. Wassinger. Against: None. Motion carried.

The meeting adjourned at 12:38 p.m.

Phyllis G. Chambers  
Director