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## PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

FEBRUARY 18, 2014

10:00 A.M.

A regular meeting of the Public Employees Retirement Board convened at 10:00 a.m., Tuesday, February 18, 2014, in the 1526 Building, 4th Floor, Conference Room 4D, 1526 "K" Street, Lincoln, Nebraska.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, February 7, 2014. Public notice of this meeting was published in the Lincoln Journal Star and Omaha World Herald on Monday, February 10, 2014. D. Blank chaired the meeting and V. Huber recorded the minutes.

MEMBERS PRESENT: DENIS BLANK, CHAIR  
RICHARD WASSINGER, VICE-CHAIR  
JANIS ELLIOTT  
RON ECKLUND  
JEFF STATES, EX-OFFICIO

MEMBERS ABSENT: ELAINE STUHR  
JUDGE RANDALL REHMEIER  
STUART SIMPSON

MEMBER NOMINEE PRESENT: DENNIS LEONARD

### NONMEMBERS PRESENT:

PHYLLIS CHAMBERS Director	FRED TURNER IT Manager
RANDY GERKE Deputy Director	TERESA ZULAUF Internal Auditor
MATT EFFKEN Legal Counsel	NANCY REIMER Ameritas
DARRELL FISHER Former PERB Member	VICKI HUBER Administrative Secretary

**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 door.

**Agenda Items 2 and 3 – Meeting Called to Order:** D. Blank called the February 18, 2014, Board Meeting to order at 10:00 a.m. Present at roll call: D. Blank, R. Wassinger, J. Elliott,

R. Ecklund, and J. States. Absent: E. Stuhr, R. Rehmeier, and S. Simpson. D. Leonard, nominee to the PERB, was also present.

D. Blank welcomed Dennis Leonard to his first PERB meeting. D. Leonard's confirmation hearing was held at 9 a.m. the morning of the Board meeting. D. Leonard gave the Board a brief history of his work with the Patrol.

**Agenda Item 4 – Approval of Minutes:** R. Wassinger moved for approval of the minutes of the January 21, 2014, Board Meeting. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger. Against: None. Motion carried.

**Agenda Item 5 – Approval of Budget Status Report & January Retirement Report:** J. Elliott moved to approve the Budget Status Report and the January 2014 Retirement Report. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**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 – Presentation to Darrell Fisher:** On behalf of the Board and NPERS, D. Blank presented D. Fisher with a plaque to recognize his service to the Board, NPERS, and its members. D. Blank thanked D. Fisher for his commitment. D. Fisher was appointed Director of the Nebraska Crime Commission, as of January 2, 2014.

**Agenda Item 8 – Southwest NE Public Health District Request to Participate in State DCP:** P. Chambers received a letter from the Southwest Nebraska Public Health District requesting admission into the State Deferred Compensation Plan (DCP). P. Chambers stated Southwest NE Public Health District does not have another DCP; therefore, they are eligible to join the State plan, per the DCP document and Neb. Rev. Stat. § 48-1401.

J. Elliott moved to accept Southwest NE Public Health District into the State DCP. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Item 9 – Information System (IT) Update:** F. Turner stated he has been receiving good back-up reports from the Office of the Chief Information Officer (OCIO).

He reported participating in a conference call with IBM concerning their FileNet upgrade. He requested they provide an estimate on release dates and cost. He reported the NPERS IT team spoke with seven Nebraska state agencies, regarding their use of OnBase as their imaging system. Each agency gave positive responses on their experiences with the software. Fifteen State agencies use OnBase. F. Turner recommended NPERS pursue the State's ECM solution with a cost of approximately \$111,000. He explained NPERS will not use all functions at first; but, they will be there for future implementation. The Board

discussed the use of OnBase with NPRIS and compared the cost with IBM and FileNet. NPERS will continue to evaluate FileNet and OnBase.

R. Wassinger moved to approve the Information System Update. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Item 10 – Legal/Legislative Update:** M. Effken provided an updated list of legislative bills pertaining to retirement. He reviewed the progress of each bill. Hearings have been held for all bills since the last PERB meeting.

LB1041 was introduced on January 22, 2014. This bill would extend the length of service required before members of the School plan can purchase “Air Time” from 5 years to 10 years.

LB1042 was introduced on January 22, 2014. This bill would require buy-backs of refunded service to be at full actuarial cost and is a priority bill for the Retirement Committee. The effective date of the change for current members is yet to be decided. This date will be included in an amendment to the bill. P. Chambers explained the process and amount of time it takes for staff to process a purchase of service. She also pointed out NPERS provides payment options, per statutes; where other states do not allow installment payments. P. Chambers added that the Nebraska State Education Association (NSEA) and the Nebraska Council of School Administrators (NCSA) testified in support of the bill.

R. Ecklund moved to approve the Legal/Legislative Update. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Item 11 – Investment Officer’s Update:** J. States reported Gail Werner-Robertson’s confirmation hearing was held the morning of the PERB meeting.

He updated the PERB on current legislation concerning the Nebraska Investment Council (NIC).

He reported the calendar year to date performance for the defined benefit and the Cash Balance plans at 18.3%, as of December 31, 2013.

He stated the NIC has been able to keep overall program costs low compared to its peers. In the last 1, 3, and 5-year periods, Nebraska has been in the top quartile in investment performance on peer comparison. He commented that keeping it simple has been effective.

At the Council’s next meeting on February 25, 2014, he stated the NIC will take further action regarding the addition of bank loan strategies, which the Council approved at their November meeting. This will help diversify the platform as well as increase the current income.

R. Wassinger moved to approve the Investment Officer’s Update. J. Elliott seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Item 12 – Director’s Report:** P. Chambers reported staff has spent a lot of time working on the language for LB1042.

She stated NPERS will present their Annual Report to the Legislature sometime in March. She will notify the Board when it is scheduled.

She reported R. Gerke has been busy compiling data for the Annual Report and Angela Hatcher is working on the design. Plans are to send it to the printer the end of February.

She provided the Board with a report the Benefits and Call Center Activity and Distributions for 2008 through 2013.

P. Chambers reported on the daily service provided by NPERS’ Data Services department. She explained that they continue working on special long term projects, besides their daily work. Currently they are working on imputing service credit and beneficiaries from old records. They are also writing to School members to request they update their beneficiaries. These projects can take several years to complete.

J. Elliott expressed concerns with staff workload and asked about staffing to handle the extra work with the possible passing of LB1042. P. Chambers explained, in the fiscal note for LB1042, NPERS requested 2 additional full time staff to handle the impact on the workload.

P. Chambers reported an overhead screen has been ordered for Conference Room 4D and the sound panels should arrive sometime soon.

P. Chambers reported receiving complaints about the parking situation at the 1526 Building. Complaints included that it is especially difficult for handicapped people.

She stated the state auditors are finished with the School, Judges, and Patrol audit. She reported meeting with Phil Olsen and she expects a good report. P. Olsen will probably present the audit report at the April PERB meeting. The actuaries will also report at the April meeting. The audit exit conference will be scheduled some time in March.

She reminded everyone Ameritas is hosting the March meeting.

R. Ecklund moved to approve the Director’s Report. J. Elliott seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Excuse Board Members:** J. Elliott moved to excuse E. Stuhr, R. Rehmeier, and S. Simpson. R. Wassinger seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Item 13 – Board Committee Reports:** There were no reports.

**Agenda Item 14 – Board Education/Travel Requests:** There were no requests.

**Agenda Item 15 – Future Meetings/Agendas:** R. Wassinger moved for the March meeting date to be changed to Friday, March 21, 2014. R. Ecklund seconded the motion. Members

voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger. The March meeting will be held at Ameritas.

J. Elliott moved that the PERB Retreat date be changed to Wednesday, July 16, 2014. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Agenda Items 15 and 16 – Executive Session:** At 11:11 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. 132728, 607738, 111273, and 172904; Emergency Deferred Compensation Application for Retirement No. 701428; personnel matters; and other legal matters. R. Ecklund seconded the motion. D. Blank repeated the motion for the record. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

At 12:03 p.m., R. Wassinger moved that the Board exit Executive Session and reconvene in Regular Session. J. Elliott seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

R. Wassinger moved for approval of the Disability Applications of Retirement Nos. 132728, 607738, 111273, and 172904. R. Ecklund seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

R. Wassinger moved for approval of the Emergency Deferred Compensation Application of Retirement No. 701428, in the amount of \$3,300. J. Elliott seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

**Adjournment:** R. Ecklund moved that the meeting adjourn. J. Elliott seconded the motion. Members voted as follows: For: D. Blank, R. Ecklund, J. Elliott, and R. Wassinger.

The meeting adjourned at 12:05 p.m.



Phyllis G. Chambers  
Director