

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

COMMITTEE ON NEBRASKA RETIREMENT SYSTEMS
January 23, 2006
CONFIRMATION HEARINGS

The Committee on Nebraska Retirement Systems met at 9:00 a.m. on Monday, January 23, 2006, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: Elaine Stuhr, Chairperson; John Synowiecki, Vice Chairperson; Patrick Bourne; Philip Erdman; Don Pederson; and Marian Price. Senators absent: None.

SENATOR STUHR: Okay. Good morning, ladies and gentlemen. We are now ready to begin the hearing for this morning. I am Elaine Stuhr and I serve as Chair of the Nebraska Retirement Systems Committee, and I'd like to introduce the rest of the committee. Senator Price, to my far right, Marian Price from Lincoln, and she represents the 26th District. Hopefully Senator Erdman is on his way; we're trying to locate him. Some of you had an opportunity to meet Jason Hayes who is our committee counsel. Vice Chair, Senator John Synowiecki, I believe is ill so will not be joining us this morning. Senator Don Pederson hopefully will be here soon. And we're happy to have Senator Patrick Bourne from Omaha, and also our committee clerk is Kathy Baugh. And we will have two positions on the Public Employees Retirement Board that we will be hearing this morning, and one position for the Nebraska Investment Council. Our page is Geoff Ruth, and we welcome him. And if you need any assistance, I know that he will be glad to fill in. Just a couple of rules. Please turn off your cell phones and pagers before we begin. Those who will be asked to testify, please come to the testifier's table. Print your name on the sheet of paper and also spell your entire name, your first and your last name; that's very helpful for the...later so that they can transcribe the comments. I believe that takes care of the rules. And we would like to welcome Judge Glenn Camerer for the appointment to the Public Employees Retirement Board. Good morning.

CONFIRMATION HEARING ON
JUDGE GLENN CAMERER TO THE
PUBLIC EMPLOYEES RETIREMENT BOARD

JUDGE GLENN CAMERER: (Exhibit 1) Good morning. I'm Glenn Camerer, and I believe I'm already signed in. And good

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 2

morning, Senator, and Senator Price, Senator Bourne.

SENATOR STUHR: And would you spell your name then for us?

JUDGE GLENN CAMERER: Yes. My first name, G-l-e-n-n, and my last name is C-a-m-e-r-e-r. I'm from Scottsbluff, Nebraska, and I'm...currently the position I occupy in the state is I'm a county judge for the 12th Judicial District and have served in that capacity for a little more than 33 years. That seems like a long time now, but I...the Chief Justice talked to me about appointment to the Public Employees Retirement Board, and have given it some thought, and had to figure out the obligations and what this would entail. And so I've agreed to serve, if confirmed. I'll answer any questions that you may have.

SENATOR STUHR: Okay, thank you very much. And joining us is Senator Synowiecki. We heard you were sick, but we're glad to have you here.

SENATOR SYNOWIECKI: I was. (Laughter)

SENATOR STUHR: So are there questions that the committee would like to address to the judge? I just might have one. First, thank you for filling out all of the forms so very completely. Sometimes we have a little problem with that, so thank you for that. What do you see as some of the challenges of serving on this board that you will be appointed to?

JUDGE GLENN CAMERER: Well, I think it's important that the retirement programs for the state be administered appropriately. I think it's important, the investment choices that are made. The choice of the director is obviously very important. And responding, I think, with the Legislature, I think are important issues. And it has to be done so that the...you want to provide good benefits, of course, to the retirees, but you also have to do it within the law and you have to do it within the financial constraints of what the retirement program is able to provide. So those are the issues that I think really confront every board member, I would think. A lot of administrative things. And I can see from just some of the paperwork I've received already, there's a lot to it. I have a lot to learn, so I plan to do that.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 3

SENATOR STUHR: Okay. Thank you. I had one question. And on your employment it said State of Nebraska County Judge, 1973 to present, and also Deputy County Attorney, Scotts Bluff County, 1970 to present.

JUDGE GLENN CAMERER: Oh, that's probably an error.

SENATOR STUHR: That's an error. All right. I caught that, and I thought I don't think that's possible. (Laughter)

JUDGE GLENN CAMERER: Okay.

SENATOR STUHR: So we'll make that correction.

JUDGE GLENN CAMERER: Yes, please do.

SENATOR STUHR: Well, thank you very much for traveling this morning and for being here, and thank you for consenting to serve on such an important board.

JUDGE GLENN CAMERER: There was one other thing I wanted to tell you, Senator, that you're aware of and I don't think the other senators would be, is that I worked in kind of an advocacy role on behalf of the judges when it comes to retirement issues and have worked with Mr. Hayes and you, Senator, and some of the other people involved. And if I become confirmed on this board, while I don't think there's probably an actual legal, technical disqualification or conflict of interest there, I think that in my mind there might be a conflict of interest, and so I'm not going to serve in an advocacy role on behalf of the judges then in the future on that. And so I'll be notifying our organization that they'll need to select somebody else to do that if I'm going to serve on this board.

SENATOR STUHR: Okay, thank you for those comments.

JUDGE GLENN CAMERER: I wanted to make that clear.

SENATOR STUHR: All right, thank you very much for being here this morning. And that concludes the hearing for Judge Glenn Camerer. We will now open the hearing for Richard Wassinger, if he would come forward, please. And this is to the appointment to the Public Employees Retirement Board.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 4

Welcome.

CONFIRMATION HEARING ON
RICHARD WASSINGER TO THE
PUBLIC EMPLOYEES RETIREMENT BOARD

RICHARD WASSINGER: (Exhibit 2) Good morning. I've already signed in. It's Richard F. Wassinger; that's R-i-c-h-a-r-d F. W-a-s-s-i-n-g-e-r. I'm presently Cass County Treasurer; have been Cass County Treasurer for a little over 20 years now. I find county government very rewarding and I was humbled when Larry Dix from NACO asked if he could submit my name for this position, and if confirmed I will be very happy to serve on this committee.

SENATOR STUHR: Okay. Are there questions for Richard? Again, thank you for filling out your forms very, very...in great detail, which we appreciate. And what do you...I'll just ask you again, what do you see as some of the challenges in your new role?

RICHARD WASSINGER: There's several things, I think, when you look at the private sector with the retirement programs and everything, how some of your larger corporations are doing away with some of their retirement programs. I think the county and the state have very good retirement programs. I think it's something we have to continue to work on to maintain the quality of program that we presently have. Choices for investments are very good; it's a very good program. I see the main thing here is, as the judge said before, funding of this. I don't know too many companies that go 1.5 to 1 on the retirement funds. I think the public employees are a very important part of our lives, and I think they need to be compensated for their efforts. And my role here would be to help see that the retirement program continues on in a fashion that's going to continue to benefit these employees and give them something to look forward when it is time for retirement.

SENATOR STUHR: Okay. And I see that you are a great supporter of exercise and fitness. Is that right?

RICHARD WASSINGER: Yes, I am into that role, and I have done...last year I did two marathons and one half-marathon.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 5

And I'm a walker, not a runner, so it takes me a little bit longer, so. (Laughter)

SENATOR STUHR: Okay. All right, sounds good. Are there any questions? And I failed to ask if there were proponents for our last candidate, but are there any other questions from the committee? If not, thank you very much for coming, and we look forward to working with you.

RICHARD WASSINGER: Thank you very much. I do the same.

SENATOR STUHR: Thank you. And are there those that would wish to speak in support of Richard Wassinger?

LARRY DIX: Senator Stuhr and members of the committee, for the record, my name is Larry Dix. The last name is spelled D-i-x, and I am the executive director of the Nebraska Association of County Officials, and certainly here in support of Mr. Wassinger. For the number of years that I've been involved with the County Officials Association, I've known Dick all the years that he has been treasurer and can certainly attest to and state that he has done an excellent job in that role; understands investing of money; understands the importance of the retirement system that we currently have; and certainly would ask that you would confirm Dick for this position.

SENATOR STUHR: Okay, thank you. Are there any questions of Mr. Dix? If not, thank you very much. Are there other proponents, those that would wish to come forward on behalf of Mr. Wassinger? Are there opponents? Are there those wishing to testify in a neutral capacity? If not, we'll close the hearing for Richard Wassinger. And since I did fail to ask, were there any proponents wishing to come forward for the judge, for Judge Glenn Camerer? Were there opponents or those wishing to speak in a neutral capacity? Okay, thank you. All right, let us go to Mr. John Maginn, and this is an appointment to the Nebraska Investment Council. We'll open the hearing on Mr. Maginn. Welcome.

CONFIRMATION HEARING ON
JOHN MAGINN TO THE
NEBRASKA INVESTMENT COUNCIL

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 6

JOHN MAGINN: (Exhibit 3) Thank you, Senators. My name is John Maginn, J-o-h-n M-a-g-i-n-n, and I'm pleased and privileged to be here this morning. I feel very privileged to be invited for consideration for the Investment Council. I spent my life doing investment work, most of it for insurance companies. I retired from Mutual of Omaha where I was the chief investment officer and treasurer. I now have my own financial consulting firm and I teach a course in investments at Creighton University.

SENATOR STUHR: Okay. Yes, looking from the paperwork that you submitted, you have a very extensive background in investments.

JOHN MAGINN: Thank you, Senator.

SENATOR STUHR: Yes. Are there questions for Mr. Maginn? What do you see as some challenges of serving on the Nebraska Investment Council?

JOHN MAGINN: Of course the primary challenge for those of us on the Investment Council is to be able to invest in a way that adequately funds the retirement benefits that the two previous gentlemen spoke to. And as you're well aware, as also was mentioned in the press, there's a great deal of discussion of what are called defined benefit plans today. And it is a challenge for corporations. It's a challenge for public bodies to adequately fund those. They're a very important part of the retirement benefits for people. So I think we will be...I think the Nebraska Council, which I've had the privilege of watching it develop over the years, has done a very effective job, and I'm only hoping that we can continue to do as effective a job in the future.

SENATOR STUHR: Okay, thank you very much. I see you had some background at the University of Minnesota.

JOHN MAGINN: Yes, I have my master's degree in finance from the University of Minnesota. My undergraduate degree is from Creighton University.

SENATOR STUHR: Right. So are you a native Nebraskan?

JOHN MAGINN: I'm a native Nebraskan.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 7

SENATOR STUHR: Okay.

JOHN MAGINN: I'm a third-generation Nebraskan.

SENATOR STUHR: All right, that's great, that's great. Are there other questions? Senator Price.

SENATOR PRICE: Mr. Maginn, I notice on your statement of financial interests, the postmark date is 10-7-05, and it is for the preceding calendar year of January 1 through December 31, 2004. Has anything changed in this report?

JOHN MAGINN: No, ma'am. There's been no material changes.

SENATOR PRICE: There's been no changes since you filed this report.

JOHN MAGINN: Well, there's been some changes. There's been some changes in the stocks that I hold, but no material change.

SENATOR PRICE: Okay, thank you.

SENATOR STUHR: Okay. Are there any other questions? If not, thank you very much for being with us this morning.

JOHN MAGINN: Thank you very much.

SENATOR STUHR: Are there those that would speak on behalf of Mr. Maginn as a proponent? Welcome.

CAROL KONTOR: Thank you, Senator Stuhr and members of the Retirement Committee. My name is Carol Kontor, C-a-r-o-l K-o-n-t-o-r, and I'm the State Investment Officer and I am here to speak for John Maginn for myself and on behalf of the Nebraska Investment Council. I distributed earlier his bio and CV, and that will just support the extensive background that John has, both academically and just by years of experience in investments, so we know that he would add a lot of value to the council from that. So he is eminently qualified from an investment standpoint. In addition, I've known John for around 15 years, and I can attest firmly that he is a man of the highest character and integrity and that his ethics are beyond reproach. And while I know that's important in all lines of business, it's

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska Retirement Systems
January 23, 2006
Page 8

especially important considering the amount of money that the Legislature has entrusted to our responsibility. So we do ask that the Retirement Committee consider and approve his application to serve on the council.

SENATOR STUHR: Okay, thank you very much. Are there questions for Carol? Thank you. Are there others wishing to come forward as a proponent? Are there those wishing to testify in opposition? Those wishing to testify in a neutral capacity? If not, that closes the hearing on Mr. Maginn, and thank you all for coming.


Chairperson


Committee Clerk