

**June 16, 2016**

The eight hundred and ninety-first meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, on Thursday, June 16, 2016. The meeting convened in open session at 8:35 a.m. and continued with the Pledge of Allegiance. Following the Pledge of Allegiance, the roll call was as follows: Catherine Moss, Chairperson, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Barbra Phillips. Catherine Moss excused the absence of Daniel Wilson. Also in attendance was Henrique Geigel, representative of the Attorney General, various members of the SERS staff, and members of the public.

**APPROVAL OF MINUTES OF THE RETIREMENT BOARD MEETING HELD ON  
May 24, 2016**

Barbra Phillips moved and James Rossler seconded the motion to approve the minutes of the Retirement Board meeting held on Tuesday, May 24, 2016. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

**PENSION REFORM**

During the June meeting, the Board continued its discussion on pension funding and the next phase of potential pension reform. SERS' actuaries, John Garrett and Todd Green from Cavanaugh Macdonald were also present to review previously discussed reform scenarios and their potential impact on the fund. Concluding discussions, the Board is taking all scenarios into consideration with plans to vote on pension reform in the near future. The Board thanked Mr. Garrett and Mr. Green for their input.

Catherine Moss asked Farouki Majeed to present the Investment Report.

**INVESTMENT REPORT**

Mr. Majeed began the discussion with a recommendation that the Board approve the FY2017 Annual Investment Plan which was discussed during the May Board meeting.

**ANNUAL INVESTMENT PLAN FY 2017**

Madonna Faragher moved and Beverly Woolridge seconded the motion to approve the Annual Investment Plan for fiscal year ending June 30, 2017, which replaces the 2016 Annual Investment Plan, originally approved June 18, 2015, and amended September 17, 2015. Upon roll call, the vote was as follows: Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, Beverly Woolridge and Catherine Moss. The motion carried.

Julie Deisler then discussed the Investment Department Incentive Plan for FY2017, which included modifications suggested by the Board during the May Board meeting.

## INVESTMENT INCENTIVE PLAN FY 2017

Beverly Woolridge moved and Christine Holland seconded the motion to approve the Investment Department Incentive Plan for fiscal year ending June 30, 2017 which replaces the Fiscal Year 2016 Investment Department Incentive Plan approved May 21, 2015. Upon roll call, the vote was as follows: Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

Following, Judi Masri and Jason Naber presented an annual review of the Fixed Income portfolio. Ms. Masri discussed fixed income market conditions, including historical spreads and portfolio performance. The Fixed Income portfolio underperformed the fixed income benchmark through April 2016 primarily due to under weighting US Treasuries. As a result, staff conducted a new fixed income manager search for a US government bond manager that resulted in the hiring of a manager.

Jason Naber discussed new implementation guidelines for Fixed Income which included a reduction in the excess return and risk in the portfolio and better diversification to the Total Fund. Mr. Majeed discussed the roll of Fixed Income in the Total Fund as a diversifier, and Mr. Naber provided an update on the remaining FY16 goals, including changes to the emerging market debt strategy and manager guidelines, and a feasibility study of the benefits of internally managed fixed income.

Following the review of the Fixed Income Annual Portfolio review, Hai Yen Le and Farouki Majeed presented the quarterly Risk Report as of March 31, 2016. The risk presentation included the Total Fund risk forecast, individual asset class contributions to risk, active risk, asset class correlation, and a comparison of realized risk vs. forecast risk. Following questions and answers regarding risk tolerance, the Board thanked staff for their presentation.

The Board took a recess at 10:38 a.m. and reconvened at 10:48 a.m.

Mr. Majeed continued with the monthly investment update. He discussed the economic update, including the risk of Britain exiting the European Union (Brexit), which is causing higher volatility in the markets. Mr. Majeed then continued with an update of the Investment report for the period ending April 30, 2016. The Board thanked Mr. Majeed for his comments and review of the monthly report.

## SUMMARY OF INVESTMENT TRANSACTIONS

Barbra Phillips moved and Christine Holland seconded that the following summary of investment transactions made in compliance with the Ohio Revised Code Section 3309.15 during the period of **April 1, 2016** through **April 30, 2016** hereby be approved. Upon roll call, the vote was as follows: Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

### A. PURCHASES

Asset Class	Approximate Cost (in millions)
US Equities	\$ 492.7
Non-US Equities	186.2
Fixed Income	214.7
Multi-Asset Strategies	60.0

Private Equity Capital Calls	18.6
Real Asset Capital Calls	39.8
Opportunistic	6.3
Cash Equivalents	528.4

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
US Equities	\$ 512.2	\$ 26.8
Non-US Equities	111.5	n/a
Fixed Income	194.1	1.6
Multi-Asset Strategies	n/a	n/a
Private Equity distributions	9.7	n/a
Real Asset distributions	19.8	n/a
Opportunistic	1.8	n/a
Cash Equivalents	473.8	n/a

**EXECUTIVE DIRECTOR'S UPDATE**

**Ohio Retirement Study Council (ORSC)**

The ORSC met on June 9<sup>th</sup> and voted unanimously to accept the staff's recommendations approving the omnibus pension corrections bill (HB 520), and disapproving the mandatory divestment resolution (HJR 6). Although the legislature has recessed, Representative Schuring is planning to have another committee hearing on the omnibus bill in September, and then have it move quickly through the General Assembly when it reconvenes after the election. There may be another hearing or interested party meeting on the divestment resolution, but the official "no" vote from the ORSC will be very helpful if that happens.

There is nothing new to report on the Fiduciary Performance Audit, and the next ORSC meeting is tentatively set for July 14<sup>th</sup>.

**Advocacy Group Meetings**

On May 26<sup>th</sup>, SERS hosted the annual OASBO/SERS Joint Legislative and Education Finance Committee update meeting in the O'Keefe Conference room. Approximately 35 school treasurers were in attendance. Board members Dan Wilson and Jamie Rossler also met with the subcommittee beforehand.

Executive update meetings are being scheduled during the month of July with the Ohio Association of Community Colleges, AFSCME Retirees, and Ohio Council 8.

**Dayton Daily News Public Records Request**

On June 10<sup>th</sup>, SERS received a public records request from the Dayton Daily News requesting all expenditures (invoices), contracts, and reports from vendors involved in SERS' government relations activities. The request asked for copies of these items going back three years. Staff in Legal, Communications, Finance, and Government Relations have coordinated the response, which was delivered June 14<sup>th</sup>.

### **Retiree Health Care Focus Groups**

During the week of June 20<sup>th</sup>, SERS's staff will conduct several retiree focus group sessions. These sessions will occur during the afternoon and evening hours to accommodate members' schedules. Members selected to participate are all age 65 and over; they will be asked to evaluate SERS' Medicare outreach and associated materials. Staff will use the information gathered in the focus group sessions to improve SERS' customer service and printed materials.

### **A.L.I.C.E. Active Shooter Training**

In 2014, SERS offered its first training for staff on how to respond in the event of a violent intruder in the building. This month, SERS will offer a refresher training for those who attended the 2014 session, and a full class for those who were hired after May 2014. The program is called A.L.I.C.E. for the "Alert, Lockdown, Inform, Counter, and Evacuate" strategy of surviving a violent intruder event.

## **LEGISLATIVE REPORT**

### **STATE LEGISLATION BOARD REPORT**

#### **131st General Assembly**

**(Prepared by Laurel Johnson as of June 3, 2016)**

---

**HB284 PENSIONS-FEDERAL OFFENSES** Mike Dovilla (H7-R-Berea) and Marlene Anielski (H6-R-Walton Hills) To add extortion and perjury and certain federal offenses to the offenses that may result in forfeiture or termination of public retirement system benefits.

Current Status: 05/24/2016 PASSED BY HOUSE; Vote 95-2

ORSC Position: Approved staff recommendation for passage with amendments

---

**HB305 UNIVERSITY OF AKRON-OPERS MEMBERS** Kirk Schuring (H48-R-Canton) To include new nonteaching employees of The University of Akron as members in the Public Employees Retirement System.

Current Status: 05/24/2016 Consideration of Senate Amendments; House Does Concur, Vote 97-0

ORSC Position: Approved staff recommendation for passage with amendments

---

**HJR6 DIVEST-TERRORISM SPONSORED COMPANIES** Terry Johnson (H90-R-McDermott) To prohibit state agencies and the state's public retirement systems from contracting with and investing in companies with certain business operations in countries designated as state sponsors of terrorism and to require state agencies and public retirement systems to divest investments from such companies.

Current Status: 04/26/2016 House Government Accountability and Oversight, (Second Hearing)

ORSC Position: Staff recommended disapproval

---

**HB520 PUBLIC RETIREMENT SYSTEMS** Kirk Schuring, (H48-R-Canton) Dan Ramos, (H56-D-Lorain) To revise the law governing the state's public retirement systems.

Current Status: 05/25/2016 House Health and Aging (Fourth Hearing)

ORSC Position: Staff recommended amendments and approval

---

**FEDERAL LEGISLATION BOARD REPORT**  
**114<sup>th</sup> United States Congress**  
**(Prepared by Laurel Johnson as of June 3, 2016)**

---

**HR 711**

SPONSOR: Rep. Kevin Brady (R-TX)

LAST ACTION: 3/22/2016 Hearing in the House Ways and Means Social Security Subcommittee.

CAPTION: Amends title II of the Social Security Act to repeal the windfall elimination provision and protect the retirement of public servants.

COMMENT: The Equal Treatment for Public Servants Act of 2015. Repeals the Windfall Elimination Provision (WEP) and replaces it with a formula that is proportional to a worker's full career earnings. HR 711 has 100 co-sponsors, including eleven Ohioans: Beatty, Chabot, Gibbs, Johnson, Joyce, Latta, Renacci, Ryan, Stivers, Tiberi, and Turner.

---

**HR 973**

SPONSOR: Rep. Rodney Davis (R-IL)

LAST ACTIONS: 2/13/2015 Referred to the House Committee on Ways and Means.

CAPTION: Amends title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions.

COMMENT: The Social Security Fairness Act of 2015. Repeals the Government Pension Offset (GPO) and WEP. HR 973 has 151 co-sponsors, including six Ohioans: Beatty, Fudge, Joyce, Kaptur, Ryan, and Turner. Companion bill to S 1651.

---

**S 1651**

SPONSOR: Sen. Sherrod Brown (D-OH)

LAST ACTIONS: 6/23/2015 Referred to the Senate Committee on Finance.

CAPTION: Amends title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions.

COMMENT: The Social Security Fairness Act of 2015. Repeals the Government Pension Offset (GPO) and WEP. S 1651 has 24 co-sponsors. Companion bill to HR 973.

---

**HR 4822**

SPONSOR: Sen. Devin Nunes (R-CA)

LAST ACTIONS: 3/21/16 Referred to the House Committee on Ways and Means.

CAPTION: To amend the Internal Revenue Code of 1986 to provide for reporting and disclosure by State and local public employee retirement pension plans.

COMMENT: The Public Employee Pension Transparency Act. Requires reporting the system's liabilities using a risk-free rate to the Treasury Department for a public database; failure to report would result in the state losing its tax-exempt bonding authority. HR 4822 has eight co-sponsors, but none from Ohio.

---

**MAY – JUNE FEDERAL UPDATE**  
**(Prepared by Jim Miller, as of June 3, 2016)**

**OVERVIEW**

The House left for the Memorial Day recess in a bit of disarray after a free-for-all over the failure of the energy and water spending legislation to pass. It is rare for an appropriations bill to fail once it reaches the floor for a vote. To no one's surprise, each party is blaming the other for the "sabotaging" of the process.

Speaker Ryan said that after the House returns from recess the Republican conference will have one of its family discussions.

The House also left without approving the emergency funding bill to combat Zika. It is expected that once the House returns they will resume the debate over both the spending bill and funding to address the Zika issue. It is also expected that the House will take up the Puerto Rico fiscal relief legislation that was reported out of the Natural Resources Committee on May 25.

The Senate has not given an indication as to when they will take up the Puerto Rico bill, but it is expected to be soon because of the July 1 deadline.

**HEALTH CARE**

The FDA has postponed until next year a decision on its proposed rule for updating safety information on prescription drug labels. The new target date for the FDA is now April 2017. This marks the third time the issuance of the new rule has been pushed back. The Public Sector Health Care Roundtable and many other groups have opposed the rule as proposed.

A recent article in the Wall Street Journal contends that biosimilar drugs may not produce the big savings that have been expected. According to the article, brand name companies with drugs that are about to go off patent are raising prices so that in many cases by the time the biosimilar hits the market, the generic drug will likely be priced just below what the brand name drug cost has been.

It appears that the 21st Century Cures Act that passed the House last July has stalled in the Senate. Chairman Alexander of the Senate HELP Committee held three separate hearings to solicit input so that the committee could then produce its own version of the legislation. A number of organizations involved in health care services wrote members of Congress to urge them to not allow what they labeled as certain dangerous provisions in the biomedical section of the legislation to become law by fast-tracking the bill. Plus, the legislation is also being held up because of the NIH funding issue. There is an outside chance the bill could be passed this year, but most Congressional health care staff think it is likely to be carried over to next year.

While the excise tax issue is sure to be carried over to next year, the Fight for Forty coalition and other groups continue their education and advocacy efforts with the Congress. It normally takes some time for a new administration and a new Congress to get rolling in a new session, and given the ugliness of the present campaign which does not bode well for a harmonious political climate next year, the campaign to eliminate or repeal the excise tax will need to be geared up for immediate action once the issue is seriously considered.

In late May, the House Ways and Means Committee voted out H.R. 5273, a bipartisan bill introduced by Representative Tiberi. The "Helping Hospitals Improve Patient Care Act" is designed to help medical providers better treat patients in their communities. Among other things, the bill would support doctors that treat patients in ambulatory surgical centers, and increase access to care in rural communities.

## **SOCIAL SECURITY**

There continues to be no mention of mandatory Social Security coverage at the Congressional level, even though some outside groups continue to try to stir the pot. In light of the spirited election year that is currently taking place, it is highly unlikely that it will even be seriously mentioned at all.

H.R. 711 now has 100 sponsors including eleven from Ohio with Representative Turner being the most recent Ohio member to sign onto the bill. There has been no recent action on the bill, and Chairman Brady's timetable for moving the legislation is unclear at this point. Staff say they are waiting on an analysis from CBO before proceeding further. While details have not been released, it appears that a discrepancy exists between the CBO projections and the SSA actuaries' estimate on the fiscal neutrality of the bill.

The Ways and Means Committee has been active on broader Social Security issues such as holding a hearing on protecting Social Security from waste, fraud, and abuse; submitting a request to SSA for overdue Social Security and Medicare Trustees reports; and, passing Representative Renacci's identity theft legislation, H.R. 3832.

## **FINANCE**

Senate Finance Chairman Hatch held a hearing to examine his corporate integration proposal, and more specifically how allowing corporations to deduct dividends could create a more fair and efficient system of corporation profits. While his proposal will be carried over to next year, it is critical that state and local retirement systems analyze this idea in terms of any potential negative impact. Senator Ron Wyden, Ranking Member on Senate Finance, said right out of the box that the Hatch proposal could go from double-taxing corporate income to double-taxing retirement plans, as well as having a negative impact on a variety of different savings plans.

An immediate question becomes one of what about investors who do not pay taxes such as public pension funds? Apparently Senator Hatch has acknowledged that tax-exempt entities and retirement plans may have some concerns with a reduction of dividend payments. Hatch has yet to introduce the bill, but has been quoted as saying he may unveil a proposal in a few weeks. Given the limited legislative calendar time remaining in the year, this proposal will be a part of the 2017 debate on tax reform. In the meantime, once more information is available, it is important for plans to determine the potential impact the Hatch proposal would have on their dividend returns, as well as any other concerns that surface.

Representative Sean Duffy introduced H.R. 5311, a bill that is intended to strengthen government oversight on firms that advise shareholders in corporate elections. The bill would require U.S. regulators to impose new registration and disclosure requirements on firms such as Institutional Shareholders Services and Glass, Lewis, and Company, because they weigh in on governance debates such as executive compensation and the compensation of corporate boards.

The bill has been assigned to the House Financial Services Committee where it is expected to be heard following the Memorial Day recess.

The Senate Committee on Banking held a hearing on May 24 concerning the role of sanctions under the Iran deal. As expected, comments were strictly on a party-line basis, which carried over from the previous debates over the effectiveness of the sanctions and the extent to which Iran has complied with the terms of the agreement.

## **PUERTO RICO**

Finally, after weeks of negotiation, in late May the House Natural Resources Committee released H.R. 5278, their compromise bill that is designed to help Puerto Rico address their debt crisis. It appears that Speaker Ryan, House Democratic Leader Pelosi, and Treasury Secretary Lew reached an agreement on the language. The bill was reported out of the committee on May 25 by a 29-10 vote. Assuming that Ryan

can get enough conservative support for the bill, it is likely to soon pass the House, as it is expected to be voted on right after recess.

The bill's fate in the Senate depends somewhat on what position Finance Chairman Oren Hatch's take is on the legislation. Hatch is a proponent of providing assistance to Puerto Rico, but on past legislation he has attempted to amend non-related pension language into the bill, hence creating a poison pill for the legislation. Also, recent comments from various other Senators suggest that the bill may face some tough sledding.

More specifically, Hatch has attempted in the past to include both Representative Nunes' PEPTA bill and his SAFE Act into the Puerto Rico assistance package.

Currently H.R. 5278 does include PEPTA-like language for Puerto Rico only, and makes no attempt to extend it to all other public pension plans.

Leadership wants to pass the legislation before July 1 because of a \$2 billion debt payment due on that date. Public plans and related interest groups will continue to closely monitor this bill throughout the process to ensure that language is not added that would include all 50 states.

### **RETIREMENT SECURITY**

The usual drumbeat from the Arnold Foundation acolytes continues, including articles by Andrew Biggs in Forbes (Are State and Local Governments Really Underfunding Their Pensions? Yes, Really), and Teacher Pensions saying that pension debt is eating away at teacher salaries and instructional costs.

Chuck Reed, former San Diego Mayor and now paid by Arnold is once again spearheading the effort to get an issue on the ballot in California that would give taxpayers a say in benefit increases and COLA distributions for public employees.

A recent development that bears watching is what Treasury said in their rejection on the Central States plan to cut benefits. One of the reasons given for the denial was that the annual investment return assumption of 7.5% used in the plan are unreasonable. The question becomes one of will this statement be used down the road as a way to discredit public plans similar return assumptions? It will be surprising if public plan critics do not use the Treasury statement to further attack public plans.

Sometimes, the battle over pension finance boils over as recently witnessed in Kentucky when the Governor used state police officers to prevent the ousted chairman of the Kentucky State Retirement System from attending a board meeting. The outcome of the decisions in Kentucky may have nationwide implications for public plans concerning how some may believe that the Kentucky solution, if it follows the Arnold influence, should be applied to other states.

### **SUMMARY OF KEY ACTIVITIES**

1. Met with staff from Senators Brown and Portman's offices, and Representatives Johnson, Stivers, Gibbs, Iatta, Joyce, Renacci, Beatty, Turner, Tiberi, Ryan, and Kaptur
2. Met with staff from AARP, Latinos for Retirement Security, and Fight for Forty Coalition
3. Met with staff from House Ways and Means Committee
4. Monitored actions of the House Natural Resources Committee as it relates to the Puerto Rico bill
5. Provided information to various Ohio Congressional offices concerning the pending Brady and Puerto Rico bills
6. Participated in numerous conference calls relating to H.R. 711

Following the Executive Director's update and Legislative Report, Ms. Morris asked Tracy Valentino to come forward for discussion of the FY 2017 Administrative Budget.

**FY 2017 ADMINISTRATIVE BUDGET**

Ms. Valentino noted that during the May meeting, Board members received the FY2017 Administrative Budgets for SERS and OSERS Holdings, LLC. Ms. Valentino requested approval of these budgets through separate resolutions: one for SERS' operating and capital budgets for the next fiscal year and, one for the transfer of funds to OSERS Holdings, LLC to cover the net operating expenses of OSERS Broad Street, LLC.

**BUDGET RESOLUTION - FY 2017 SERS ADMINISTRATIVE BUDGET**

Barbra Phillips moved and James Rossler seconded that the following budget of \$31,571,766 for the fiscal year beginning July 1, 2016 and ending June 30, 2017 be approved, with such approval effective June 22, 2016. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

<u>Expense Classification</u>	<u>Budget</u>
Personnel .....	\$ 20,395,726
Professional Services (including Investment-Related Consultants).....	6,122,438
Communications .....	1,109,415
Other Operating Expenses .....	<u>3,359,187</u>
SERS Administrative Expenses	\$ 30,986,766
Administrative Capital .....	<u>585,000</u>
<b>Administrative Budget</b>	<b>\$ 31,571,766</b>

Be it further provided that the Board has reviewed the estimated fees and expenses for operation of the investment program, and authorizes the payment of actual fees to such service providers and in such amounts as is set by the contract with the individual service providers.

**OPERATING TRANSFER RESOLUTION – FY 2017**

Christine Holland moved and Madonna Faragher seconded that SERS transfer to OSERS Holdings, LLC up to \$2,185,184 for payment of building operations and LLC expenses of OSERS Holdings for the fiscal year beginning July 1, 2016 and ending June 30, 2017. OSERS Holdings, LLC shall report quarterly to the SERS Board of Trustees on the expenditure of all funds and receipt of all revenues. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

## **ENTERPRISE RISK MANAGEMENT REPORT**

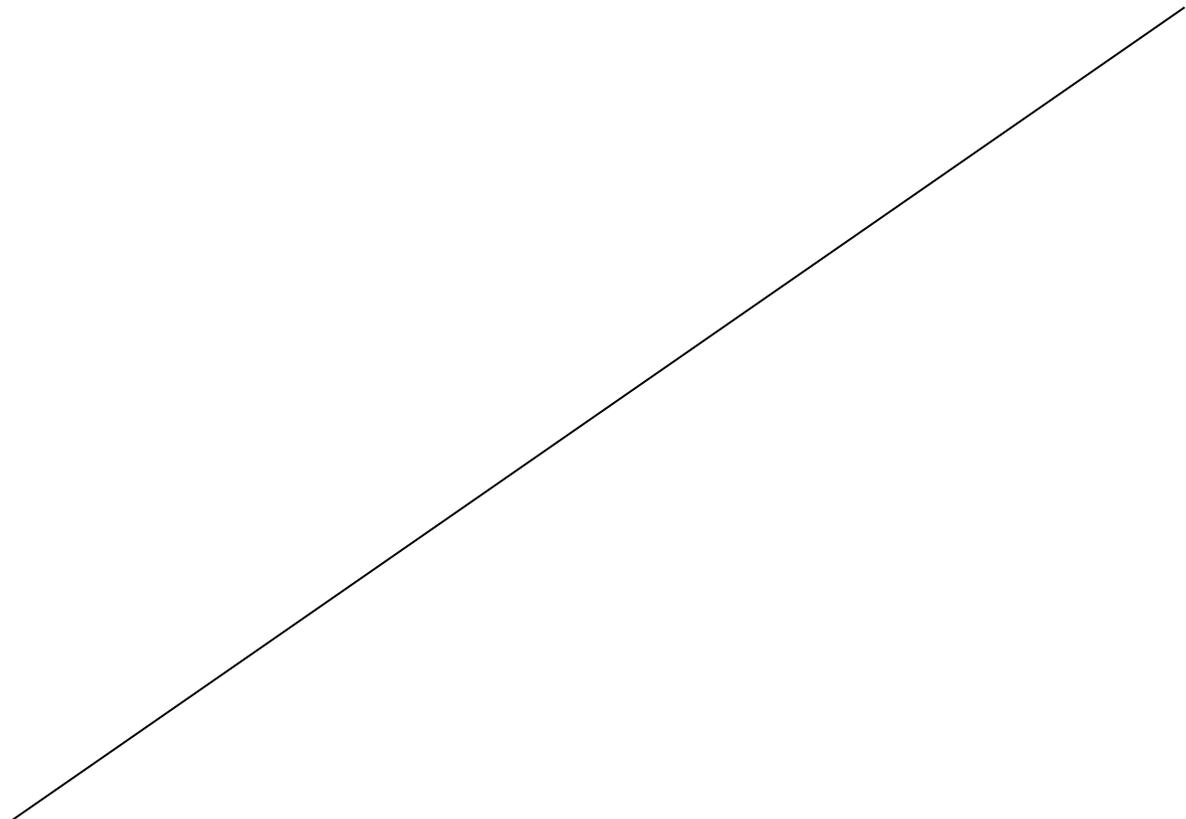
Julie Deisler, enterprise risk management officer, provided the Board with an update on the activities of SERS' Enterprise Risk Management (ERM) program. ERM, by definition, is a process involving an organization's board of directors, management and staff, which is intended to identify and effectively manage risks that may affect the organization. Ms. Deisler stated that the goal of SERS' ERM program is to create an environment at SERS that ensures risk management is an integral part of decision-making and strategic planning.

SERS' Leadership Team has spent a significant time considering the various organizational risks. As a result, staff developed a Risk Register, which identifies key risks, measures those risks in terms of likelihood and impact, velocity and preparedness, and assesses the effectiveness of the risk management controls currently in place.

Ms. Deisler outlined the phases of ERM: Phase 1 – assess the current state; Phase 2 – develop framework and; Phase 3 – implementation. Staff is currently working through Phases 1 and, having identified risks and risk owners, and working to measure them on the scales of likelihood/impact, and velocity/preparedness. She then identified SERS' top 15 risks by type and owner, known as SERS' Risk Register, and described the way these risks tie to SERS' current strategic plan.

Ms. Deisler stated that next steps will be working with risk owners to document risk characteristics, develop an internal system to organize documentation, and develop monitoring and reporting methods. These developments will ultimately lead to the development of an ERM policy.

Lisa Morris noted that Julie is helping to build a program that is specific to SERS' risks and chose not to go the route of an off-the-shelf product. The Board thanked Ms. Deisler for her presentation.



The Board continued with the Health Care Report.

**HEALTH CARE REPORT**  
**2017 HEALTH CARE PREMIUMS AND PLAN DESIGN CHANGES**

Anne Jewel, Director of Health Care Services, summarized proposed changes to the health care program for 2017. She discussed changes to benefits and premiums as well as some vendor changes and changes to the 2017 Premium Discount Program.

Ms. Jewel stated due to HealthSpan's termination of insurance operations in Ohio, SERS is moving its HealthSpan non-Medicare group to Aetna on July 1, 2016, and the HealthSpan Medicare group to Aetna Medicare on January 1, 2017. As a result of dwindling enrollment and rising costs, SERS also is moving members currently enrolled in Paramount non-Medicare coverage to Aetna non-Medicare starting January 1, 2017.

Ms. Jewel reported 2017 plan design changes to the Medicare plans include a reduction in the pharmacy co-payment subsidy currently provided to Medicare enrollees when they are in the "Donut Hole." This will keep pharmacy co-pays level throughout the year, thereby reducing confusion for members. It also will provide a cost savings to SERS. The Aetna Medicare premiums will remain the same in 2017 as they were in 2016, and there will be a slight increase in the Paramount and Primetime premiums.

Plan design changes for non-Medicare coverage in 2017 include an increase in the annual deductible from \$1,500/\$3,000 to \$2,000/\$4,000. The individual combined out-of-pocket maximum (in-network), which includes expenses for the deductible, co-insurance, and co-pays, will increase from \$6,850 to \$7,150 for medical and pharmacy costs. And the family out-of-pocket maximum will increase from \$13,700 to \$14,300. For 2017 non-Medicare premiums, the Aetna non-Medicare plan will have an increase of 5% for retirees, 7% for spouses, and 25% for children. AultCare will not see any premium changes. Ms. Jewel noted that vision and dental premiums will remain the same for 2017.

Ms. Jewel also recommended an extension of the Aetna Medicare Advantage contract for a 2-year term. The extension, which places SERS in alignment with the current STRS contract period, enables SERS to work with STRS on an RFP (request for proposal) for a consultant to assist both organizations in developing an RFP for the Medicare Advantage Group Agreement for a term beginning in 2019.

Beginning in 2017, only applicants enrolled in SERS Medicare, or in "split families" in which one spouse is enrolled in Medicare, will be eligible to receive the 25% premium discount.

Concluding, Ms. Jewel indicated the Health Care Department will conduct in-depth discussions with the Board regarding health care subsidy and eligibility issues during the July Board meeting. The Board thanked Ms. Jewel for her presentation.

**APPROVAL OF 2017 HEALTH CARE PREMIUMS AND PLAN DESIGN CHANGES**

James Rossler moved and Christine Holland seconded to approve the 2017 health care premiums in Appendix A and the plan design modifications in Appendix B. The premiums and plan design modifications are effective January 1, 2017. Further, the Executive Director is authorized to execute one year contract amendments with AultCare and Paramount for a term beginning January 1, 2017, subject to documentation satisfactory to legal counsel. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

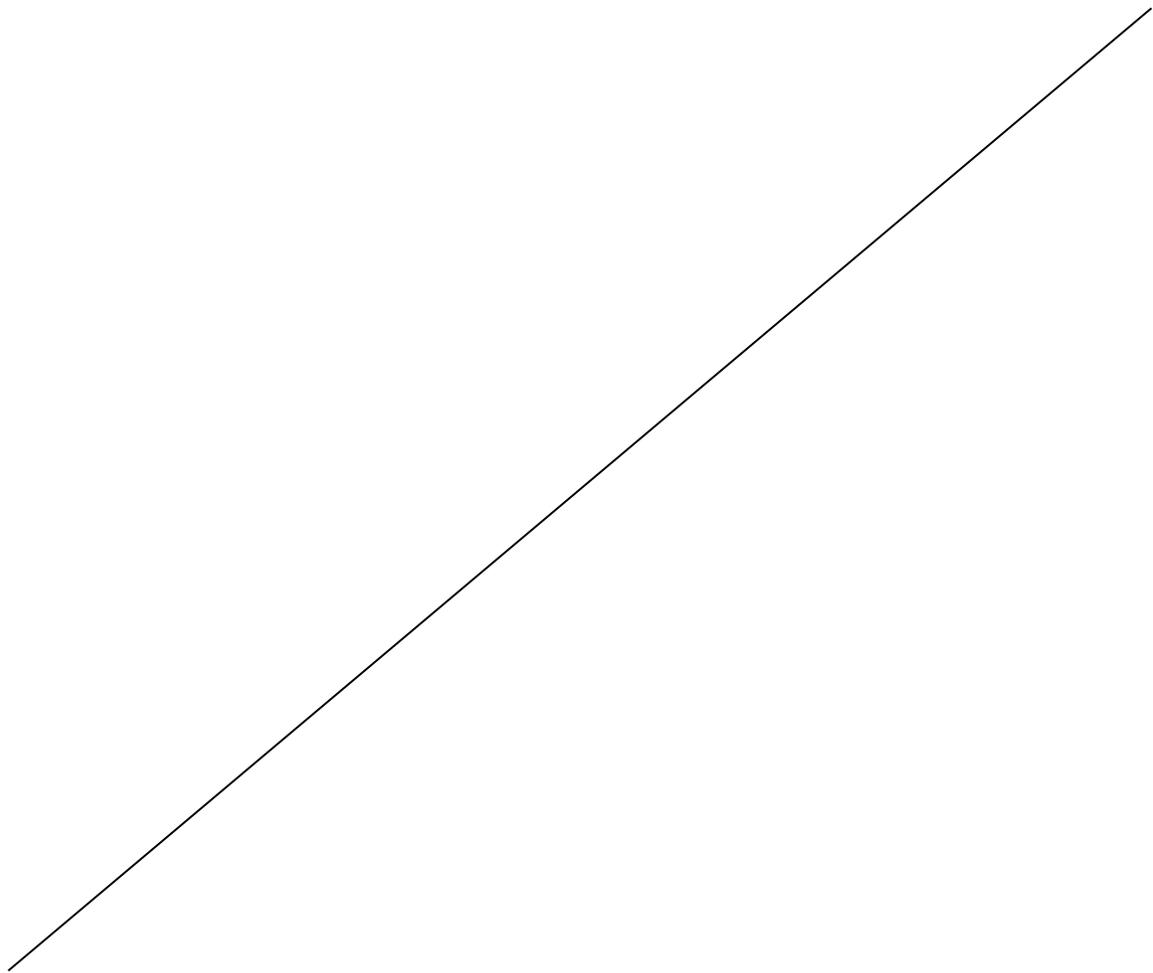
**APPENDIX A  
SERS HEALTH CARE 2017 PREMIUMS**

<b>Fully Insured Plans</b>		<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>				
<b>Aetna Medicare PPO Plan</b>	17.50%	\$73.00	\$73.00	<b>Spouse</b>			<b>Children</b>	\$187.00	\$187.00				
	20%	\$79.00	\$79.00										
	25%	\$89.00	\$89.00							80%	\$209.00	\$209.00	70%
	50%	\$144.00	\$144.00							90%	\$231.00	\$231.00	
	100%	\$253.00	\$253.00							100%	\$253.00	\$253.00	
<b>Aetna Medicare Part B only<sup>1</sup></b>	17.50%	\$133.00	\$127.00	<b>Spouse</b>			<b>Children</b>	N/A	N/A				
	20%	\$79.00	\$79.00										
	25%	\$175.00	\$166.00							80%	\$209.00	\$209.00	70%
	50%	\$315.00	\$297.00							90%	\$231.00	\$231.00	
	100%	\$594.00	\$558.00							100%	\$594.00	\$558.00	
<b>Aultcare PPO (non Medicare)</b>	17.50%	\$198.00	\$198.00	<b>Spouse</b>			<b>Children</b>	\$150.00	\$150.00				
	20%	\$221.00	\$221.00										
	25%	\$267.00	\$267.00							80%	\$629.00	\$629.00	70%
	50%	\$500.00	\$500.00							90%	\$703.00	\$703.00	
	100%	\$965.00	\$965.00							100%	\$778.00	\$778.00	
<b>Aultcare Primetime (Medicare)</b>	17.50%	\$73.00	\$77.00	<b>Spouse</b>			<b>Children</b>	\$188.00	\$203.00				
	20%	\$79.00	\$83.00										
	25%	\$90.00	\$95.00							80%	\$210.00	\$227.00	70%
	50%	\$145.00	\$155.00							90%	\$232.00	\$251.00	
	100%	\$254.00	\$275.00							100%	\$254.00	\$275.00	
<b>Aultcare (Medicare) Part B only<sup>1</sup></b>	17.50%	\$198.00	\$196.00	<b>Spouse</b>			<b>Children</b>	N/A	N/A				
	20%	\$79.00	\$83.00										
	25%	\$267.00	\$265.00							80%	\$210.00	\$227.00	70%
	50%	\$500.00	\$495.00							90%	\$232.00	\$251.00	
	100%	\$965.00	\$955.00							100%	\$778.00	\$769.00	
<b>Paramount HMO (Medicare)</b>	17.50%	\$78.00	\$80.00	<b>Spouse</b>			<b>Children</b>	\$208.00	\$215.00				
	20%	\$84.00	\$86.00										
	25%	\$97.00	\$99.00							80%	\$232.00	\$240.00	70%
	50%	\$158.00	\$163.00							90%	\$257.00	\$266.00	
	100%	\$282.00	\$292.00							100%	\$282.00	\$292.00	
<b>Paramount HMO (Medicare) Part B only<sup>1</sup></b>	17.50%	\$133.00	\$135.00	<b>Spouse</b>			<b>Children</b>	N/A	N/A				
	20%	\$84.00	\$86.00										
	25%	\$175.00	\$178.00							80%	\$232.00	\$240.00	70%
	50%	\$314.00	\$322.00							90%	\$257.00	\$266.00	
	100%	\$594.00	\$609.00							100%	\$594.00	\$609.00	

<b>Self Insured Plans</b>		<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>		<b>2016</b>	<b>2017</b>				
<b>Aetna Choice POS II (non-Medicare)</b>	17.50%	\$246.00	\$257.00	<b>Spouse</b>			<b>Children</b>	\$242.00	\$302.00				
	20%	\$276.00	\$289.00										
	25%	\$337.00	\$352.00							80%	\$886.00	\$949.00	70%
	50%	\$638.00	\$670.00							90%	\$993.00	\$1,064.00	
	100%	\$1,241.00	\$1,304.00							100%	\$1,099.00	\$1,178.00	
<b>Aetna Indemnity (Medicare)</b>	17.50%	\$156.00	\$169.00	<b>Spouse</b>			<b>Children</b>	\$521.00	\$573.00				
	20%	\$174.00	\$189.00										
	25%	\$209.00	\$227.00							80%	\$590.00	\$649.00	70%
	50%	\$382.00	\$419.00							90%	\$660.00	\$726.00	
	100%	\$729.00	\$803.00							100%	\$729.00	\$803.00	

	PMPM	
Administrative Fees	2016	2017
Aetna POS II	\$22.39	\$23.05

<sup>1</sup> If a benefit recipient has Part B only and has 25 or more years of service then that person pays the Medicare A premium for their service years. Some recipients with Part B only have less than 25 years of service and therefore pay the Part B only rate at 17.5%. The above grid shows the Part B only rate at 17.5%, and the recipients at 20% all have 25 or more years therefore their rate is shown at the Medicare rate.



**APPENDIX B  
2017 PLAN DESIGN CHANGES**

**Vendor Changes**

As a result of HealthSpan terminating all group coverage, HealthSpan non-Medicare members will be enrolled in Aetna non-Medicare group coverage on July 1, 2016 and HealthSpan Medicare members will be enrolled in Aetna Medicare coverage effective January 1, 2017. We are no longer offering Paramount non-Medicare coverage effective January 1, 2017. Paramount non-Medicare enrollees will choose other coverage during Open Enrollment.

**2017 Plan Design Changes – Medicare**

The Health Care Department is recommending the following plan design changes to the **Medicare** program:

1. SERS Medicare plans will reduce the pharmacy co-payment subsidy currently provided to Medicare enrollees when they are in the Donut Hole.

**2017 Plan Design Changes – Non-Medicare**

The Health Care Department is recommending the following plan design changes to the **Non-Medicare** program:

1. An increase in the per-person annual deductible from \$1,500 to \$2,000 and an increase in the family deductible from \$3,000 to \$4,000 per year.
2. The individual combined out-of-pocket maximum (OOPM) of \$6,850 for medical and pharmacy costs will increase to \$7,150 and the family OOPM of \$13,700 will increase to \$14,300.
3. Eliminating coverage for over-the-counter Proton Pump Inhibitors.

The chart below shows the proposed changes to the deductible and OOPM.

<b>Non-Medicare Coverage</b>		<b>2016 (current)</b>	<b>Proposed 2017</b>
<b>Deductible (Annual)</b>		\$1,500/person	\$2,000/person
		\$3,000/family	\$4,000/family
<b>Combined OOPM</b>	<b>Medical &amp; Pharmacy</b>	\$6,850/person	\$7,150/person
		\$13,700/family	\$14,300/family

**APPROVAL OF 2017 DENTAL AND VISION PREMIUMS AND PLAN DESIGN CHANGES**

Beverly Wooldridge moved and Christine Holland seconded to approve the 2017 dental and vision premiums as shown in Appendix A. There are no plan design changes for 2017. The premiums are effective January 1, 2017. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

**APPENDIX A**

<b>2017 Delta Dental Premium</b>	
<b>Benefit Recipient</b>	<b>\$27.81</b>
<b>Benefit Recipient and one dependent</b>	<b>\$55.62</b>
<b>Benefit Recipient and two or more dependents</b>	<b>\$83.70</b>

<b>2017 VSP Vision Premium</b>	
<b>Benefit Recipient</b>	<b>\$ 7.11</b>
<b>Benefit Recipient and one dependent</b>	<b>\$14.22</b>
<b>Benefit Recipient and two or more dependents</b>	<b>\$16.70</b>

There are no plan design changes or premium increases for the vision or dental programs for 2017.

### **AETNA MA CONTRACT EXTENSION**

Beverly Woolridge moved and Madonna Faragher seconded to authorize the Executive Director to execute an extension of the current Medicare Advantage PPO Group Agreement between SERS and Aetna Life Insurance Company for a term of two years beginning January 1, 2017. The amendment is subject to documentation satisfactory to legal counsel. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

### **2017 HEALTH CARE PREMIUM DISCOUNT PROGRAM (SAFETY NET)**

The 2017 Health Care Premium Discount Program will be offered only to applicants enrolled in or eligible for Medicare and to “split families” in which only one spouse is eligible for Medicare.

Eligibility for the Health Care Premium Discount Program during the 2017 calendar year will be based upon the applicant’s qualifying household income for calendar year 2015. Medicare Part B reimbursement is excluded from the definition of qualifying household income. If the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, is *less* than or equal to 125% of the 2016 federal (U.S. Department of Health and Human Services) poverty level for the household size, the applicant will be eligible to have 25% of his/her share of the SERS premium subsidized by SERS.

If the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, is *more* than 125% of the 2016 federal poverty level for the household size, the applicant may request special consideration. Special consideration will be given to applicants providing written evidence satisfactory to SERS’ staff that a material change in the applicant’s financial circumstance subsequent to calendar year 2015 has caused the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, to become *less* than or equal to 125% of the 2016 federal poverty level for the household size.

Madonna Faragher moved and Christine Holland seconded to approve the 2017 Health Care Premium Discount Program. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

Following the Health Care Report, the Board recessed at 12:31 p.m. and reconvened at 1:37 p.m.

### **EXECUTIVE SESSION**

At 1:37 p.m., Barbra Phillips moved and Beverly Woolridge seconded the motion that the Board go into Executive Session pursuant to section 121.22 (G)(5) of the Ohio Revised Code to review applications for Disability Retirement Benefits. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

The Board returned to open session at 1:50 p.m.

### **AUDIT COMMITTEE UPDATE**

Joe Bell, Chief Audit Officer, stated that annually, the Audit Committee reviews and assesses the adequacy of the Committee Charter (Charter). During its June Audit Committee meeting, the Committee recommended approval of the Amended SERS Audit Committee Charter. Recommended changes include adjusting the composition of the committee from no more than five members to consisting of three members, one of which shall be an "investment expert or designee." Meeting dates were also changed to being held in March, June, September, and December. In accordance with the Committee's responsibilities, all Charter changes require Board approval. Therefore, these changes are before the Board for review and approval.

Additionally, the Committee reviewed and approved the proposed FY2017 Annual Internal Audit Plan during its June 15<sup>th</sup> meeting. Mr. Bell presented an overview of the FY2017 Annual Internal Audit Plan and the audit planning process.

Concluding Mr. Bell's remarks, Barbra Phillips acknowledged the positive comments received by staff and management on behalf of Mr. Bell's efforts. She also stated that Mr. Bell will be audited by the internal audit staff of OPERS to ensure that he is in compliance. She also noted her appreciation for his efforts.

### **AUDIT COMMITTEE CHARTER**

The SERS Audit Committee recommends that the amended SERS Audit Committee Charter be approved, effective June 16, 2016. The question before the Board is whether the Committee's recommendation shall be adopted. Upon roll call, the vote was as follows: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.



BD5-015

# SERS Audit Committee Charter

<b>Effective Date:</b>	03/21/2013	<b>Revision Date:</b>	6/16/2016	<b>Audience:</b>	Everyone
<b>Owner:</b>	Board	<b>Certifier:</b>	Lisa Morris	<b>Co-Owner (s):</b>	Executive
<b>Document Links:</b>	<a href="#">Purpose</a> , <a href="#">Policy</a> , <a href="#">Procedure</a> , <a href="#">Definitions</a> , <a href="#">Related Documents</a> , <a href="#">Policy History</a>				

## Purpose

The purpose of this Audit Committee Charter is to assist the SERS Board in fulfilling its oversight responsibilities for the:

- Financial and operational reporting processes;
- System of internal control; and
- Internal and external audit processes of SERS.

## Policy

### Authority

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Oversee the work of any registered public accounting firm employed by the organization.
- Oversee the operations of the internal audit activity.
- Seek any information it requires from employees – all of whom are directed to cooperate with the committee’s requests – or external parties.
- Meet with SERS Management, internal auditors, external auditors, or outside counsel, as necessary.

### Composition

The audit committee consists of three members of the SERS Board. The board chair will appoint the committee chair on a biennial basis. Following the appointment of the committee chair, the board chair will ask for other Board members to fill the remaining spots on the committee, with such commitments being for a two-year term.

Each committee member will be both independent and familiar with the finances of SERS. One committee member will be a retirant member and one committee member will be an employee member. One member shall be an “investment expert” or an “investment designee” as defined in Ohio Revised Code Section 3309.05.

### Meetings and Communications

The committee will hold regular meetings in March, June, September, and December on the day before the Board meeting. Notice for all meetings shall be given in accordance with Rule 3309-

1-25. The committee may also convene additional meetings as circumstances require.

All committee members are expected to attend each meeting. The committee will invite members of management, internal and external auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved by the committee at the subsequent meeting. Meetings will be arranged and conducted in accordance with Ohio's open meeting laws. Subject to open meeting laws, the committee may hold executive sessions.

## **Responsibilities**

The committee will carry out the following responsibilities:

### **1. Financial Statements**

- 1.1 Obtain information and training to enhance the audit committee members' expertise in financial reporting standards and processes to reasonably oversee financial reporting.
- 1.2 Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 1.3 Review with management and the external auditors the results of the audit, including any difficulties encountered.
- 1.4 Review the annual financial statements and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- 1.5 Review operational data and other sections of the annual report (e.g. CAFR) and related regulatory filings before release and consider the accuracy and completeness of the information.
- 1.6 Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- 1.7 Review all significant adjustments proposed by the external auditor.
- 1.8 Review all significant external auditor recommendations and management responses.
- 1.9 Review with General Counsel the status of legal matters that may have an effect on the financial statements.
- 1.10 Review the statement of management responsibility for and the assessment of the internal control structure and organizational financial reporting effectiveness.

### **2. Internal Control**

- 2.1 Review and discuss the organization's risk management and internal control system, including information technology security and control.
  - 2.2 Review and discuss with the Chief Financial Officer, the organization's internal/disclosure controls and procedures to limit material control weaknesses and fraud.
  - 2.3 Understand the scope of internal auditing's review of risk management and internal control over financial and operational reporting, and obtain reports on significant findings and recommendations, together with management's responses.
  - 2.4 Understand the scope of the external auditors' review of internal control over
-

financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

- 2.5 Review with management and the external auditors their respective assessments and attestation of the effectiveness of the organization's internal controls and procedures for financial reporting.

### **3. Internal Auditing**

- 3.1 Review and approve the internal audit charter, plans, activities, staffing, and organizational structure of the internal audit activity, including succession planning.
- 3.2 As needed, ensure there are no unjustified scope restrictions or resource limitations placed on the internal audit activity.
- 3.3 Annually approve the goals and objectives of the Chief Audit Officer (CAO).
- 3.4 At least quarterly, review the goals of the CAO.
- 3.5 Annually evaluate the performance of the CAO and deliver an annual written evaluation report to the Board.
- 3.6 Recommend to the Board salary and benefit changes for the CAO.
- 3.7 As needed, recommend to the Board on the CAO's appointment and/or discharge.
- 3.8 As needed, meet separately with the CAO to discuss any matters that the committee or CAO believes should be discussed in executive session.
- 3.9 Receive and review internal audit reports and management responses as appropriate.
- 3.10 Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported recommendations.
- 3.11 Review periodic updates of advisory and consulting activities by the internal audit activity.
- 3.12 Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.

### **4. External Auditing**

- 4.1 Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal auditing.
- 4.2 Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization, including non-audit services and compensation practices, and discussing the relationships with the auditors.
- 4.3 As needed, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed in executive session.

### **5. Reporting Responsibilities**

- 5.1 Regularly report to the SERS Board about committee activities, issues, and related recommendations.
  - 5.2 Provide an open avenue of communication between internal auditors, external auditors, and the SERS Board.
  - 5.3 As needed, review any other reports the organization issues that relate to committee
-

responsibilities.

**5.4** In accordance with Ohio Revised Code Section 3309.044, the committee shall annually prepare and submit to the Ohio Retirement Study Council a report of its actions during the preceding year.

## **6 Other Responsibilities**

**6.1** Perform other activities related to this charter as requested by the SERS Board.

**6.2** Institute and oversee special investigations as needed.

**6.3** Review and assess the adequacy of the committee charter annually, requesting SERS Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

**6.4** Review annually that all responsibilities outlined in this charter have been carried out.

**6.5** Evaluate the committee's and individual members' performance on a regular basis.

**6.6** In accordance with the SERS Reporting of Suspected Misconduct policy, review results of any suspected misconduct reported to or discovered by the internal audit activity during an audit.

## **Effective Date**

This Audit Committee Charter was adopted by the SERS Board on March 21, 2013, and amended by the Board on February 14, 2014, June 19, 2014, September 17, 2015, and June 16, 2016.

---

## **Procedures**    None

---

## **Definitions**

**None**

---

## **Related Documents and Information**

Statutes:                    3309.044

Rules:                        N/A

Document Links:        [Purpose](#), [Policy](#), [Procedure](#), [Definitions](#), [Related Documents](#), [Policy History](#)

Forms:                        ---

---

## **Policy History**

**Version 1 – March 21, 2013– Created – Approved by Board**

**Version 2 – February 14, 2014 – Edited – Approved by Board**

**Version 3 – June 19, 2014 – Edited – Approved by Board**

**Version 4 – September 17, 2015 – Edited – Approved by Board**

**EXECUTIVE SESSION**

At 2:23 p.m., Beverly Woolridge moved and Barbra Phillips seconded the motion that the Board go into Executive Session pursuant to section 121.22 (G)(1) of the Ohio Revised Code to consider the employment and compensation of a public employee. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

The Board returned to open session at 2:39 p.m.

**APPROVAL OF OUT-OF-STATE TRAVEL**

Barbra Phillips moved and Christine Holland seconded the motion that requests by Board Members to attend and receive reimbursement for the following out-of-state conferences and meetings be approved: Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

<b>Conference</b>	<b>Attendee</b>	<b>Conference Dates</b>	<b>Conference Location</b>	<b>Estimate</b>
NCPERS 2016 Public Pension Funding Forum	James Rossler	August 21-23, 2016	New Haven, CT	\$937.70

**EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT**

Catherine Moss moved and James Rossler seconded that the Executive Director Employment Agreement between SERS and Lisa Morris effective October 21, 2010 and as amended by the First Amendment dated July 1, 2011, the Second Amendment dated July 1, 2012, and the Third Amendment dated July 1, 2013, be amended effective July 1, 2016 to:

- (a) Increase the amount SERS contributes to the Ohio Deferred Compensation Plan on behalf of Ms. Morris from 5% of Morris' salary to 10% of Morris' salary.
- (b) Include language that Ms. Morris receive 15 days of sick leave per year.

Upon roll call, the vote was as follows: Yea: Barbra Phillips, Madonna Faragher, James Haller, Christine Holland, James Rossler, Beverly Woolridge and Catherine Moss. The motion carried.

On behalf of the Compensation Committee, Madonna Faragher acknowledged Lisa Morris's many accomplishments and efforts to the SERS' Board and staff.

**BOARD OFFICER ELECTION**

Catherine Moss, Board Chair continued with the election of Board Officers to be effective July 1, 2016. Ms. Moss asked for nominations for Chair. Christine Holland nominated Barbra Phillips. Ms. Moss asked for other nominations, there being none, Ms. Moss declared Barbra Phillips Chair for the 2016-2017 fiscal year.

Ms. Moss asked for nominations for Vice Chair. Barbra Phillips nominated Madonna Faragher. Ms. Moss asked for other nominations, there being none, Ms. Moss declared Madonna Faragher Vice Chair for the 2016-2017 fiscal year.

The Board continued with the review of calendar dates and future Board meetings.

### **CALENDAR DATES FOR FUTURE BOARD MEETINGS**

#### **2016**

July 21 and 22 (Thurs. and Fri.)  
September 15 and 16 (Thurs. and Fri.)  
October 20 and 21 (Thurs. and Fri.)  
November 17 and 18 (Thurs. and Fri.)  
December 15 and 16 (Thurs. and Fri.)

**\*\*NOTE: The above dates are *tentative*.**

### **BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS**

Ms. Morris continued by reviewing the open and closed information items and noted requests made during the May meeting.

### **ADJOURNMENT**

Catherine Moss moved that the Board adjourn to meet on Thursday, July 21, 2016 for their regularly scheduled meeting. The meeting adjourned at 2:52 p.m.

---

Catherine Moss– Board Chair

---

Lisa J. Morris – Secretary