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PUBLIC EMPLOYEES' RETIREMENT BOARD MEETING

Monday, March 17, 2025; 9:30 a.m.

A regular meeting of the Public Employees Retirement Board (PERB) convened at 9:30 a.m., Monday, March 17, 2025, in the First Nebraska Administrative Building, Lower-Level, Training and Development Room, 1526 "K" Street, Lincoln, Nebraska. The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, March 7, 2025. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Monday, March 10, 2025. J. Elliott chaired the meeting and T. Cummings recorded the minutes.

Board Members Present

Janis Elliott, Chair, School Plan Member
Judge Thomas Zimmerman, Vice-Chair, Judges Plan Member
Patrick Bourne, Public Member
Gerald Clausen, Public Member
Jacob Curtiss, School Plan Member
Charles Neumann, County Plan Member
Allen Simpson, State Plan Member
Luke Splattstoesser, State Patrol Member
Ellen Hung, Ex-Officio, State Investment Officer

Board Members Absent

None

NPERS Staff Present

Tyler Cummings, Interim Director/Deputy Director
Tag Herbek, Legal Counsel
Vanessa Hohlen, Internal Auditor
Teresa Zulauf, Controller
Melissa Nuss, Retirement Plan Manager
Brenda Dinges, Retirement Plan Manager
Johnetta Lang, Data Services Manager
Aaron McArthur, Auditor
John E. Jensen, Attorney III

Others Present

Trevor Fitzgerald, Retirement Systems Committee Legal Counsel
Josh Ruhnke, Ameritas
Eric Asboe, Supreme Court Fiscal Analyst
Ryan Walton, Governor's Budget Office

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 March 17, 2025, Board Meeting to order at 9:30 a.m. Present at meeting: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, L. Splattstoesser, and E. Hung.

Agenda Item 4 – Approval of Minutes: C. Neumann moved for approval of the minutes of the February 24, 2025, Board Meeting. Motion was seconded by J. Curtiss. Members voted as follows: For: J. Elliott, J. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 5 – Approval of Budget Status Report & January Retirement Report: A. Simpson moved to receive the Budget Status Report and the January 2025 Retirement Report. Motion was seconded by L. Splattstoesser. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 6 – Public Comments or Correspondence from Citizens: There were none.

J. Elliott recognized K. Ackerman for her service to the PERB and presented her an award.

Agenda Item 7 – Investment Officer's Update: E. Hung gave the Investment Officer's Report.

Presentation materials were included in the meeting materials. Discussion followed the presentation.

G. Clausen moved to receive the Investment Officer's Report. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 8 – Legislative Update: T. Herbek gave an update on upcoming legislative bills that could impact NPERS:

- LB76
- LB295
- LB645
- LB689

Presentation materials were included in the meeting materials. Discussion followed the presentation.

G. Clausen moved to receive the Legislative Update. Motion was seconded by J. Curtiss. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 9 – Director’s Report: T. Cummings gave the Interim Director’s Report.

T. Cummings presented the NPERS 2025 Annual Report which will be presented to the Nebraska Retirement Systems Committee on March 19, 2025, at noon.

P. Bourne moved to receive the Director’s Report. Motion was seconded by C. Neumann. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 10 – Thurston County Request for Participation in the State Deferred

Compensation 457(b) Plan: T. Cummings gave a brief overview of the process that is required for a county to request to participate in the Deferred Compensation 457(b) Plan. He stated Thurston County has met all the requirements to make this request.

C. Neumann moved to accept Thurston County’s Request for Participation in the State Deferred Compensation 457(b) Plan. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 11 – Adoption of Experience Study Actuarial Recommendations: An exhibit was presented provided by CavMac on a proposed step down of the assumed rate of return from 7.0% to 6.75%.

T. Zimmerman moved to withdraw the motion made at the February 24, 2025, PERB meeting to approve the Experience Study recommendations. Motion was seconded by G. Clausen. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

A. Simpson moved to accept all the recommendations contained in the Experience Study conducted pursuant to Neb. Rev. Statute 84-1503 to be effective January 1, 2025, but separately step-down the recommended real rate of return from 4.65% to 4.40% as follows: to 4.60% beginning January 1, 2025, to 4.55% beginning January 1, 2026, to 4.50% beginning January 1, 2027, and to 4.40% beginning January 1, 2028 and thereafter; which will result in the nominal investment return stepping-down from the current 7.00%, to 6.95% beginning January 1, 2025, to 6.90% beginning January 1, 2026, to 6.85% beginning January 1, 2027, and to 6.75% beginning January 1, 2028 and thereafter. Motion was seconded G. Clausen. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 12 – Basis Points Fee Change: C. Neumann moved to set the basis point fee in the State Deferred Compensation Plan used to pay plan expenses to 1.5 basis points while retaining the \$2.00 per account monthly charge effective April 1, 2025. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

C. Neumann moved to set the basis point fee in the State Defined Contribution Plan used to pay plan expenses to 1.5 basis points effective April 1, 2025. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

C. Neumann moved to set the basis point fee in the County Defined Contribution Plan used to pay plan expenses to 3.0 basis points effective April 1, 2025. Motion was seconded by A. Simpson. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 13 – Board Committee Reports: There were none.

Agenda Item 14 – Board Education/Travel Requests: G. Clausen requested \$3,300 in travel expenses to attend the National Conference on Public Employee Retirement Systems (NCPERS) Trustee Educational Seminar and Annual Conference & Exhibition from May 15 to May 21, 2025, in Denver, CO.

T. Zimmerman moved to approve \$3,300 in travel expenses for G. Clausen to attend the NCPERS Trustee Educational Seminar and Annual Conference & Exhibition from May 15 to May 21, 2025, in Denver, CO. Motion was seconded by C. Neumann. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 15 – Future Meeting/Agendas: The next PERB meeting is April 21, 2025.

Agenda Item 16 – Executive Session: At 10.18 a.m. T. Zimmerman moved the Board exit Regular Session and convene in Executive Session for the purpose of discussing Personnel Matters, Protection of the Public Interest, and Update on Pending Legal Matters; Case No. A-24-1; Prevention of Needless Injury to the Reputation of an Individual. L. Splattstoesser seconded the motion. J. Elliott repeated the motion for the record. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

At 11:53 a.m., C. Neumann moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by J. Curtiss. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Agenda Item 17 – Board Action on Executive Session Topics: T. Zimmerman moved for the PERB to accept the Hearing Officer’s Recommended Order for Appeal file A-24-1 (Hearing Officer’s Findings of Fact and Conclusions of Law), dated March 3, 2025, which denied the relief requested by the Petition and Notice of Appeal filed on November 8, 2024, and the Board’s decision to deny the Petitioner’s request be affirmed in all respects. Motion was seconded by P. Bourne. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

Adjournment: A. Simpson moved that the meeting adjourn. Motion was seconded by J. Curtiss. Members voted as follows: For: J. Elliott, T. Zimmerman, P. Bourne, G. Clausen, J. Curtiss, C. Neumann, A. Simpson, and L. Splattstoesser. Against: None. Motion carried.

The meeting adjourned at 11:56 a.m.