

Agenda Item 1: J. Elliott 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: J. Elliott called the February 24, 2020, Board Meeting to order at 9:33 a.m. Present at roll call: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, A. Simpson, and M. Walden-Newman. Absent: J. Derr.

Agenda Item 4 – Approval of Minutes: P. Lancaster moved for approval of the minutes of the January 27, 2020, Board Meeting. A. Simpson seconded the motion. Members voted as follows: For: J. Elliott, M. Jahnke, P. Lancaster, and A. Simpson. Against: None. Abstain: K. Ackerman.

Agenda Item 5 – Approval of Budget Status Report & January 2020 Retirement Report: M. Jahnke moved to approve the Budget Status Report and the January 2020 Retirement Report. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, and A. Simpson. 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 – School, Judges, and Patrol Audit Report: K. Kucera, Audit Manager at the Nebraska Auditor of Public Accounts, presented the Audit Report for the School, Judges, and State Patrol plans, for fiscal year period July 1, 2018, through June 30, 2019. She stated there was an unmodified opinion and no recommendations or comments on the report issued on January 28, 2020. She reported no deficiencies in internal control, and found no instances of noncompliance, or other matters required to be reported under Government Auditing Standards. K. Kucera thanked the NPERS staff for their assistance during the audit.

J. Schulz joined the meeting in progress at 9:40 a.m.

P. Lancaster moved to approve the School, Judges, and Patrol Audit Report. A. Simpson seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 8 – Information System Update: J. Hardy presented the IT Systems update.

- The online Non-Contributing (Non-Con) Member Form project was deployed to NPERS production website on February 21, 2020. The next step includes a pilot group of schools to test the process. The final goal is to enable all Non-Con forms submitted online, which would eliminate the manual processing of over 10,000 paper forms per year.
- The IT assessment portion of the report, required by LB 31, regarding transference of OSERS administration to NPERS, is in progress. Linea Solutions is the IT vendor selected for the data portion of the study, and they were onsite January 12-23, 2020, to work on the assessment. NPERS IT continues to communicate with Linea,

regarding additional information and questions. Linea is drafting a report to share with NPERS.

- The Deferred Compensation Plan (DCP) online self-service enrollment program creation continues with the Department of Administrative Services (DAS). Open enrollment occurs during a two-week period in May, with benefits selected active on July 1, 2020. The second part of this project is a function featuring year-round online enrollment. Enrollment results will be reported to the PERB. It was noted that the unique State Patrol contract will not enable State Patrol members to utilize online enrollment. J. Hardy thanked J. Winkelman for his work on the project.
- NPERS IT has started researching and planning a redesign project for the NPERS website. The site is outdated and overdue for a redesign. One option under consideration is engaging Nebraska Interactive for the project. He stated M. Walden-Newman and the Nebraska Investment Council (NIC) utilized Nebraska Interactive for their website update. Nebraska Interactive has a contract with the state to provide web design services for state agencies, and we are in discussions for a cost estimate.

P. Lancaster moved to approve the Information System Report. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 9 – Deferred Compensation Plan Document Review: O. Hill reviewed additional revision suggestions, as follows:

- Revisions to Section 6.3, regarding adding language pursuant to both investment dollar amounts and percentage amounts. Section 6.1 and 6.2 language only allow for percentage based allocations.
- Revisions to section 8.1.4, regarding omission of repetitive language, with added language to 7.8.3, regarding requiring documentation to prove qualified plan status.
- Regarding rollovers from the Cash Balance plan to DCP; it was suggested to add language clarifying Deferred Retirement Option Plan (DROP) and Cash Balance members, who are not current employees, may elect to rollover from their accounts to the DCP. This language is already stated in member handbooks. Proposal to add County plan members to this provision, so these members have the same functionality as State Cash Balance and DROP members to rollover to DCP.

M. Walden-Newman proposed a correction to “State Investment Office” to “Officer.”

J. Schulz moved to accept the proposed changes and recommendations presented today to the DCP Document and defer the adoption of the revised DCP plan document until next month’s PERB meeting. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 10 – Legal/Legislative Update: O. Hill provided the Legal and Legislative Report. See meeting materials for full report. O. Hill commented on the following bills:

- LB 1054: Advanced for engrossment, it then heads to final reading. He thanked the Legislature for their assistance.
- LB 889: Spoke with Sen. Hilger's Office. They introduced the bill on behalf of the Attorney General's (AG's) Office. O. Hill spoke with Ms. Melson in the AG's Office. She does not believe it will impact NPERS in any substantial way. It is merely a codification of an old Nebraska Supreme Court case holding into statute.
- LB 1063: The PERB requested R. Gerke and O. Hill to follow up, regarding the State Treasurer and treasury management. O. Hill spoke with Senator Lindstrom's office, who spoke with Treasurer's office. They were told this bill should not increase NPERS costs. Recommend monitoring.
- LB 1108: O. Hill contacted Senator Gragert's office, and was informed Senator Gragert introduced the bill on behalf of the Treasurer's Office. Contacted Meaghan Aguirre at the Treasurer's Office, and was informed she was working on an amendment that would eliminate the reduction of the dormancy period from 5 to 3 years. She anticipated the section of the School Plan's statutes would be removed. They discussed the proposed amendment of making the language more generic if the School language was not omitted, and she was amenable to the adjustment.
- LB 1137: Provides for class certification and removal to district court for certain cases under the Administrative Procedure Act. Confirmed the AG's office did not ask it to be introduced. There were questions at the hearing regarding the bill.

O. Hill has a request from a state agency to NPERS for opinions of people holding EB2 Visa's. The EB2 Visa, is an employment based visa, which grants permanent resident status. It will take additional discovery, but O. Hill will update the PERB after obtaining additional research regarding a recommendation.

P. Lancaster moved to approve the Legal and Legislative Update. K. Ackerman seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

M. Jahnke temporarily left the meeting after the Legal/Legislative Update.

Agenda Item 11 – Director's Report: R. Gerke presented the Director's Report.

- R. Gerke stated the Legal Compliance Audit occurred during the week of February 17-21, 2020. He thanked O. Hill for his preparatory work on the audit, as well as his guidance throughout the actual audit interviews.
- The Budget Deficit Request hearing was held on February 4, 2020. R. Gerke testified. The Appropriations Committee recommended what the Governor approved and NPERS requested.
- The claims bill hearing is this afternoon.

- R. Gerke has begun looking at the biennial budget. The website design will be included in the new budget, as well as multi-factor authentication, among other items.
- Acknowledged the work IT, Benefits, and Education Services has done on numerous projects.
- R. Gerke attended an actuarial audit meeting last week. The standards have changed to every 5 years for actuarial auditing, meaning Cavanaugh Macdonald must be audited by another actuarial service.
- At the January PERB meeting, Hamilton County spoke with the PERB during public comments. R. Gerke stated Hamilton County has paid its withdrawal from participation liability.
- LB 31, the OSERS study, continues with Linea Solutions, and a study outline is being completed. R. Gerke stated additional information is required from OSERS.
- K. Allen confirmed LR's 314, 315, 316, 317, and 318.
- R. Gerke reported at the NIC meeting in January.
- NPERS Annual Report to the Legislature will be presented to the Legislature before the end of the session.
- NPERS is fully staffed.
- R. Gerke attended National Council of Teacher's Retirement's (NCTR's) educational committee meeting to plan the director's meeting and the annual conference. He attended an NCTR Secure Act webinar.
- He reminded the PERB their Financial Statement Forms are due to the Accountability and Disclosure Commission by March 2, 2020.

K. Ackerman moved to approve the Director's Report. A. Simpson seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

A. Simpson moved to excuse J. Derr. P. Lancaster seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Agenda Item 12 – Board Committee Reports: J. Elliott stated new committees will be appointed in March at the PERB meeting, if PERB members would like the opportunity to serve on new committees.

Agenda Item 13 – Board Education/Travel Requests: There were none. J. Elliott will attend the Legislative Committee meeting of the NCTR at the end of the week. J. Elliott is editing the weekly report for the NCTR. O. Hill stated he and R. Gerke have discussed O. Hill's attendance at the National Association of Public Pension Attorneys (NAPPA) Conference this year, in June.

Agenda Item 14 – Future Meetings/Agendas: The next PERB meeting will be Monday, March 16, 2020, at Ameritas.

Agenda Items 15 and 16 – Executive Session: At 10:55 a.m., A. Simpson moved the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members, personnel matters, and legal matters: Case Review No. D-20-4, 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. P. Lancaster seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: For: K. Ackerman, J. Elliott, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried. M. Jahnke returned to the meeting during Executive Session.

At 12:04 p.m., P. Lancaster moved that the Board exit Executive Session and reconvene in Regular Session. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

P. Lancaster moved to approve Case No. D-20-4. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

Adjournment: P. Lancaster moved the meeting adjourn. M. Jahnke seconded the motion. Members voted as follows: For: K. Ackerman, J. Elliott, M. Jahnke, P. Lancaster, J. Schulz, and A. Simpson. Against: None. Motion carried.

The meeting adjourned at 12:06 p.m.



Randy Gerke
Director