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PUBLIC EMPLOYEES RETIREMENT BOARD MEETING

October 18, 2021

9:30 A.M.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:33 a.m., Monday, October 18, 2021, in the 1526 Building, Fourth 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, October 8, 2021. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, October 11, 2021. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

MEMBERS PRESENT:

JANIS ELLIOTT, CHAIR
KELLI ACKERMAN, VICE-CHAIR
GERALD CLAUSEN
MIKE JAHNKE
PAM LANCASTER
JIM SCHULZ
ALLEN SIMPSON
THOMAS ZIMMERMAN
MICHAEL WALDEN-NEWMAN, EX-OFFICIO

NONMEMBERS PRESENT:

RANDY GERKE
Director
ORRON HILL
Legal Counsel/Deputy Director
JACK HARDY
Information Technology (IT) Manager
MELISSA NUSS
Retirement Plan Manager
TYLER CUMMINGS
Retirement Plan Manager
JOHNETTA LANG
Data Services Manager

DAN SMITH
Retirement Specialist I
TAMI MEYER
Retirement Specialist I
ANNA HAYDEN-ROY
Marketing & Communications Specialist I
CECILIA CARTER
Omaha School Employees' Retirement System
JUSTIN WALKOWIAK
Nebraska Investment Council
JOSH RUHNKE
Ameritas

Agenda Item 1: J. Elliott stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is provided electronically, via a link on the final agenda posted on the Nebraska Public Employees Retirement Systems' (NPERS) website, on the Attorney General's website, 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 October 18, 2021, Board Meeting to order at 9:33 a.m. Present at meeting: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, T. Zimmerman, and M. Walden-Newman.

Agenda Item 4 – Approval of Minutes: K. Ackerman moved for approval of the minutes of the September 20, 2021, Board Meeting. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, M. Jahnke, P. Lancaster, J. Schulz, and T. Zimmerman. Abstain: G. Clausen and A. Simpson. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & September Retirement Report: M. Jahnke moved to approve the Budget Status Report and the September 2021 Retirement Report. Motion was seconded by P. Lancaster. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Item 6 – Public Comments or Correspondence from Citizens: M. Walden-Newman introduced Justin Walkowiak who is the new Administrative Programs Officer for the Nebraska Investment Council.

Agenda Item 7 – Excellence in Leadership Recognition: R. Gerke stated the month of October is Employee Recognition for the State of Nebraska. NPERS selects two employees for the Excellence in Leadership award each year. Tami Meyer, Retirement Specialist I in Member Services, and Dan Smith, Retirement Specialist I in Benefits, were the two honorees this year.

Agenda Item 8 – Gartner Consulting Presentation: C. Rinaldi gave the Gartner Consulting presentation. She provided a brief background on Gartner and the services they provide to their clients. She highlighted the work Gartner has completed in collaboration with the State of Nebraska along some of the work they have completed with other retirement systems throughout the United States.

She provided a brief description of the work they would provide NPERS and she detailed the different phases of the transfer project. Gartner would assist in the procurement phase of the project as well. She discussed the project schedule overview and the costs of the consulting project.

J. Schulz asked for clarification if the costs include items such as travel, printing, mail, and other administrative costs. She confirmed the costs do include those items. She also clarified the costs are fixed even if the project required more time than originally planned. She confirmed for the quality oversight phase of the project, NPERS can contract services on a month-to-month basis.

R. Gerke stated Omaha Public Schools (OPS) will reimburse NPERS for the costs of this project.

P. Lancaster moved to approve the Gartner Consulting Project. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

The PERB took a break from 10:19 a.m. to 10:30 a.m.

Agenda Items 9 – Legal/Legislative Update: O. Hill gave the Legal/Legislative update. He provided a summary of the potential legislation for the upcoming 2022 legislative session.

- Update the date for the next Legal Compliance Audit.
- Update statute to explicitly state the Nebraska Investment Council has investment authority to invest the funds in the Equal Retirement Benefit Fund (ERBF).
- Update Nebraska Revised Statute § 84-1322 to correct an error in the drafting process.
- Update disability provisions for the School, State, and County plans. The proposed provisions would require two physicians' examinations rather than one. It would also provide that the member selects and reimburses the physician. This change would align the disability process with that of the Omaha School Employees' Retirement System (OSERS).
- C. Carter, Director of OSERS, clarified the OSERS disability policy. She stated the first physician is selected by and paid for by the member. The second physician is selected by and paid for by OSERS. This policy became effective July 1, 2021.
- Update language regarding the retirement education seminars provided by NPERS and change the leave provisions for the education seminars.
- Eliminate the requirement that terminating employees and employers are required to submit an Early Retirement Inducement form to NPERS.
- Update the rules for cross plan reemployment for School members terminating employment and then working for the State.

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

Agenda Item 10 – Director's Report: R. Gerke gave the Director's Report.

- He discussed the virtual National Council on Teacher Retirement (NCTR) conference he attended from October 11 – 14, 2021.
- The Auditor of Public Accounts (APA) audit of the School, Judges, and State Patrol is still underway.
- Gabriel, Roeder, Smith & Company (GRS) has started the actuarial audit of Cavanaugh Macdonald. GRS will start with the State and County plans and then move on to the School, Judges, and State Patrol plans after the APA audit is completed.

- State and County seminars and webinars have continued but will soon end for this year. School webinars continue to be conducted year-round.
- The Education Services department has been working with the Internal Audit department and will be producing a video for the County reporting agents.
- Internal Audit has been working on implementing a monitoring system for tracking of substitute or volunteer hours allowed in Legislative Bill (LB) 147.
- There was a meeting with OSERS on October 12, 2021, which included discussion on topics such as a technology assessment, actuarial audit, project estimates, and the OSERS experience study.
- Provaliant will be conducting the technology assessment for the agency and a final agreement has yet to be signed.
- The website redesign is still underway.
- The electronic non-contributing form project is nearly finished and 94% of schools have signed up so far. NPERS is still in the testing phase for this project for the State plan.
- IT is working on gathering data for a mortality table study NPERS is participating in based on the recommendation of Cavanaugh Macdonald.
- There will be a meeting with the Department of Administrative Services (DAS) on November 2, 2021, for office space solutions.
- The new IT security analyst position is ready to be posted for applicants to apply. There are three positions open in the agency: SOS Benefits, Office Technician I in Data Services, and an Office Specialist I in Accounting.

P. Lancaster moved to approve the Director's Report. Motion was seconded by K. Ackerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Agenda Item 11 – Board Committee Reports: P. Lancaster mentioned the Personnel Committee has been meeting.

Agenda Item 12 – Board Education/Travel Requests: During the Director's Report, J. Elliott and K. Ackerman commented on the NCTR Virtual Conference they attended from October 11 – 14, 2021.

Agenda Item 13 – Future Meetings/Agendas: The next PERB meeting is on November 15, 2021.

Agenda Items 14 and 15 – Executive Session: At 11:19 a.m., M. Jahnke moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing applications of plan members, personnel matters, and pending legal matters; Protection of Public Interest, Prevention of Needless Injury to the Reputation of an Individual; Update on Pending Legal Matters; Protection of Public Interest. Motion was seconded by T. Zimmerman. J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

At 1:52 p.m., M. Jahnke moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

Adjournment: P. Lancaster moved that the meeting adjourn. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, P. Lancaster, J. Schulz, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

The meeting adjourned at 1:54 p.m.



Randy Gerke
Director