



**SERS Retirement Board Agenda**  
**July 22, 2022, 8:30 a.m.**

**Click the link to join the Zoom meeting:**

<https://ohsers.zoom.us/j/98698807373?pwd=MmlxcFdZZFpCMnBOb1U0S1dYNnRQdz09>

**Meeting ID:** 986 9880 7373

**Password:** 477840

To join by phone, dial: (301) 715-8592 & enter the meeting ID: **986 9880 7373** and password: **477840**

**PLEDGE OF ALLEGIANCE**

1. Roll Call

**CONSENT AGENDA (R)**

2. Approval of the **June 16, 2022**, Retirement Board Meeting Minutes
3. Summary of Investment Transactions – **May 1, 2022 to May 31, 2022**
4. Retirement Report
  - Superannuation and Survivor Benefits
  - Special Cases
5. Disability Report
  - Approval of Disability Benefits
  - Disapproval of Disability Benefits
  - Disapproval of Appeal for Disability Benefits
  - Termination of Disability Benefits
  - Termination of Disability Benefits – Any Occupation
  - Approval of Appeal of Termination- Any Occupation
  - Disapproval of Appeal of Termination – Any Occupation
  - Disapproval of Appeal of Termination – Any Occupation on Personal Appearance

**INVESTMENT REPORT**

6. Monthly Investment Report

**EXECUTIVE DIRECTOR'S REPORT**

7. Executive Director's Update
8. Actuarial Review RFP Discussion (R)
9. Review of Administrative Expenses
10. Election of Employee Member (**R**)
11. New Employer Request – Heartland Council of Governments (R)
12. New Employer Request – NEOMIN Council of Governments (R)

**TECHNOLOGY COMMITTEE REPORT**

13. Technology Committee Update

**RETIREMENT REPORT**

14. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits(*if needed*) (R)

**BOARD COMMUNICATION AND POLICY ISSUES**

15. Calendar Dates for Future Board Meetings
16. Continued or New Business
  - Board Information Requests and Follow-up Items

**Adjournment (R)**

FY2023 SERS Board Roll Call

Jeffrey DeLeone	_____
Frank Weglarz	_____
Hugh Garside	_____
James Haller	_____
Matthew King	_____
Catherine Moss	_____
Barbra Phillips	_____
James Rossler	_____
Daniel Wilson	_____

## CONSENT AGENDA

1. Minutes of the **June 16, 2022** Retirement Board meeting
2. Summary of Investment Transactions – **May 1 to May 31, 2022**
3. Retirement Report
  - a. Superannuation and Survivor Benefits
  - b. Special Cases
4. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Disapproval of Appeal for Disability Benefits
  - d. Termination of Disability Benefits
  - e. Termination of Disability Benefits – Any Occupation
  - f. Approval of Appeal of Termination- Any Occupation
  - g. Disapproval of Appeal of Termination – Any Occupation
  - h. Disapproval of Appeal of Termination – Any Occupation on Personal Appearance

**APPROVAL OF CONSENT AGENDA**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion to approve the Consent Agenda, which includes the following items:

- 5. Minutes of the **June 16, 2022**, Retirement Board meeting
- 6. Summary of Investment Transactions – **May 1, 2022 to May 31, 2022**
- 7. Retirement Report
  - a. Superannuation and Survivor Benefits
  - b. Special Cases
- 8. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Disapproval of Appeal for Disability Benefits
  - d. Termination of Disability Benefits
  - e. Termination of Disability Benefits – Any Occupation
  - f. Approval of Appeal of Termination- Any Occupation
  - g. Disapproval of Appeal of Termination – Any Occupation
  - h. Disapproval of Appeal of Termination – Any Occupation on Personal Appearance

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

# SERS Retirement Board Meeting Minutes

June 16, 2022

The nine hundredth and fiftieth meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, June 16, 2022.

## Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:36 a.m. with the Pledge of Allegiance.

## Roll Call

Following the Pledge of Allegiance, the roll call was as follows: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, and Daniel Wilson. Absent: Hugh Garside. Also attending in person was Lisa Reid, representative of the Ohio Attorney General's Office and various members of the SERS staff. Attending virtually was several SERS staff members and members of the public.

## Consent Agenda

The consent agenda for June 16, 2022, included:

- Minutes from the **May 19, 2022, Board Meeting**
- Summary of Investment Transactions for the period of **April 1, 2022, through April 30, 2022.**
- Retirement Report – Superannuation and Survivor Benefits and Special Cases
- Disability Report - Approval of Disability Benefits, Termination of Disability Benefits – Any Occupation, Approval of Appeal of Termination – Any Occupation, and Disapproval of Appeal of Termination – Any Occupation

Frank Weglarz moved and Catherine Moss seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, June 16, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Investment Report

### **Amended Statement on Investment Policy**

SERS Chief Investment Officer Farouki Majeed provided a historical review of the SERS Investment Plan and Statement of Investment policy. The AIP includes an overview of the current economic environment based on reports from leading economic firms, SERS' asset allocation target, and long-term performance objectives for each type of investment. In addition, it contains last year's objectives and accomplishments, and details about how each investment portfolio will be managed during the year.

Following discussion, Jeffrey DeLeone moved and Catherine Moss seconded the motion to approve amendments to the Statement of Investment Policy increasing the Opportunistic and Tactical Investments range from 0%-5% to 0%-7% and increasing the Global Real Assets range from 14%-20% to 14%-22%. Targets for those asset classes will not change. The amended Statement of Investment Policy will become effective July 1, 2022 and replaces the Statement of Investment Policy dated February 17, 2022.

<b><u>ASSET CLASS</u></b>	<b><u>TARGET</u></b>	<b><u>RANGE</u></b>
<b><u>Equity</u></b>	<b>57%</b>	<b>47% - 67%</b>
Global Equities	45%	35% - 55%
Global Private Equity	12%	8% - 16%
<b><u>Income</u></b>	<b>43%</b>	<b>38% - 48%</b>

# SERS Retirement Board Meeting Minutes

June 16, 2022

Global Bonds	19%	12% - 26%
Global Private Credit	5%	3% - 7%
Global Real Assets	17%	14% - 22%
Cash Equivalents	2%	0% - 5%
<b>STRATEGY</b>		
Opportunistic and Tactical Investments	0%	0 - 7%
<b>Total</b>	<b>100%</b>	
<b>Leverage</b>	<b>0%</b>	<b>0% - 10%</b>
<b>Total Notional Exposure (Including Leverage)</b>	<b>100%</b>	<b>100% - 110%</b>

Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Annual Investment Plan – FY23

Mr. Majeed continued his presentation and discussed the SERS Annual Investment Plan for FY23 that was discussed at the May 2022 board meeting. The Board's Statement of Investment Policy (SIP) requires the Chief Investment Officer prepare and present to the Board for its approval an Annual Investment Plan (Plan).

After questions were addressed, Jeffrey DeLeone moved and Catherine Moss seconded the motion to approve the Annual Investment Plan for fiscal year ending June 30, 2023, which replaces the FY 2022 Annual Investment Plan, originally approved June 17, 2021. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Monthly Investment Report

Mr. Majeed updated the board on the economic conditions in the U.S in 2022, and how staff is positioning the pension fund to combat the effects of inflation.

In April, U.S. inflation dipped slightly from the March level of 8.5% to 8.3%, which was still quite high. In May, inflation rose again to 8.6% which was the highest 12-month increase since 1981. Economists are concerned that because inflation has remained at this level for more than three months, it potentially signals a long period of high inflation.

GDP decreased at an annualized rate of 1.5% during the first quarter primarily due to supply chain issues and inflation. Declines in private inventory investments, exports, and government spending also contributed to the negative GDP.

The labor market remained strong with 428,000 jobs added in April and the unemployment rate stayed at 3.6%. While consumer sentiment rose slightly, it was still below historical levels due to rising inflation. The nation's manufacturing PMI (Purchasing Manager's Index) remained solid at 52.2, as a reading over 50.0 indicates growth and expansion.

In the current inflationary period, SERS' investment team received permission from the Board to increase the maximum allocation to real assets from 20% to 22% of the Total Fund and increase the maximum allocation to opportunistic investments from 5% to 7% of the Total Fund.

# **SERS Retirement Board Meeting Minutes**

**June 16, 2022**

Both asset classes perform well during inflationary periods. Staff is likely to reduce exposure to global equity and fixed income as performance in these areas is challenged by inflation. Following a brief discussion, the board thanked Mr. Majeed for his report.

The board took a break at 9:46 a.m.

The board meeting reconvened at 10:00 a.m.

## **Executive Director's Report**

### **ORSC**

Richard Stensrud, SERS Executive Director, reported the ORSC held a special meeting to review the SERS CBBC proposal and an OPERS poll worker amendment. During a special meeting of the Ohio Retirement Study Council (ORSC) in June, Senators Schuring and Hottinger introduced standalone legislation (SB347) of SERS' Contribution Based Benefit Cap (CBBC) proposal, which was unanimously supported by ORSC members.

SERS remains hopeful of action on the bill following the November election and before the end of the year.

The regularly scheduled ORSC meeting was held on Thursday, June 9<sup>th</sup>. The Council reviewed the STRS 10-year actuarial and fiduciary audits which is part of the ORSC mandate. SERS is setting up an actuarial audit, off cycle and earlier than necessary. Because of the decision to extend the relationship with CavMac, our current actuary, an actuarial audit will be done to review the accuracy of the work being done. An RFP is out and SERS staff hope to have an auditor selected soon. Richard Stensrud and the new CFO will oversee the audit.

### **Advocacy Groups**

Mr. Stensrud continued, reporting on CBBC outreach. SERS did extensive outreach to stakeholder groups to ensure that their organizations were aware of our legislative efforts to advance our CBBC proposal with the General Assembly. Group representatives were universally aware of our proposal based on the discussions held previously as part of the Board's sustainability sessions. Key stakeholders were supportive of our effort and willing to help as necessary. SERS staff is hoping to move CBBC legislation forward this fall.

### **Ohio General Assembly**

Mr. Stensrud reported on June 1<sup>st</sup> the House Insurance committee held a hearing on HB 499, legislation to allow OPERS and SERS disability recipients to hold elected offices covered by the systems, without terminating their disability benefits. SERS and OPERS staff testified against the bill, due to a lack of clarity regarding how such a change could be implemented and concerned about the policy implications changing the nature of those disability plans. ORSC had at a recent meeting also adopted staff recommendations against passage of HB 499.

After testimony was heard, the committee made amendments to the bill unrelated to the issues raised by the systems but took no further action before adjourning. No action was taken & SERS wants to be sure it is completely understood that we are not in favor of this legislation.

### **Federal Legislation**

Mr. Stensrud reported there continue to be no new developments on the WEP reform front and other WEP and GPO repeal bills don't appear to have any momentum currently. Mr. Stensrud stated the best chance for movement are a reform of a bill already introduced vs. an appeal. SERS staff remain optimistic this will happen. SERS staff will continue to monitor WEP activity and will update the board with any new developments.

# **SERS Retirement Board Meeting Minutes**

**June 16, 2022**

## **Medicare Part B Premiums**

Centers for Medicare & Medicaid Services (CMS) has announced that there won't be any reduction to the Medicare Part B premium of \$170.10 this year. The rate for 2022 was a significant increase due to anticipated usage of a new Alzheimer treatment which has been somewhat mitigated through federal action. The degree of costs is lower than anticipated and it is likely that Part B premiums rates will drop in 2023. CMS has indicated that any additional funding caused by the uncertainty in 2022 will be used to reduce necessary financing in 2023 and later. CMS won't roll back 2022 premium costs but will incorporate lower costs in 2023 that should result in a lower premium. The board expressed an interest in discussing SERS premium reimbursement rates at a future sustainability session, possibly in September. SERS will advise the public when this session has been scheduled.

## **Virtual Board Meeting Attendance**

Mr. Stensrud reported Board members can no longer attend meetings virtually after this month. The legislation temporarily allowing virtual attendance will expire on June 30, 2022. SERS will look for opportunities to continue to provide flexibility about attendance & want to revisit this with the legislature and get this virtual attendance capability reinstated.

## **Myths and Misconceptions**

Mr. Stensrud continued his report stating the Myths and Misconceptions portion of the Executive Director's report are now posted to the SERS website. The Myths and Misconceptions concept was created to address any misinformation the public may have about SERS. Sometimes, efforts to unravel public pension plans involve the pandering of myths and misconceptions designed to portray defined benefit pensions in an unfavorable way and sway opinions in their favor. When dangerous and misinformed myths and misconceptions surface in the media or in SERS' own experience, Executive Director Richard Stensrud addresses the topic at a Board meeting and explains why they are false and misleading.

Past Myths and Misconceptions topics can be found on the SERS' website. The page will be updated as Director Stensrud tackles future myths and misconceptions.

## **Operation Feed Update**

Mr. Stensrud reported the annual staff charitable event Operation Feed is being held this month. Donations are being accepted online by MidOhio Foodbank from June 6<sup>th</sup> -17<sup>th</sup>. SERS goal is to reach \$1,200 in donations which will exceed the 2021 amount of \$1,044. SERS will also accept donations of food and basic need items and the donation drop-off on the 7<sup>th</sup> floor. There was also a contest created for staff to guess the weight of a jar of prizes for a \$1 donation.

## **Direct Deposit Mandate**

Mr. Stensrud continued, stating SERS is moving away from paper checks and will require direct deposit for future member and retiree payments. SERS staff have been working on this initiative for a couple of years to shift to direct deposit. As of June, only 336 members were still being issued paper checks. SERS Staff will continue to reach out to them until July 1. After that date, their payments will be paused. Direct deposit reduces costs and can keep payments coming even in the event of a disaster. It's also easier to push out payments electronically. SERS staff are still working to make sure everyone understands why this change is being made and Mr. Stensrud will continue to provide updates to the board.

## **SERS Healthcare Plan – Eligibility Update**

Mr. Stensrud reported on a change in eligibility for the SERS healthcare plan. The decision was made to require people eligible for Medicare Part B to enroll to participate in the SERS healthcare plan. There are not many people affected by this decision and they have all been contacted via letters and by telephone.



# SERS Retirement Board Meeting Minutes

June 16, 2022

By July 1, if they haven't met the requirement, they will be terminated by the plan. Of the 151 retirees who are required to enroll, 62 have done so and 89 have not responded. SERS staff will continue outreach and will help people get enrolled and stay enrolled with SERS Plan.

## FY2023 Administrative Budget

SERS Chief Financial Officer, Tracy Valentino, provided a brief introduction of the three budget resolutions to be presented to the board. After a robust discussion, Frank Weglarz moved and James Haller seconded that the following budget of \$35,873,439 for the fiscal year beginning July 1, 2022, and ending June 30, 2023, be approved, with such approval effective June 30, 2022.

<u>Expense Classification</u>	<u>Budget</u>
Personnel .....	\$ 24,392,195
Professional Services (including Investment-Related Consultants) .....	6,502,883
Communications .....	1,011,873
Other Operating Expenses .....	<u>3,912,379</u>
SERS Administrative Expenses	\$ 35,819,330
Administrative Capital .....	<u>54,109</u>
<b>Administrative Budget</b>	<b>\$ 35,873,439</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. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Operating Transfer Resolution

Catherine Moss moved and Matthew King seconded that SERS transfer to OSERS Holdings, LLC up to \$2,118,137 for payment of building operations and LLC expenses of OSERS Holdings for the fiscal year beginning July 1, 2022, and ending June 30, 2023, be approved, with such approval effective June 30, 2022. 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: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Five Year Technology Enhancement Project Resolution – FY2023 to FY2027

Staff discussed with the Retirement Board the Technology Enhancement Project. The purpose of this project is to deliver a series of well-planned initiatives that will enhance SERS' digital capabilities around SMART, add expanded tools for operational efficiencies, meet infrastructure needs, and respond to changing electronic expectations of our members, employers, and employees.

Due to the scope of the Project, a five-year budget is recommended.

Frank Weglarz moved and Matthew King seconded that a five-year \$8,283,054 dollar budget for the Technology Enhancement Project be approved for fiscal years 2023 through 2027, with such approval effective June 30, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

# SERS Retirement Board Meeting Minutes

June 16, 2022

Following the votes on the FY2023 budget, the board thanked Tracy Valentino for her hard work and guidance as she will be retiring from SERS in the coming weeks. The board wished Ms. Valentino the best.

## **Executive Session**

Catherine Moss moved and Frank Weglarz seconded the motion that the board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

The board convened in executive session at 10:46 a.m.

The board reconvened in open session at 11:00 a.m.

## **Healthcare Report**

Christi Pepe, SERS Director of Health Care Services, presented the 2023 plan and premium changes for Board approval. Staff recommended no premium changes for the Aetna Medicare Plan (PPO). Proposed benefit changes included decreasing the in-network primary office visit co-pay to \$10 from \$20 and decreasing the in-network outpatient short-term rehabilitation co-pay to \$15 from \$20.

For the non-Medicare plan, no premium changes were recommended to the Aetna Choice POS II plan. A 1% premium increase was submitted for the AultCare Plan PPO plan. Benefits will remain the same for both non-Medicare plans.

For the SERS Wraparound HRA, the recommendation is to adopt the new federal reimbursement limit of \$1,950 per calendar year from \$1,800 per calendar year.

Next, Ms. Pepe reviewed 2023 dental and vision plan premiums. No premium or benefit changes were proposed. The Board was also asked to renew the SERS Premium Discount Program with a new qualifying income level at 175% of the federal poverty level from 150%. It was also requested to allow enrollees previously approved for a premium discount by manual application to continue to receive the discount without reapplying.

## **Approval of 2023 Health Care Premiums and Plan Design Changes**

It was moved by James Rossler and seconded by Catherine Moss to approve the 2023 health care premiums in Appendix A and the plan design changes in Appendix B. The premiums and plan design changes are effective January 1, 2023. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## **Approval of 2023 Dental and Vision Premiums**

It was moved by Frank Weglarz and seconded by Matthew King to approve the 2023 dental and vision premiums as described in Appendix A. The premiums are effective January 1, 2023. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

# SERS Retirement Board Meeting Minutes

June 16, 2022

## 2023 Health Care Premium Discount Program (Safety Net)

The 2023 Health Care Premium Discount Program is offered only to applicants enrolled in a SERS Medicare Advantage plan and to “split families” in which only one spouse is enrolled in a SERS Medicare Advantage plan.

Eligibility for the Health Care Premium Discount Program during the 2023 calendar year will be based upon the applicant’s qualifying household income for calendar year 2021. Medicare Part B reimbursement is excluded from the definition of qualifying household income. Members who are determined eligible by manual application will be presumed to be eligible in subsequent years.

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 175% of the 2022 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 175% of the 2022 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 2021 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 175% of the 2022 federal poverty level for the household size.

Effective January 1, 2023, SERS health care participants approved by Medicare for the non-institutionalized Part D low-income subsidy program, which has similar household income eligibility requirements to the Premium Discount Program, will be automatically enrolled into the Premium Discount Program.

It was moved by Catherine Moss and seconded by James Haller to approve the 2023 Health Care Premium Discount Program. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Executive Session

James Haller moved and Frank Weglarz seconded the motion that the board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

The board convened in executive session at 11:13 a.m.

The board reconvened in open session at 11:31 a.m.

## Executive Director Compensation

The SERS Compensation Committee recommends that Executive Director Richard Stensrud receive a 3.25% merit increase in salary effective the first pay date in Fiscal Year 2023. Jeffrey DeLeone moved to adopt the Committee’s recommendation. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

# SERS Retirement Board Meeting Minutes

June 16, 2022

## Executive Session

Catherine Moss moved and James Haller seconded the motion that the board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

The board convened in executive session at 11:35 a.m.

The board reconvened in open session at 11:43 a.m.

## Chief Audit Officer Compensation

The SERS Audit Committee recommends that Chief Audit Officer Jeff Davis receive a 3.25% merit increase in salary effective the first pay date in Fiscal Year 2023. Catherine Moss and James Rossler moved to adopt the Committee's recommendation. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Absent: Hugh Garside. The motion carried.

## Board Officer Election

The board selected officers for fiscal year FY2023 (July 2022 to June 30, 2023).

Catherine Moss and Frank Weglarz nominated Jeffrey DeLeone to serve as Chairperson. Barbra Phillips, current Board Chair, declared Jeffrey DeLeone Chairperson for the fiscal year 2023 (July 2022 to June 30, 2023).

Catherine Moss and Jeffrey DeLeone nominated Frank Weglarz to serve as Vice-Chairperson. Barbra Phillips, current Board Chair, declared Frank Weglarz Vice-Chairperson for the fiscal year 2023 (July 2022 to June 30, 2023).

# SERS Retirement Board Meeting Minutes

June 16, 2022

## Board Communication and Policy Issues

---

### CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022 \*\*

#### AUDIT COMMITTEE MEETINGS

September 14, 2022 - 2:30 p.m. (Weds.)  
December 14, 2022 - 2:30 p.m. (Weds.)

#### COMPENSATION COMMITTEE MEETINGS

September 15, 2022 - 7:30 a.m. (Thurs.)  
December 15, 2022 - 7:30 a.m. (Thurs.)

#### TECHNOLOGY COMMITTEE MEETINGS

September 15, 2022 - 12:30 p.m. (Thurs.)  
December 15, 2022 - 12:30 p.m. (Thurs.)

#### BOARD MEETINGS

**\*\*\* July 22, 2022 – 8:30 a.m. (Friday) \*\*\***  
September 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)  
October 20-21, 2022 – 8:30 a.m. (Thurs. and Fri.)  
November 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
December 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)

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

**\*\*\* The July 2022 board meeting will take place on Friday, July 22, 2022, instead of Thursday. \*\*\***

### Continued or New Business

The Board continued with the review of continued or new business.

### Adjournment

Barbra Phillips moved to adjourn to meet on Friday, July 22, 2022, at 8:30 a.m. for the SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 12:08 p.m.

---

Barbra Phillips, Board Chair

---

Richard Stensrud, Secretary

## SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

Summary of Investment Transactions to be  
Reported to the Retirement Board for  
Ratification in July

The following is a summary of the investment transactions made during the period of **May 1, 2022 through May 31, 2022**. A detailed list of these transactions can be found in the Board Agenda mailed prior to the Retirement Board Meeting.

## A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$ 94.3
Fixed Income	436.6
Private Equity Capital Calls	19.1
Real Asset Capital Calls	0.1
Opportunistic & Tactical	1.7
Global Private Credit	53.4
Cash Equivalents	661.0

## B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$ 138.0	\$ (1.4)
Fixed Income	370.1	(9.6)
Private Equity distributions	17.1	n/a
Real Asset distributions	5.1	n/a
Opportunistic & Tactical	1.3	0.2
Global Private Credit	n/a	n/a
Cash Equivalents	777.2	n/a



# Ohio SERS Investment Report

## Monthly Report to the Board

For the period ending: May 31, 2022

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

*Meeting Date: July 2022*



## Investment Agenda

- Investment Report (period ending May 31, 2022)





## Economic and Financial Market Outlook

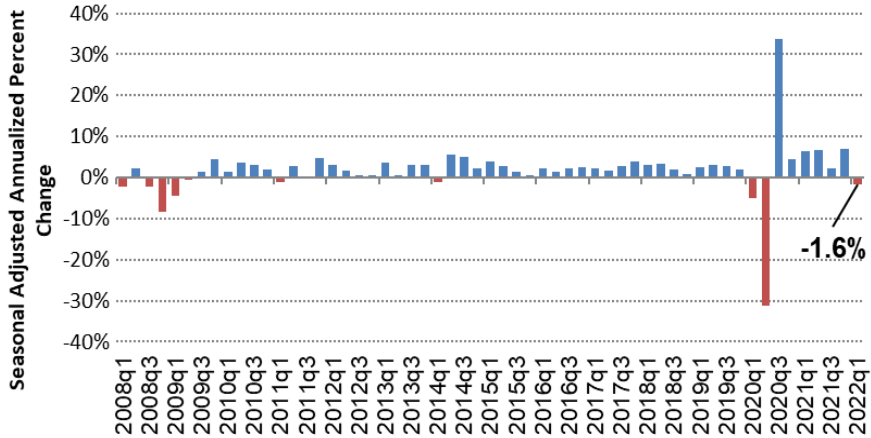
- The US growth rate was (1.6%) for Q1 2022 amid high inflation and supply chain disruptions. The contraction was mostly due to decline in private inventory investment, exports and government spending. (Source: Bureau of Economic Analysis)
- US labor market continued to be strong, adding 390,000 jobs in May. The unemployment rate was unchanged at 3.6%. The labor force participation rate was little changed at 62.3%, remaining below the pre-pandemic level 63.3%, indicating a tight labor market. (Sources: Bureau of Labor Statistics and Department of Labor)
- US inflation accelerated as the one-month rate was 1% in May, significantly higher than the April rate of 0.3%. The annual headline inflation was up to 8.6% and the core rate remained at 6.2%. The energy index and the food index increased 34.6% and 10.1% for the last 12 months, respectively. Blue Chip Consensus projected headline stayed above 7.5% in Q3 2022 (Source: Bureau of Labor Statistics and Blue Chip Economic Indicators)
- The 10-year Treasury nominal yield increased to 2.98% in June. The current 10-year real yield, estimated by the gap between the 10-year Treasury nominal yield and the current headline inflation, stayed at (5.75%) in May. The Fed hiked the interest rate by 0.75% in June, the third hike during 2022 in an attempt to contain the historically high inflation.
- The S&P Case-Shiller 20-City home price index rose 2.3% for the month and 21.2% for the last 12 months as of April. As home prices and mortgage rates are rising, housing affordability declines, thus the demand is cooling down. However, as long as the house supply continues to be constrained, prices are expected to stay elevated.
- June Consumer Sentiment Index released by Thomson Reuters and University of Michigan dropped drastically to 50, not only far below the historical average level, but also lower than the 2008 Financial Crisis level amid broad based discontent with persistently high inflation and sluggish economic growth. The US Economic Surprise index dropped to (71.6), the lowest level since April 2020. The Leading Economic Index (LEI) issued by the Conference Board continued edging down from 118.7 in April to 113.3 in May.
- The US manufacturing PMI declined to 53 in June, the lowest level since June 2020, indicating a soft expansion. The Global Manufacturing PMI reading also weakened to a 22-month low level of 52.2 in June. Worldwide supply disruptions, high inflation especially in energy and food prices, and labor shortages continue to be largest challenges to the global economy. (Source: Institute for Supply Management, S&P Global).
- Equity market volatility intensified since January and remained elevated. Equity markets worldwide were down significantly in June, led by non-US developed markets (MSCI World ex-USA) at (9.41%), followed by US market (Russell 3000) at (8.37%), and emerging markets at (6.5%).
- The US fixed income market, Bloomberg Barclay's US Aggregate Bond Index, was also down 1.57% in June.



**ECONOMY**

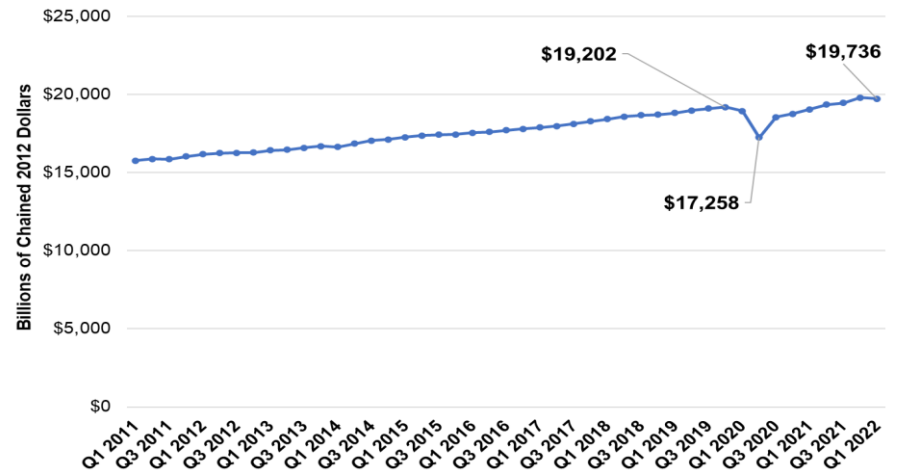
**US Real Gross Domestic Product**

**US Real GDP Growth**



Source: Bureau of Economic Analysis

**US Real GDP Value**

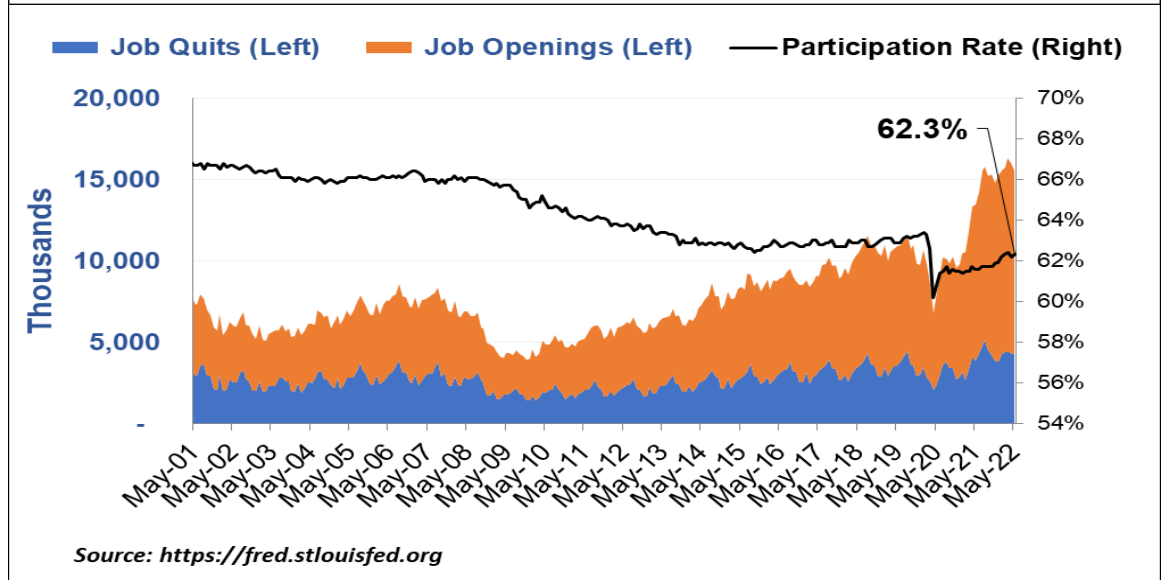
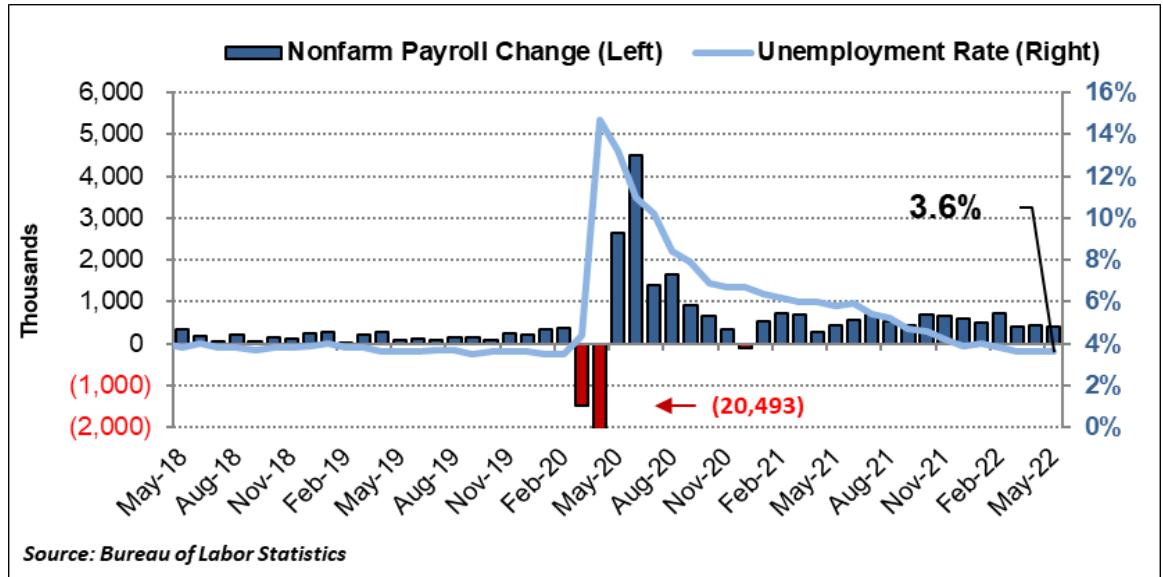


Source: U.S. Bureau of Economic Analysis



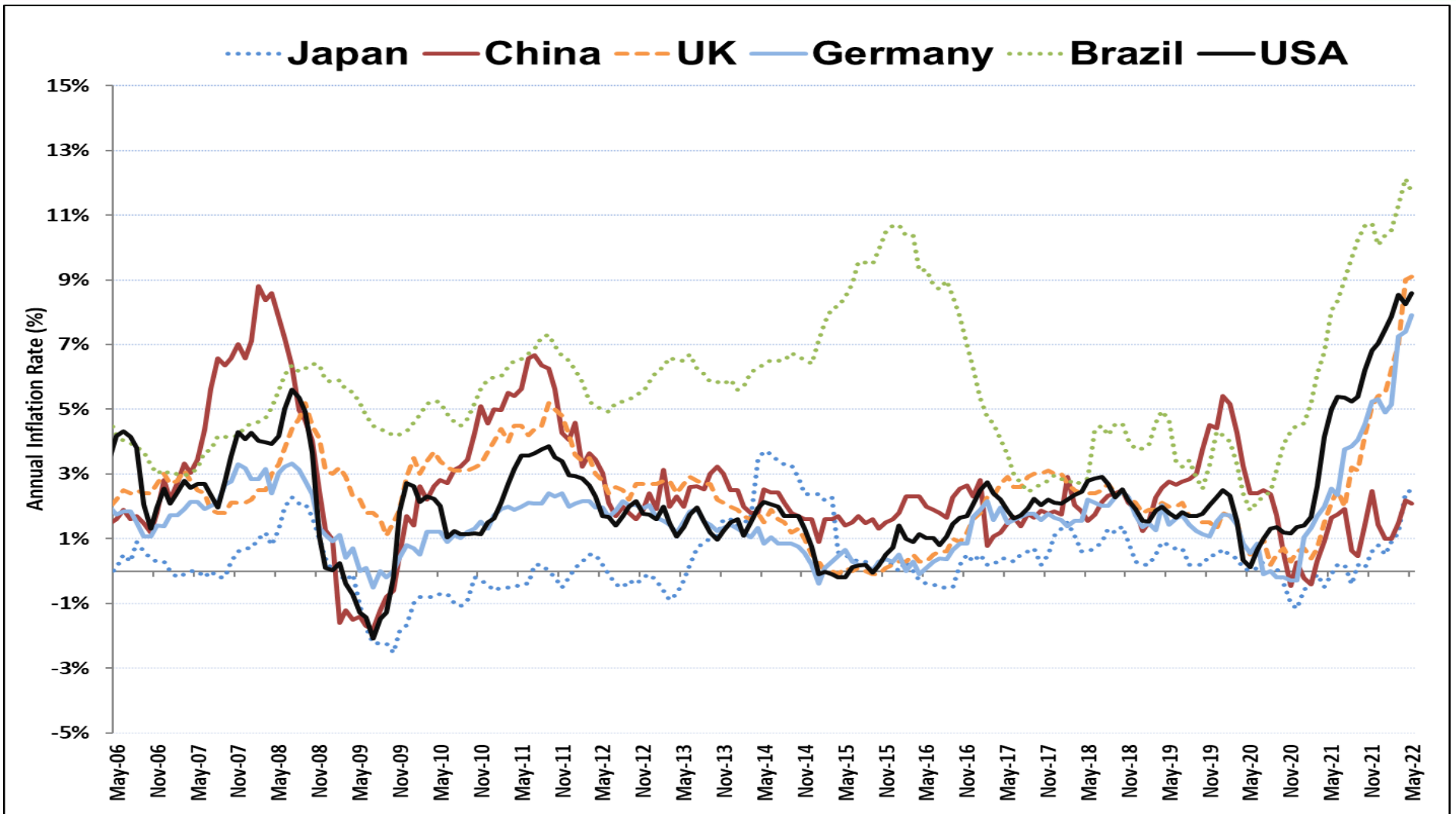
**ECONOMY**

**US Labor Market**





# ECONOMY **Headline Inflation**



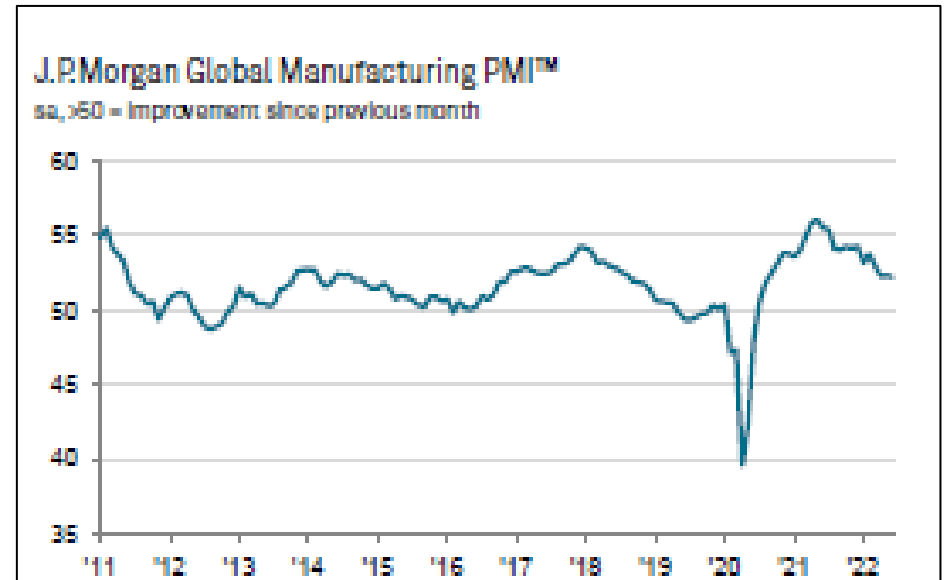
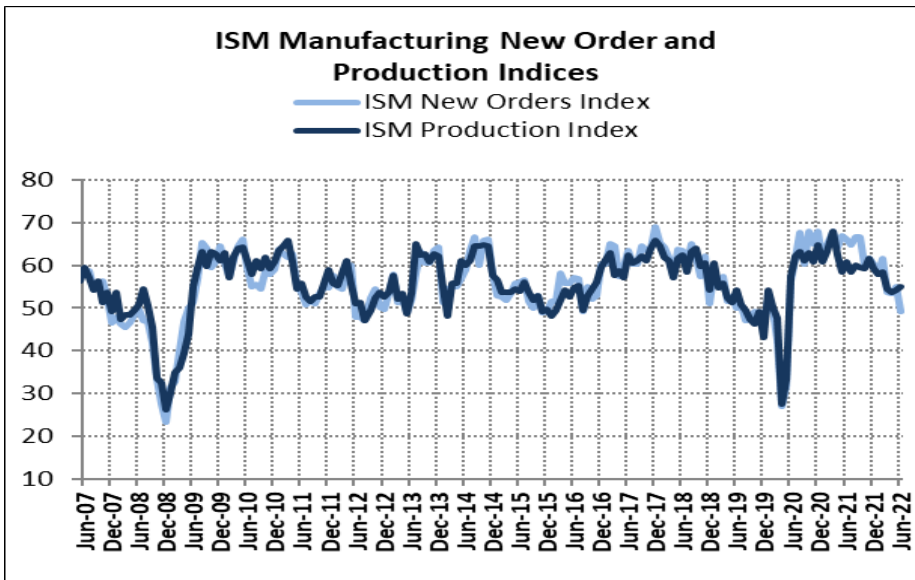
	Japan	China	UK	Germany	Brazil	USA
<b>May-22</b>	2.5	2.1	9.1	7.9	11.7	8.6

Sources: [www.ons.gov.uk](http://www.ons.gov.uk), [www.oecd.org](http://www.oecd.org), [www.inflation.eu](http://www.inflation.eu), and [www.tradingeconomics.com](http://www.tradingeconomics.com)



**ECONOMY**

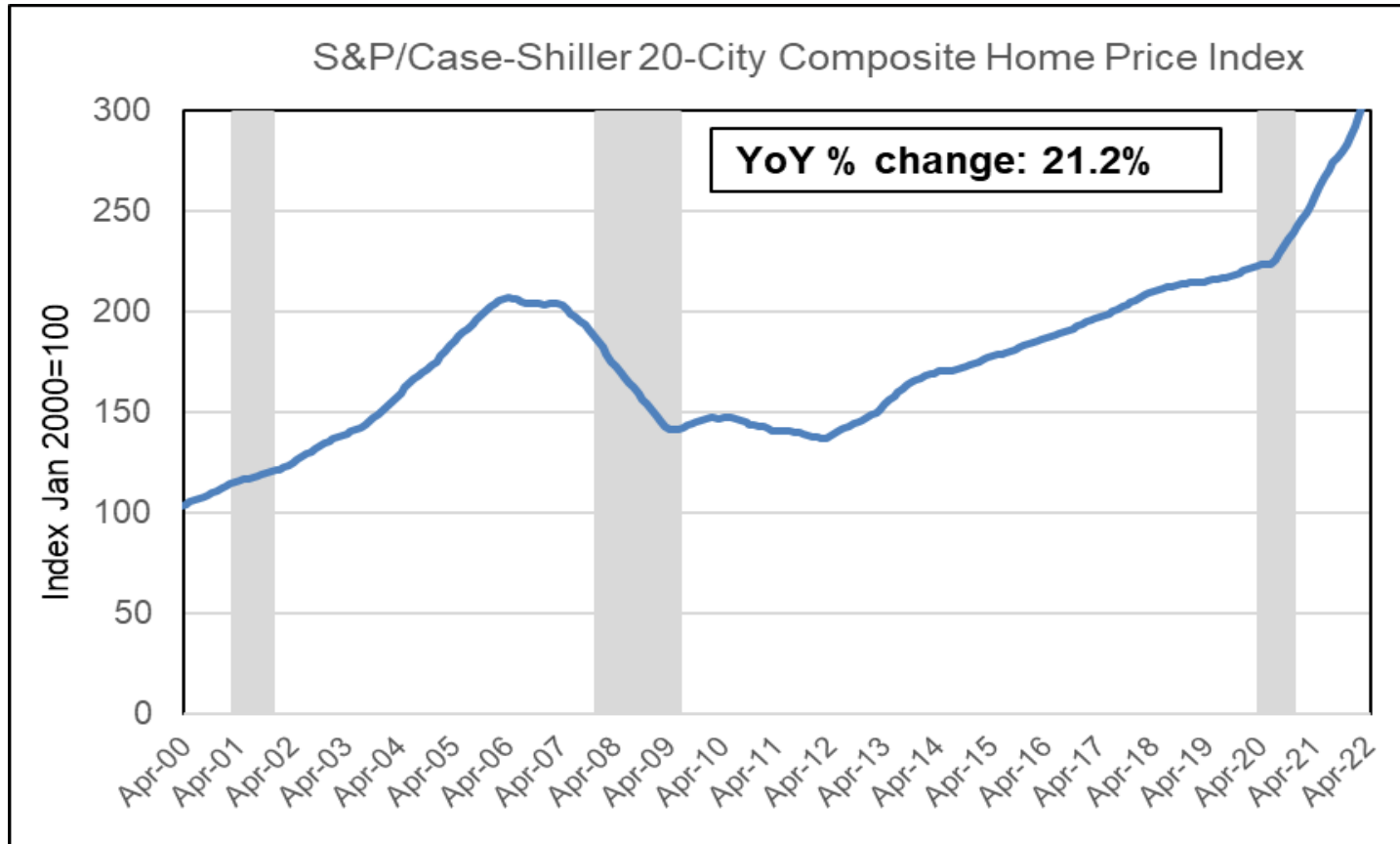
**US & Global Manufacturing Activities**



Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™  
Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



# ECONOMY US Housing Market

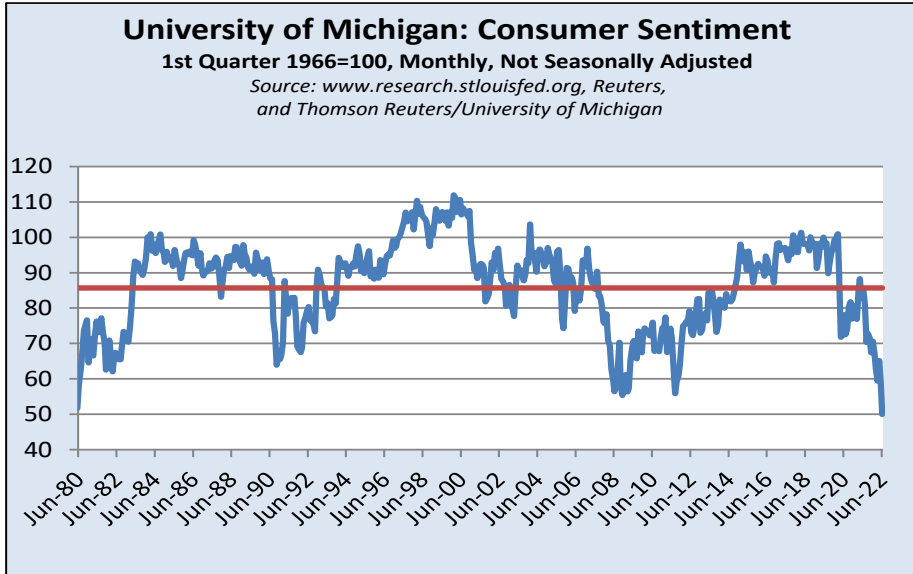


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-17	200.00
Jul-18	211.92
Jul-19	216.09
Jul-20	225.47
Jul-21	270.66
Apr-22	311.84

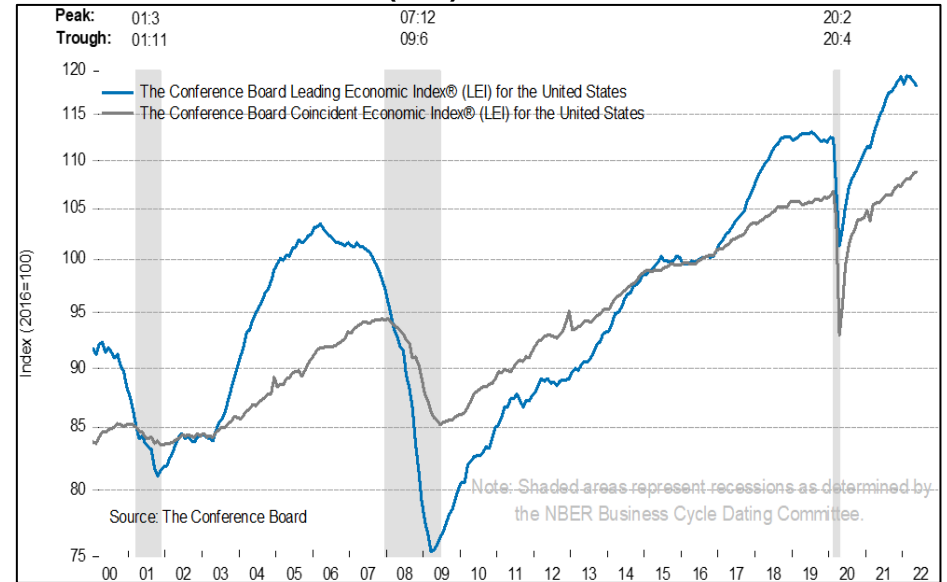


# ECONOMY

## Consumer Sentiment



## The Leading Economic Index (LEI) and Coincident Economic Index (CEI) for the United States



Shaded areas represent US recessions

Index of Consumer Sentiment				
May-22	Jun-22	Jun-21	M-M Change	Y-Y Change
58.4	50.0	85.5	-14.4%	-41.5%

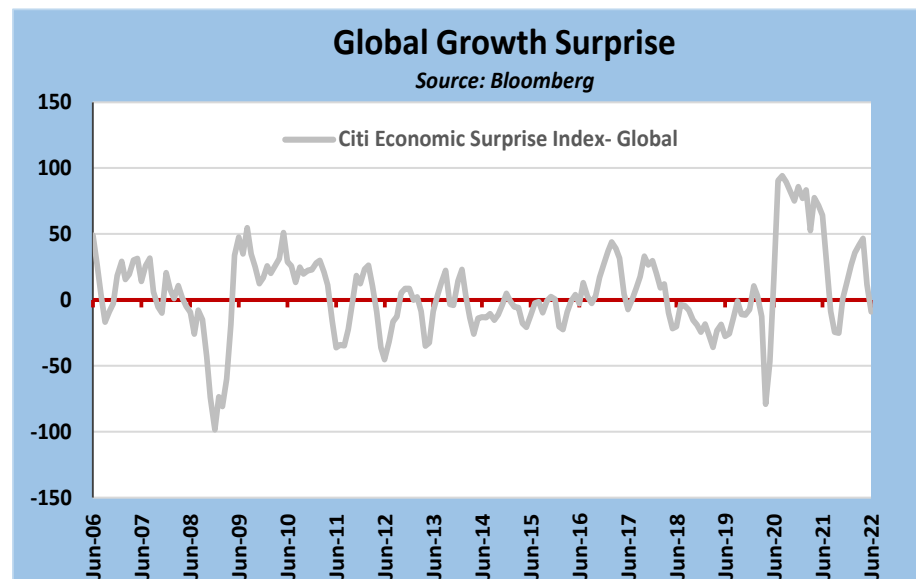
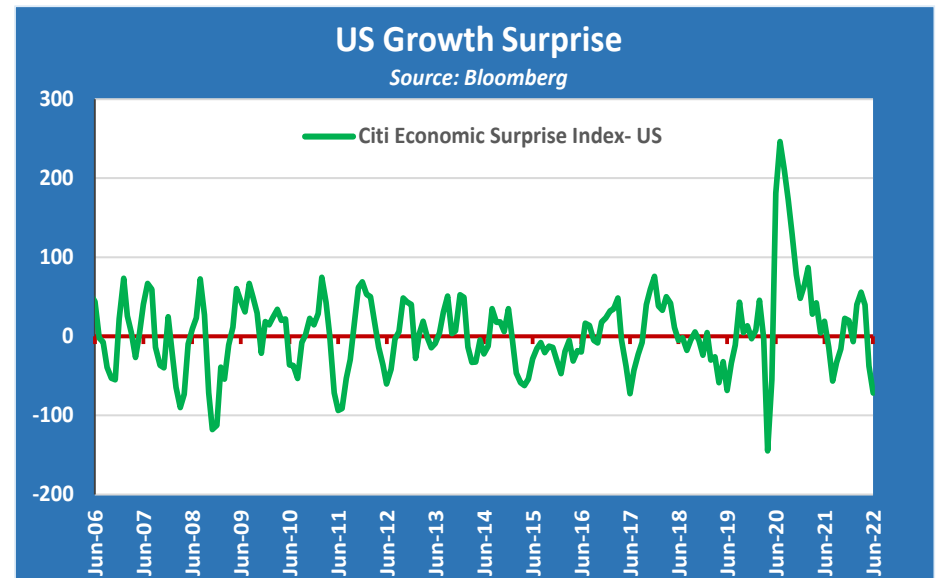
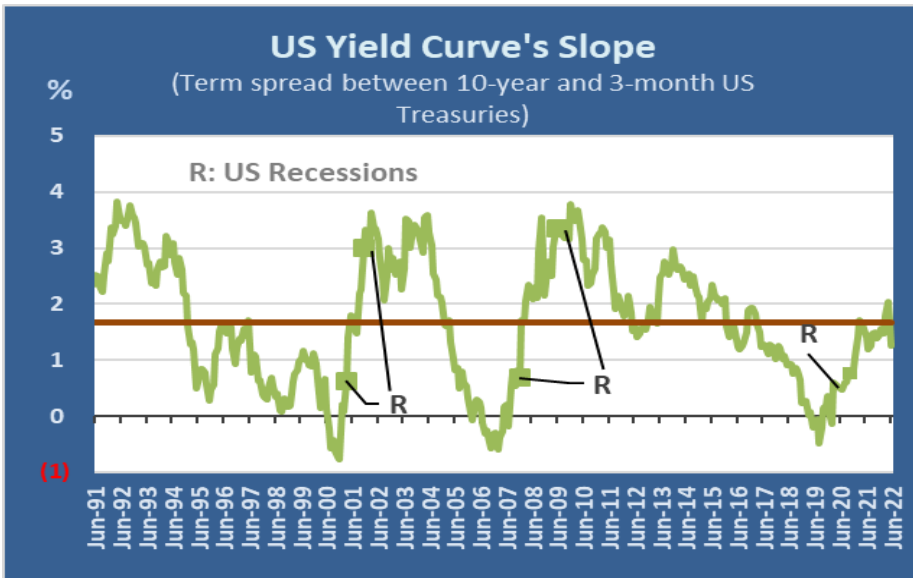
Index	Apr-22	May-22	Month -Month Percent Change	6-Month Percent Change (Nov-May)
LEI	118.7 r	118.3 p	-0.4	-0.4
CEI	108.6 r	108.8 p	0.2	1.3

p Preliminary; r Revised; Indexes equal 100 in 2016





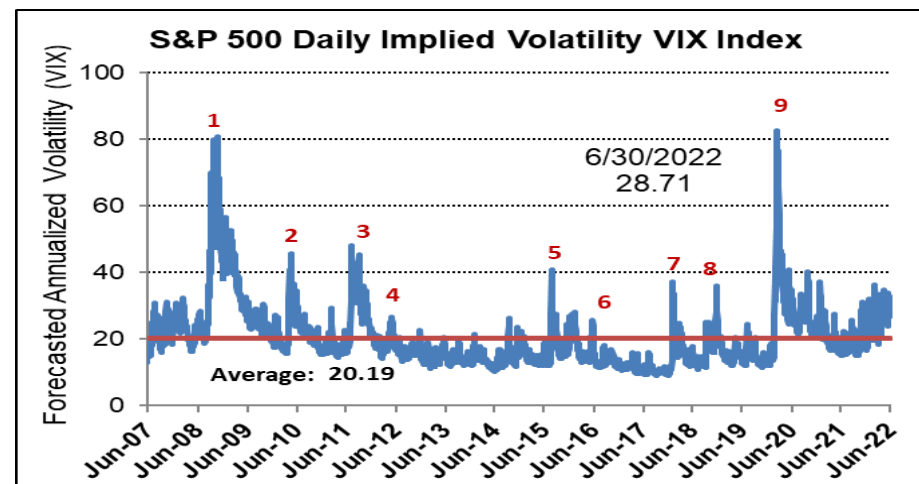
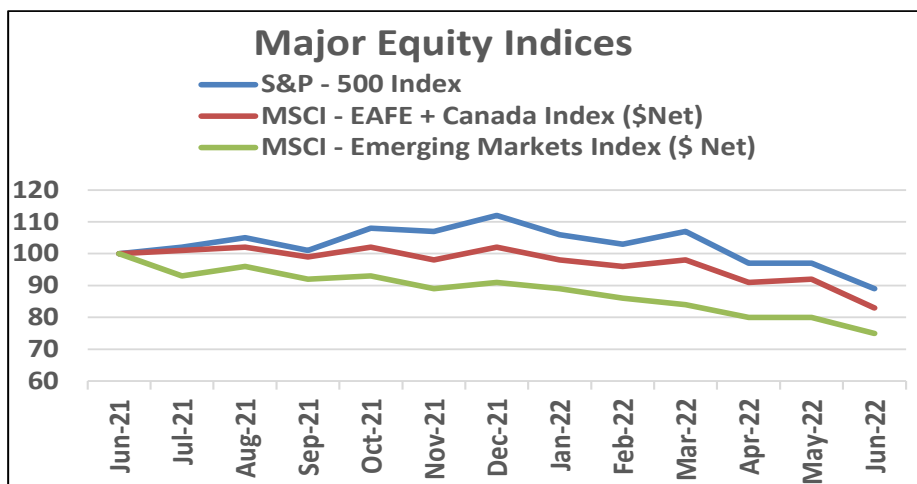
# ECONOMY







# MARKETS Equity

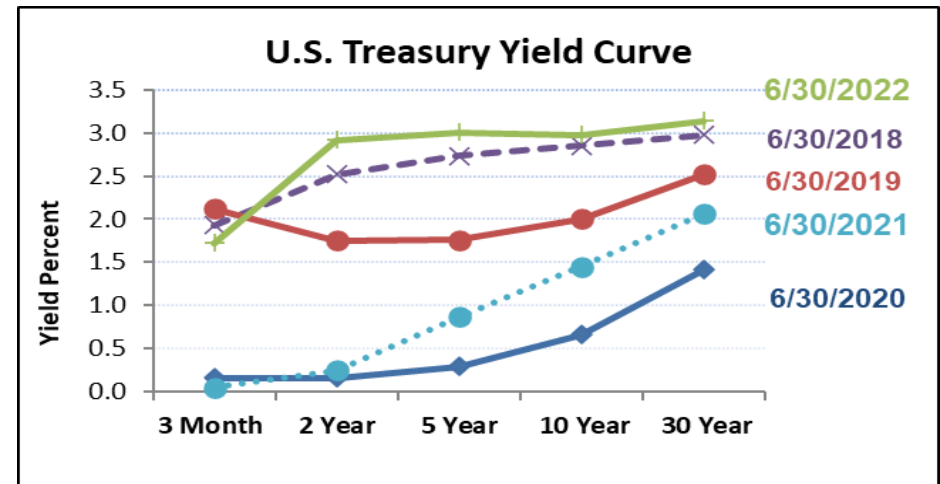
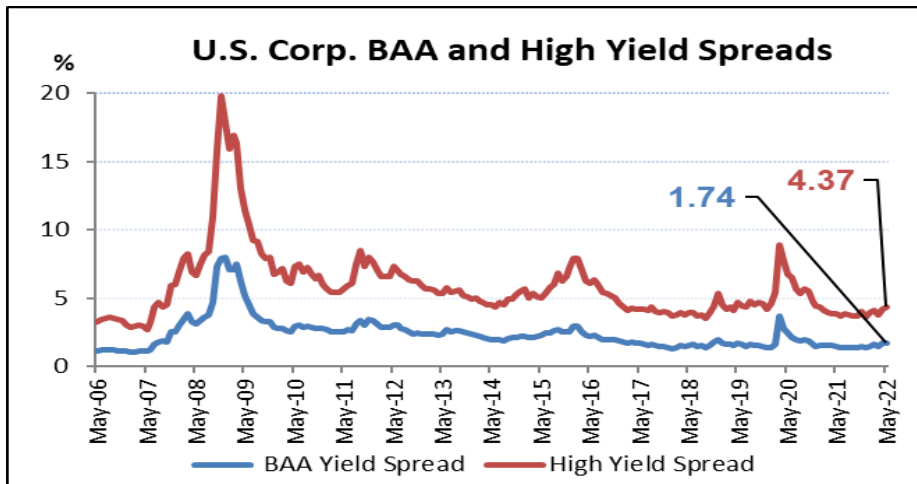


	Return as of 6/30/2022	
	1 Year	FYTD
S&P 500	(10.62)	(10.62)
MSCI - EAFE + Canada Index (\$Net)	(16.76)	(16.76)
MSCI - Emerging Markets Index (\$Net)	(25.29)	(25.29)

- 1 2008 (Nov.) Financial Crisis S&P 500: - 48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US downgrade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slowdown, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.) Oil crash, US recession fear, China S&P 500: -10.5%
- 7 2018 (Feb.) Inflation, trade, tech S&P 500 : -10.2%
- 8 2018 (Dec.) Interest rate hike, trade tension, global slowdown S&P 500: -10.5%
- 9 2020 (Mar.) Coronavirus, S&P 500 : -23.7%

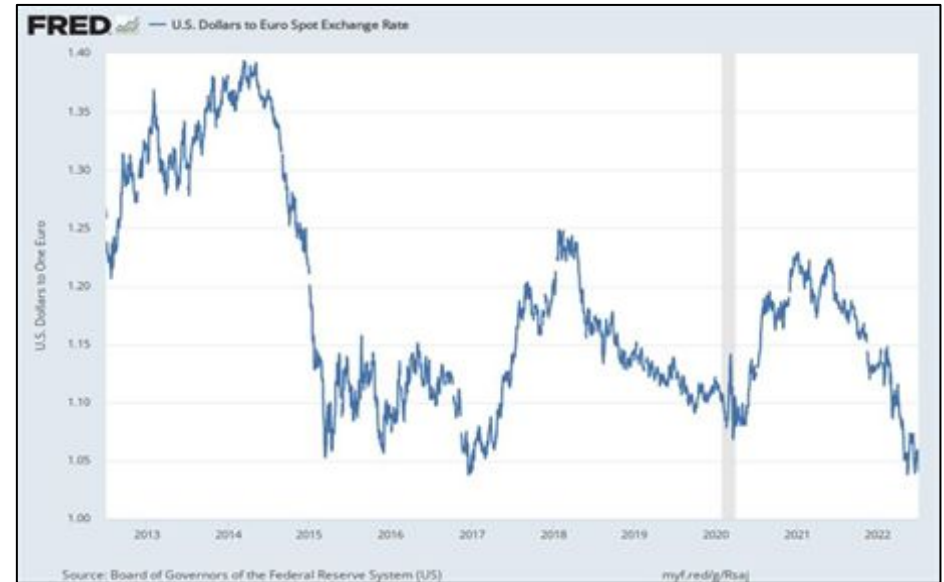
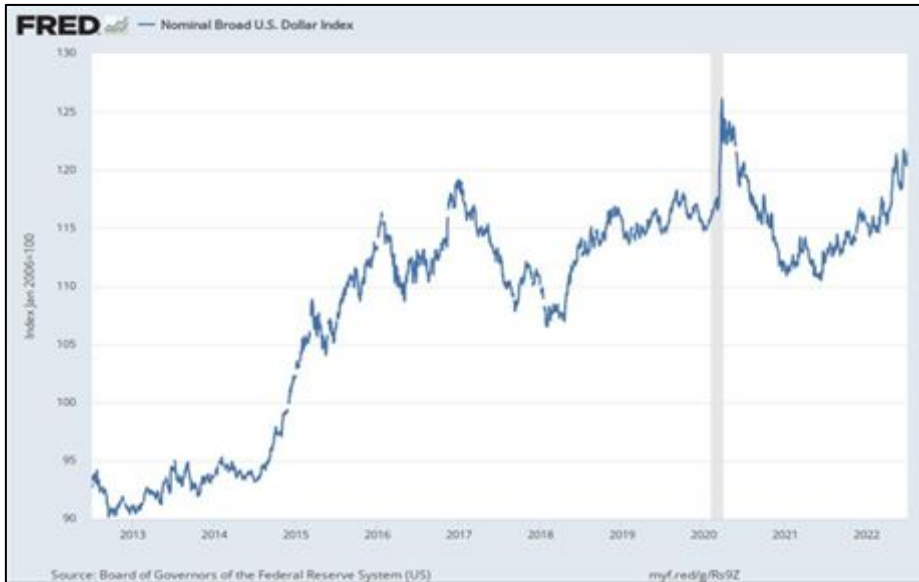


**MARKETS** Fixed Income





# MARKETS Foreign Exchange



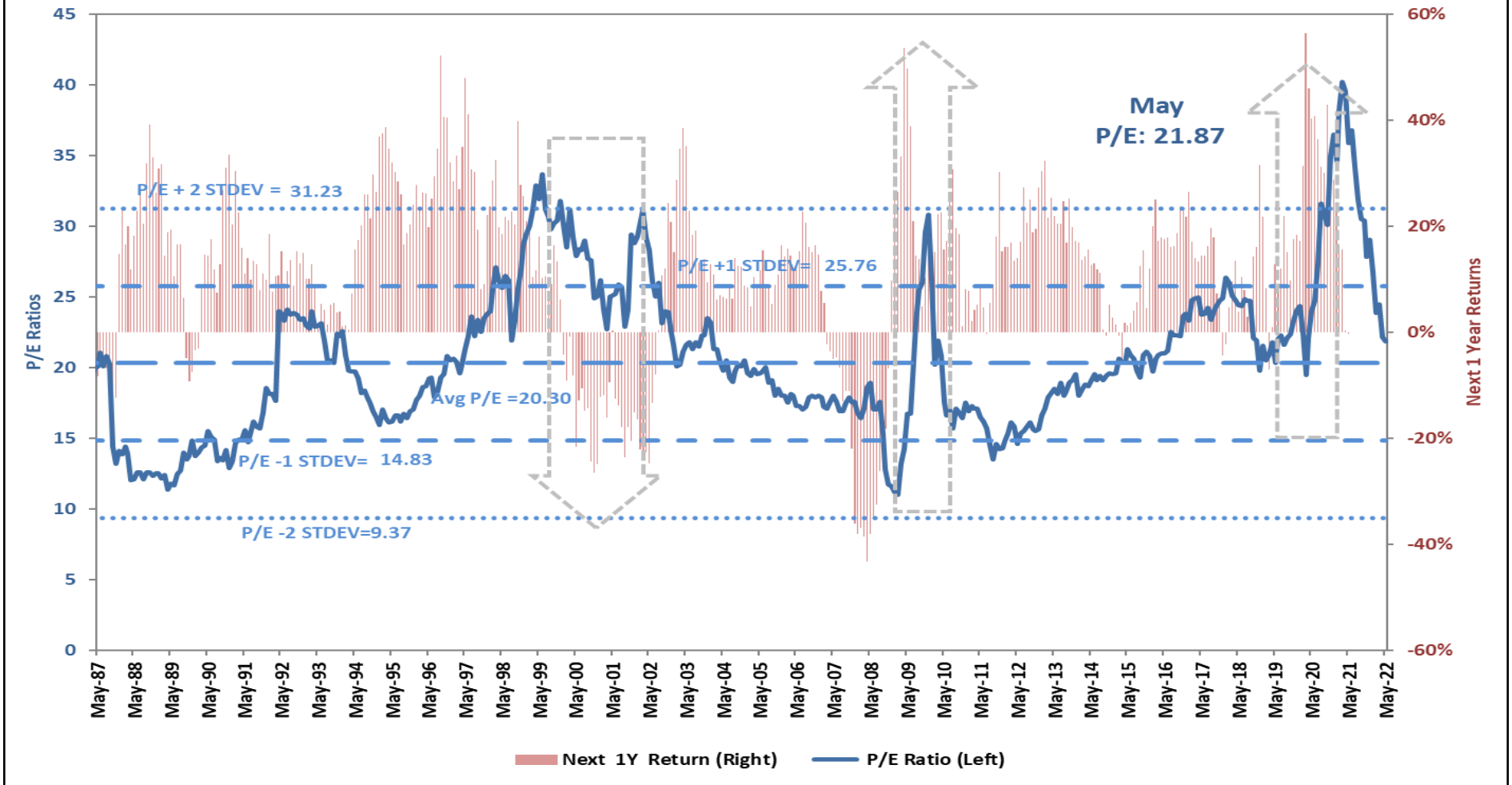
Date	Nominal Broad U.S. Dollar Index January 1997=100
June-17	111.97
June-18	113.27
June-19	114.56
June-20	120.86
June-21	112.85
June-22	121.05

Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-17	1.14
June-18	1.17
June-19	1.14
June-20	1.12
June-21	1.18
June-22	1.05



**VALUATION** **US Equity**

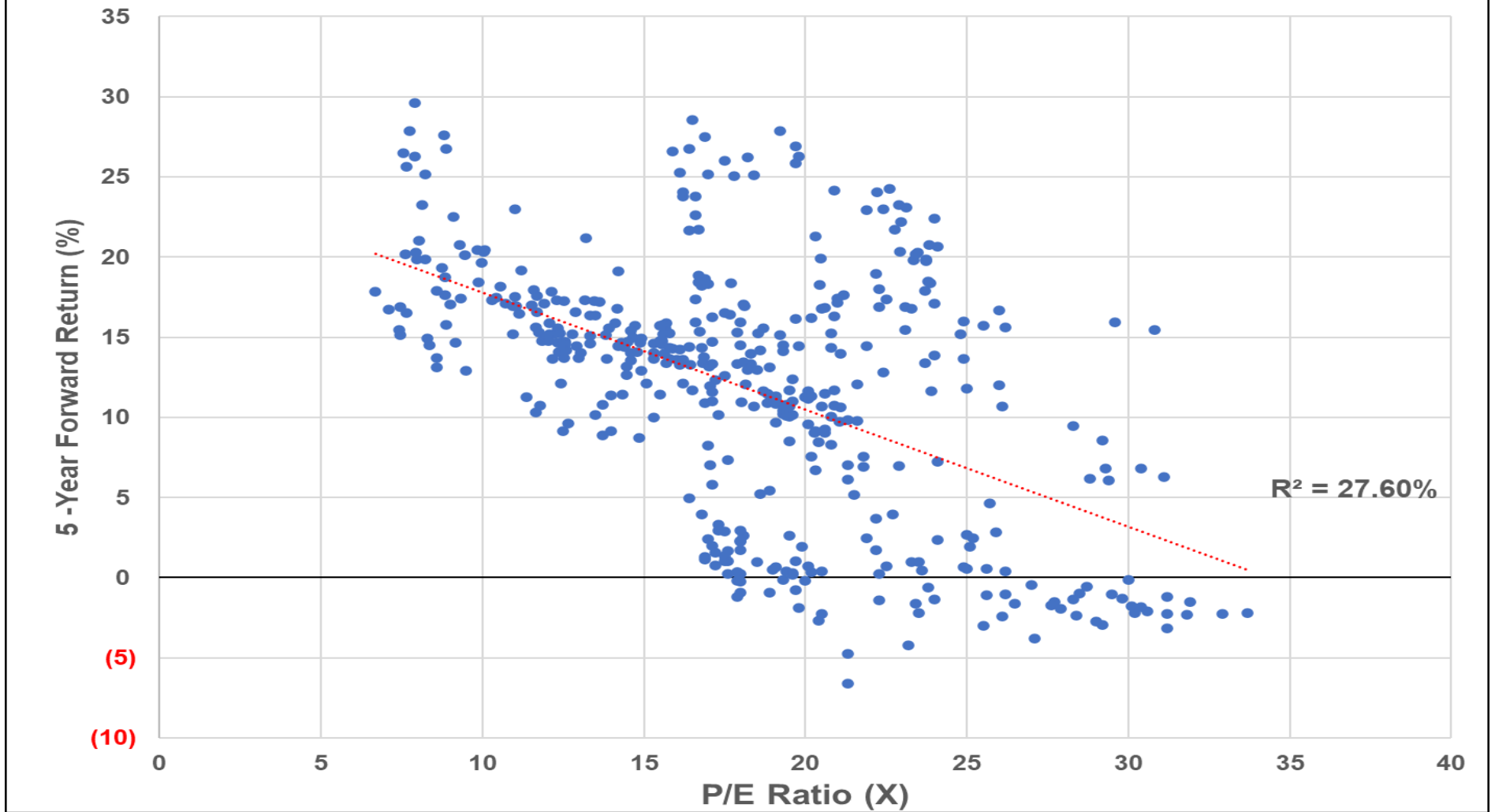
**S&P 500 P/E Ratios and Next 1 Year Returns**





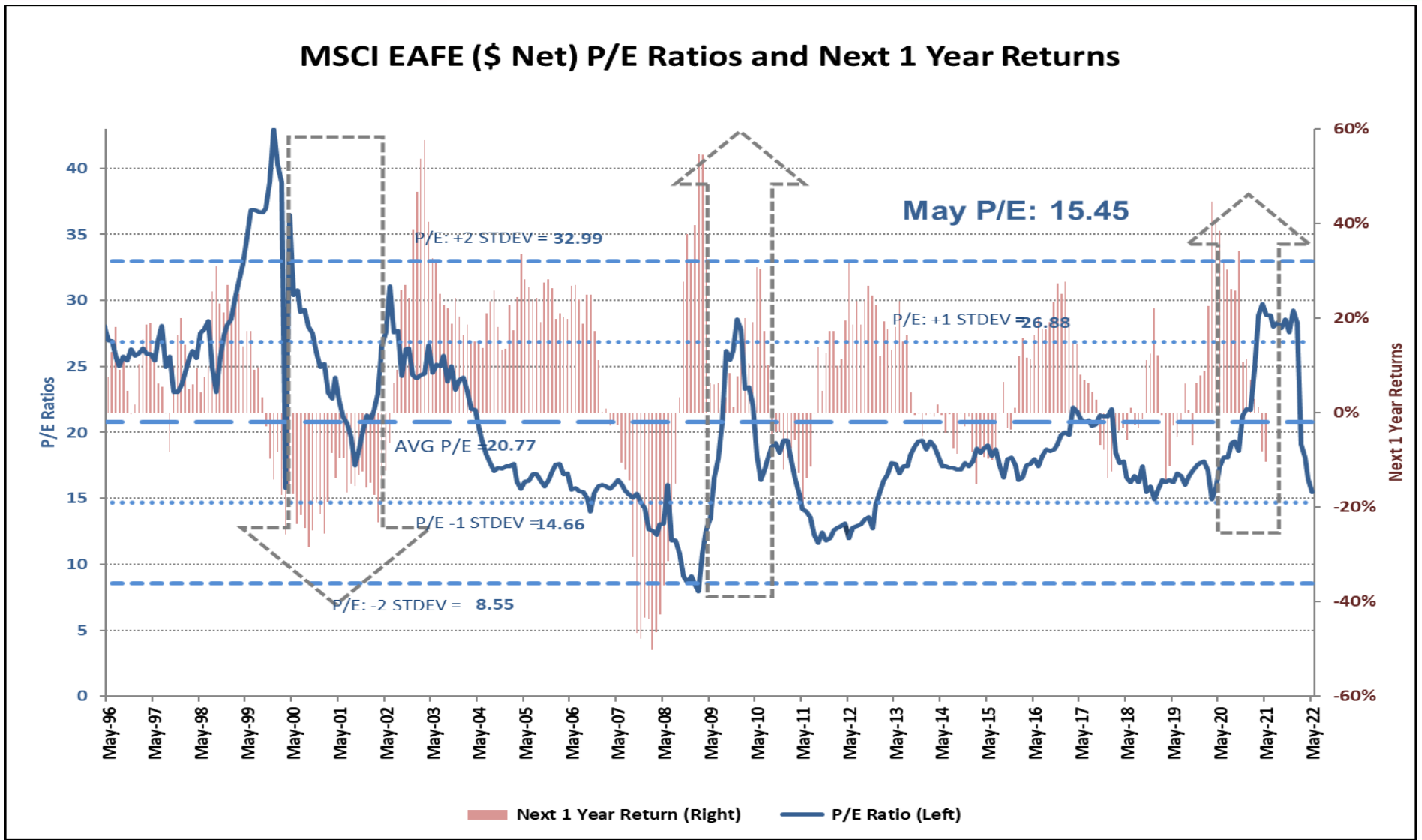
**VALUATION** **US Equity**

**S&P 500 P/E Ratio and Subsequent 5-Year Return**





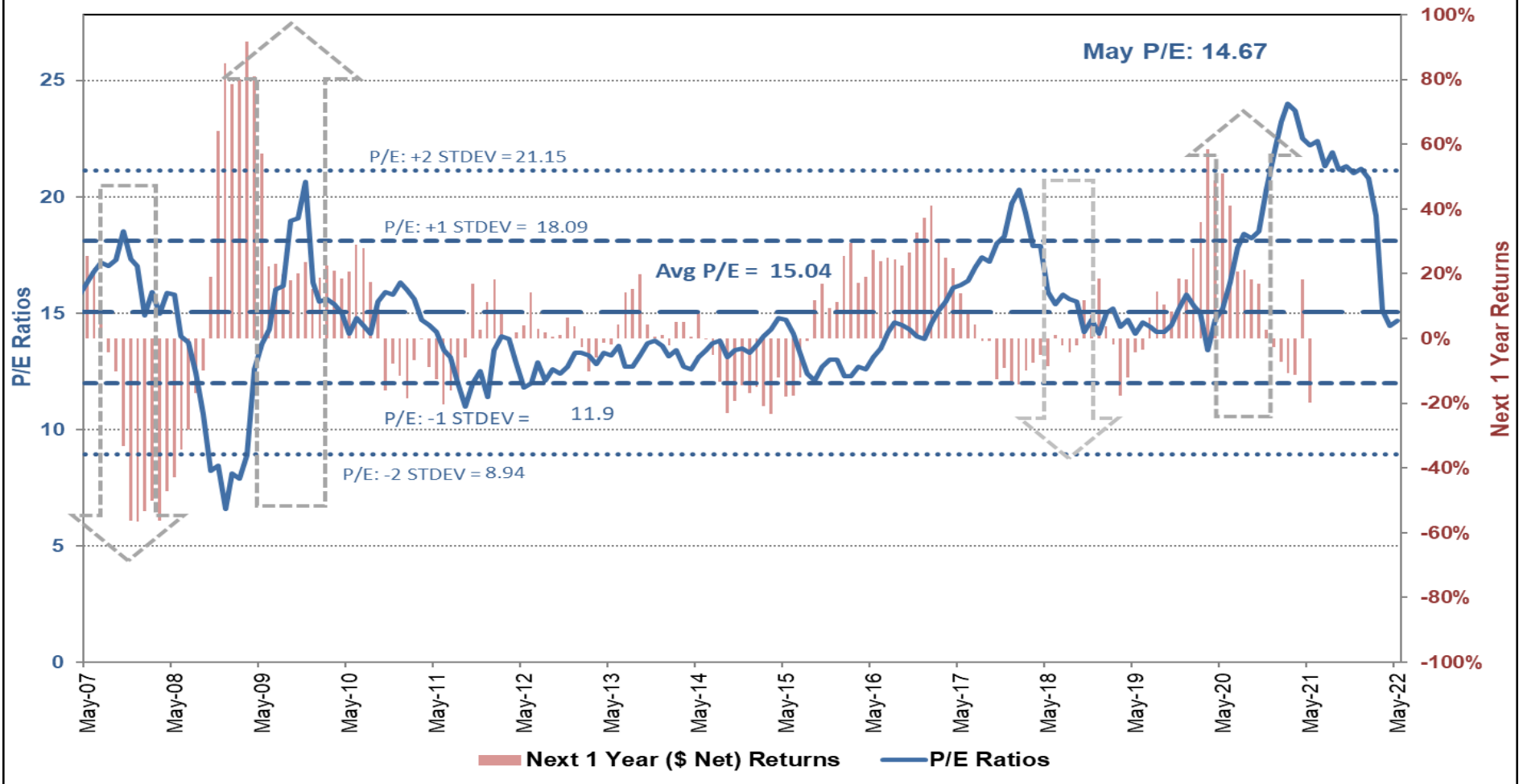
# VALUATION Non US Developed Market Equity





**VALUATION** Emerging Market Equity

**MSCI EM P/E Ratios and Next 1 Year (\$ Net) Returns**

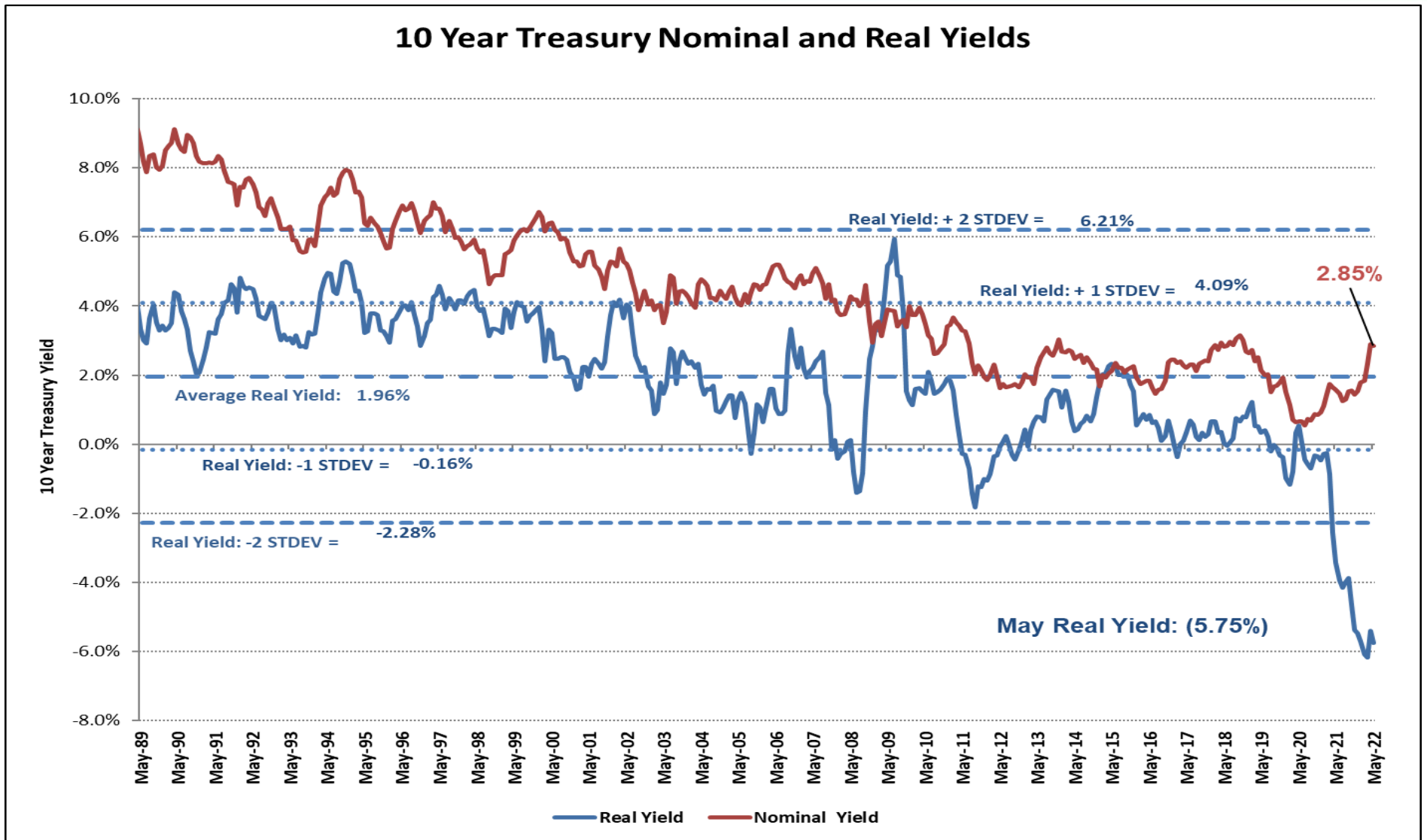


Source: Wilshire Compass





**VALUATION** US Treasury Bonds



Sources: Wilshire Compass and U.S. Bureau of Labor Statistics





# SERS' Investment Portfolios Review

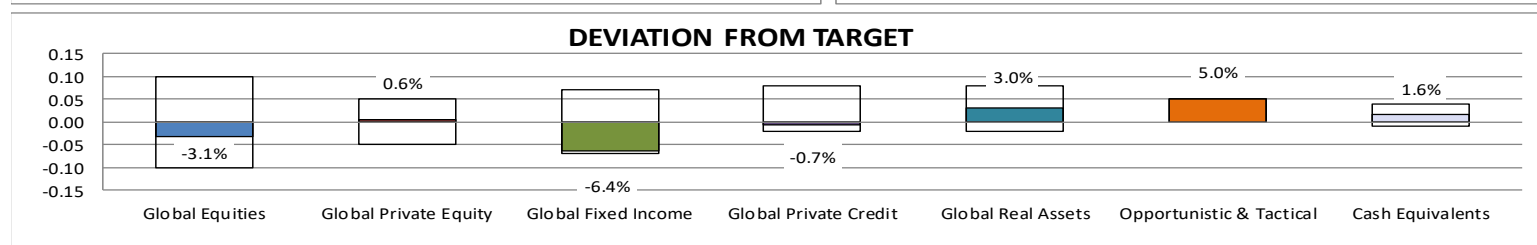
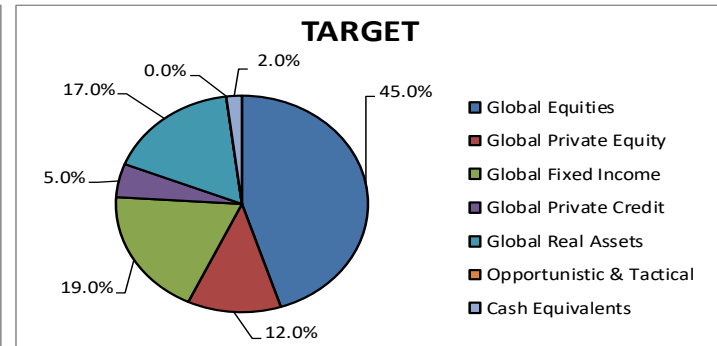
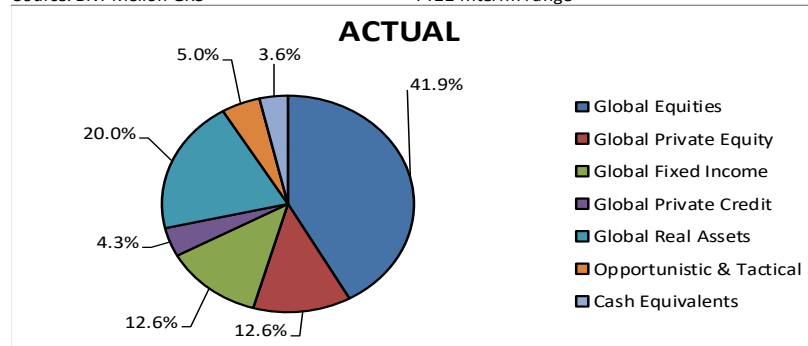


# Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
<b>Global Equities</b>	<b>7,456,898,555</b>	<b>41.9%</b>	<b>45.0%</b>	35% - 55%
US Equity	4,168,809,511	23.4%	24.8%	19.25% - 30.25%
Non-US Equity Developed Market	2,535,614,048	14.2%	13.5%	10.50% - 16.50%
Non-US Equity Emerging Market	752,474,995	4.2%	6.8%	5.25% - 8.25%
<b>Global Private Equity</b>	<b>2,235,846,450</b>	<b>12.6%</b>	<b>12.0%</b>	8% - 16%
<b>Global Fixed Income</b>	<b>2,248,324,438</b>	<b>12.6%</b>	<b>19.0%</b>	12% - 26%
<b>Global Private Credit</b>	<b>770,622,092</b>	<b>4.3%</b>	<b>5.0%</b>	1% -7% *
<b>Global Real Assets</b>	<b>3,555,471,124</b>	<b>20.0%</b>	<b>17.0%</b>	14% - 20%
<b>Opportunistic &amp; Tactical</b>	<b>886,270,239</b>	<b>5.0%</b>	<b>0.0%</b>	0% - 5%
<b>Cash Equivalents</b>	<b>647,802,945</b>	<b>3.6%</b>	<b>2.0%</b>	0% - 5%
Short-Term	622,816,497	3.5%	2.0%	
Russell EA Overlay	-3,040,493	0.0%	0.0%	
Aegis - Alpha Overlay	4,439,962	0.0%	0.0%	
Direct Rebalance Overlay	0	0.0%	0.0%	
Transition / Operational Account	1,944,122	0.0%	0.0%	
Currency Overlay	21,642,857	0.1%	0.0%	
<b>Total Fund</b>	<b>17,801,235,843</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: BNY Mellon GRS

\* FY22 Interim range

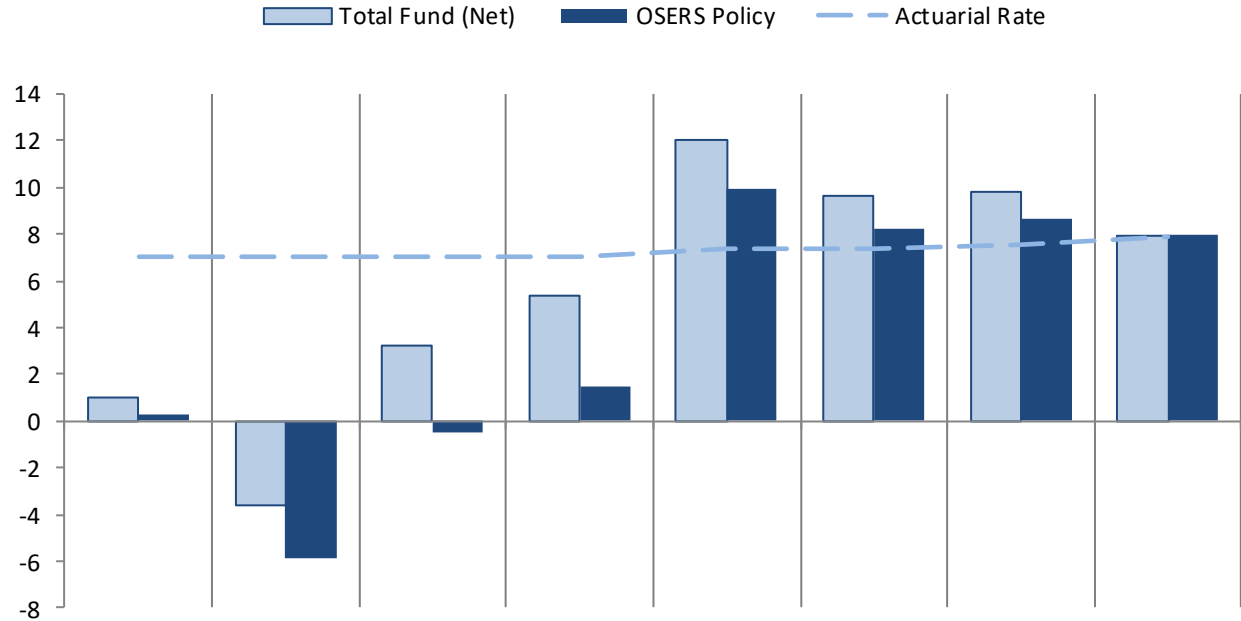




# Total Fund Performance

## Current Benchmark:

- 24.75% Russell 3000
- 13.50% MSCI World Ex US Index  
(net dividends)
- 6.75% MSCI Emerging Markets Index  
(net dividends)
- 12.00% Burgiss All Private Equity  
benchmark (1q lag) (BAPE)
- 19.00% Bloomberg Aggregate Bond
- 17.00% NCREIF Property (1q lag)
- 5.00% 90 Day T-Bill + 4.5%
- 2.00% Citigroup 30 Day US T-Bill



### Actuarial Rate

(7.0% effective 7/1/21, adopted 4/15/21)

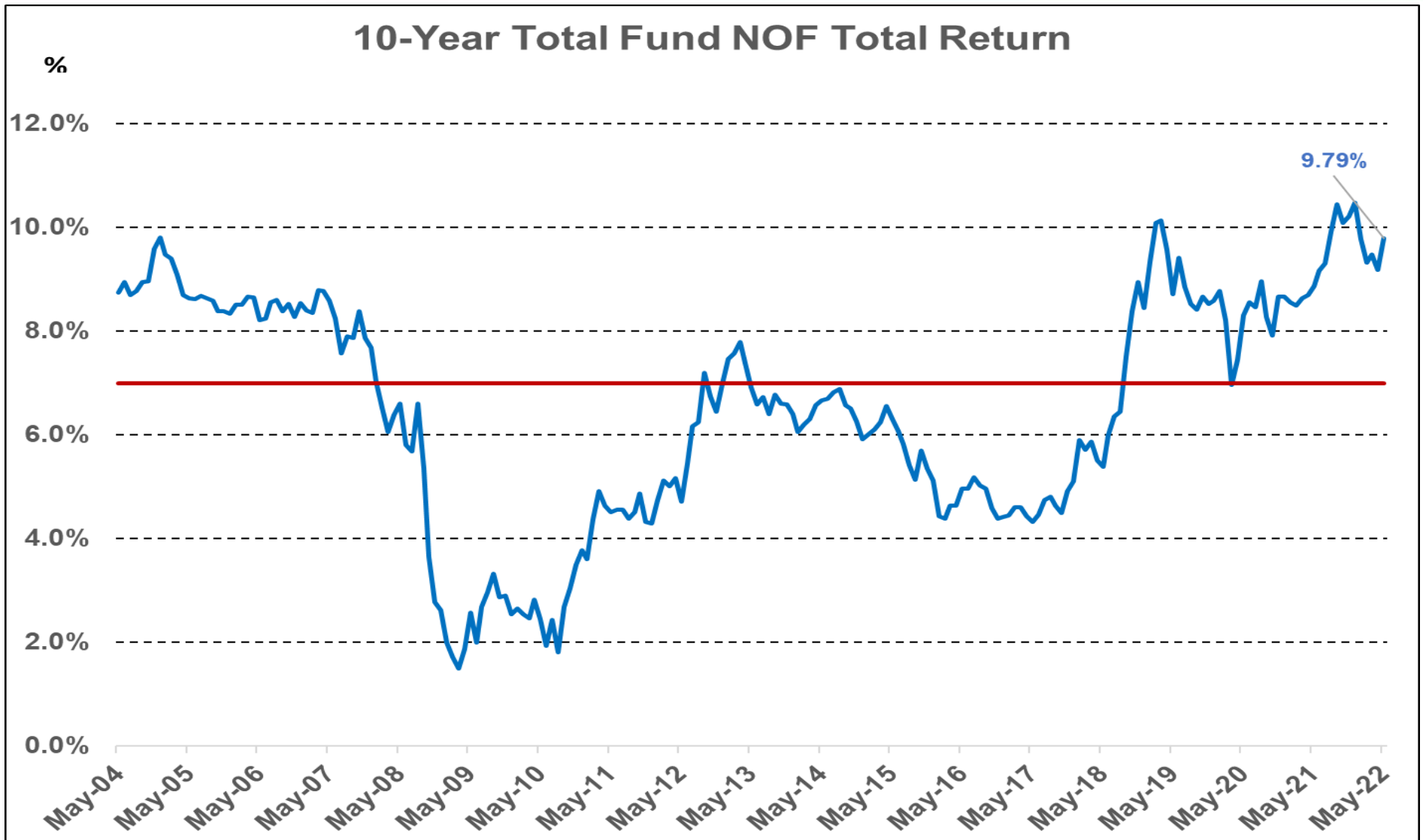
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	1.04	(3.38)	3.78	6.06	12.65	10.33	10.48	8.52
Total Fund (Net)	1.03	(3.58)	3.23	5.36	11.99	9.66	9.79	8.00
OSERS Policy	0.25	(5.85)	(0.51)	1.50	9.96	8.27	8.70	7.93
Value Added (Net of Fee)	0.78	2.27	3.74	3.86	2.03	1.39	1.09	0.06

Source: BNY Mellon GRS

\*ITD is Inception date 10/1/1994 (27 years and 7 months)

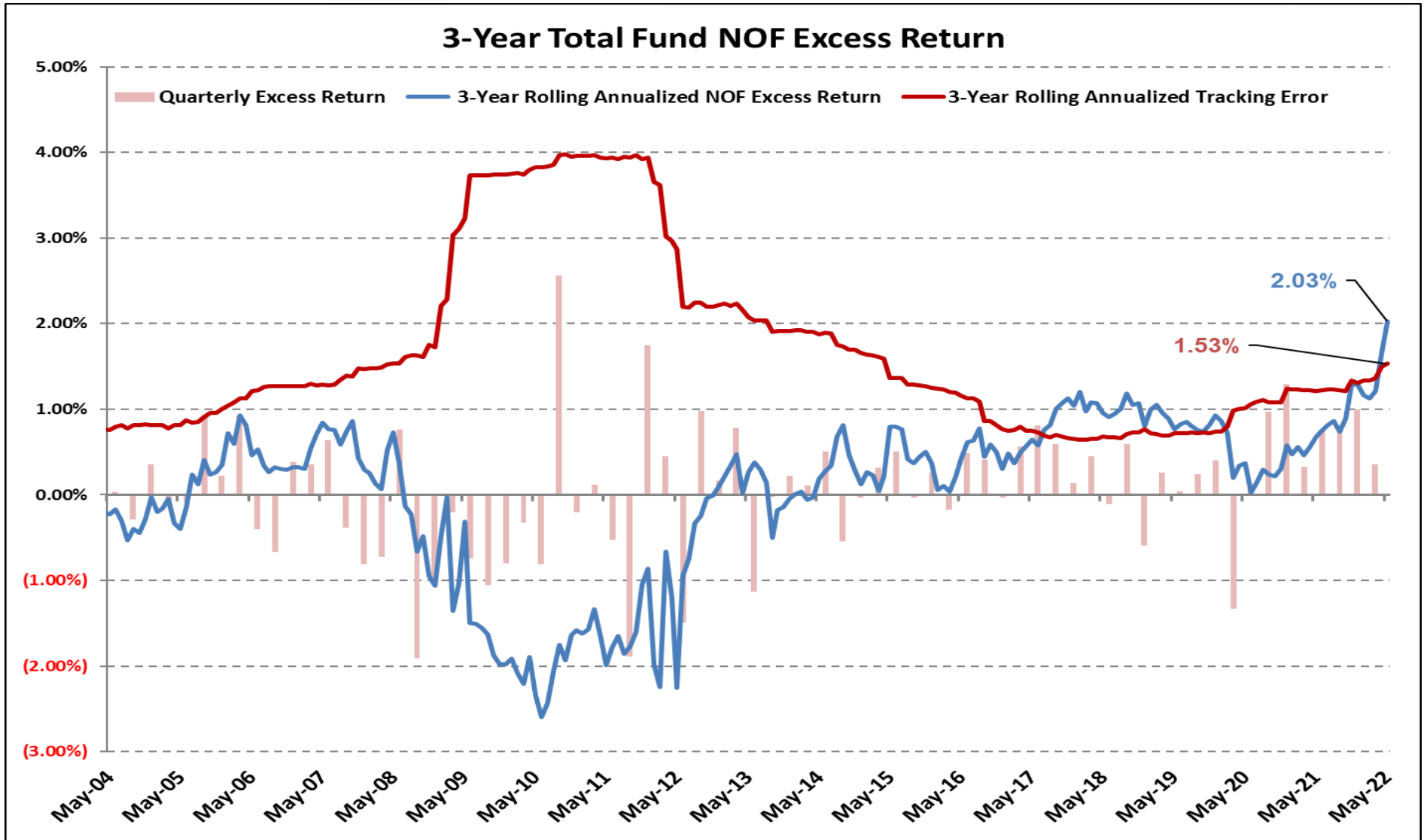


# Total Fund Performance



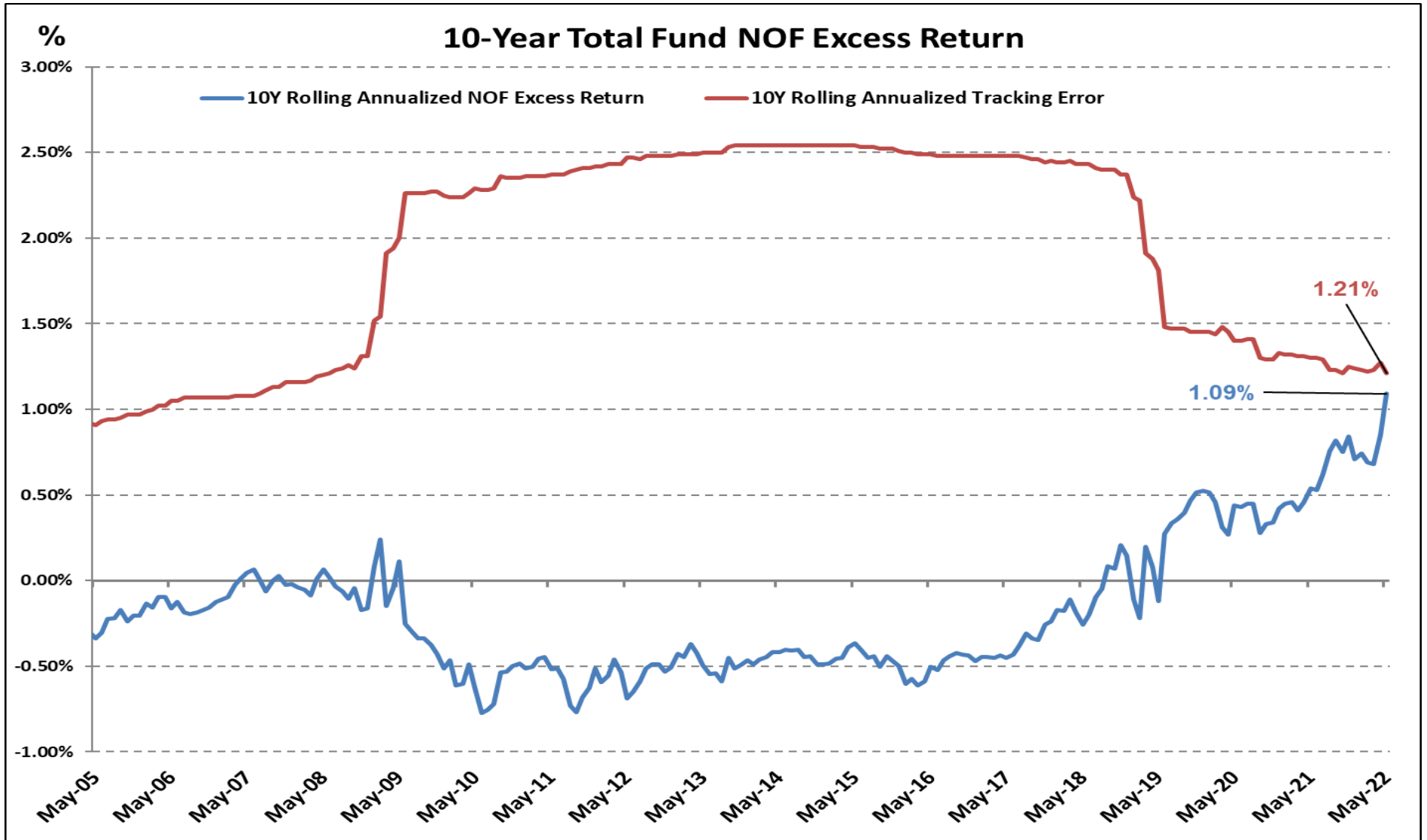


# Total Fund Performance



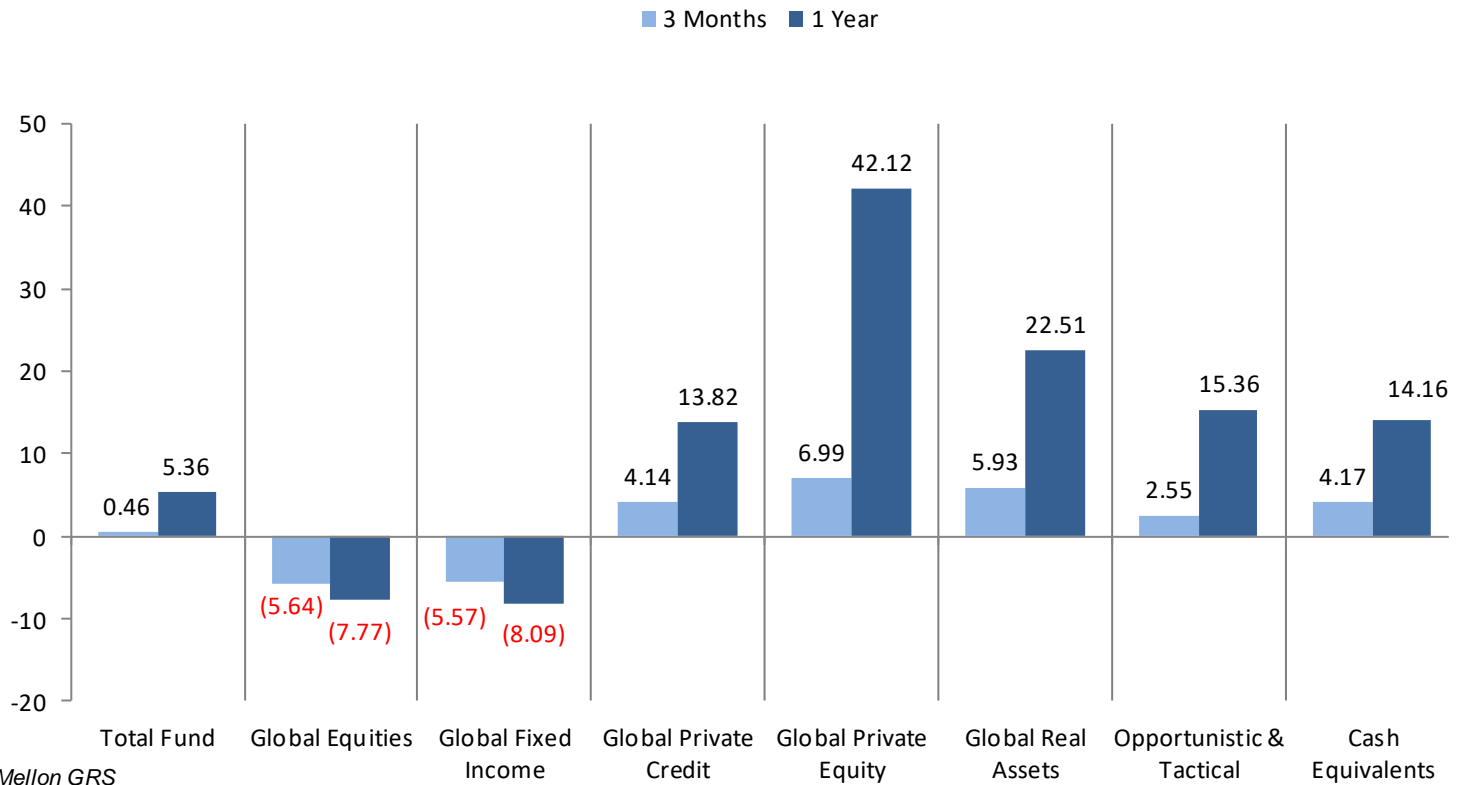


# Total Fund Performance





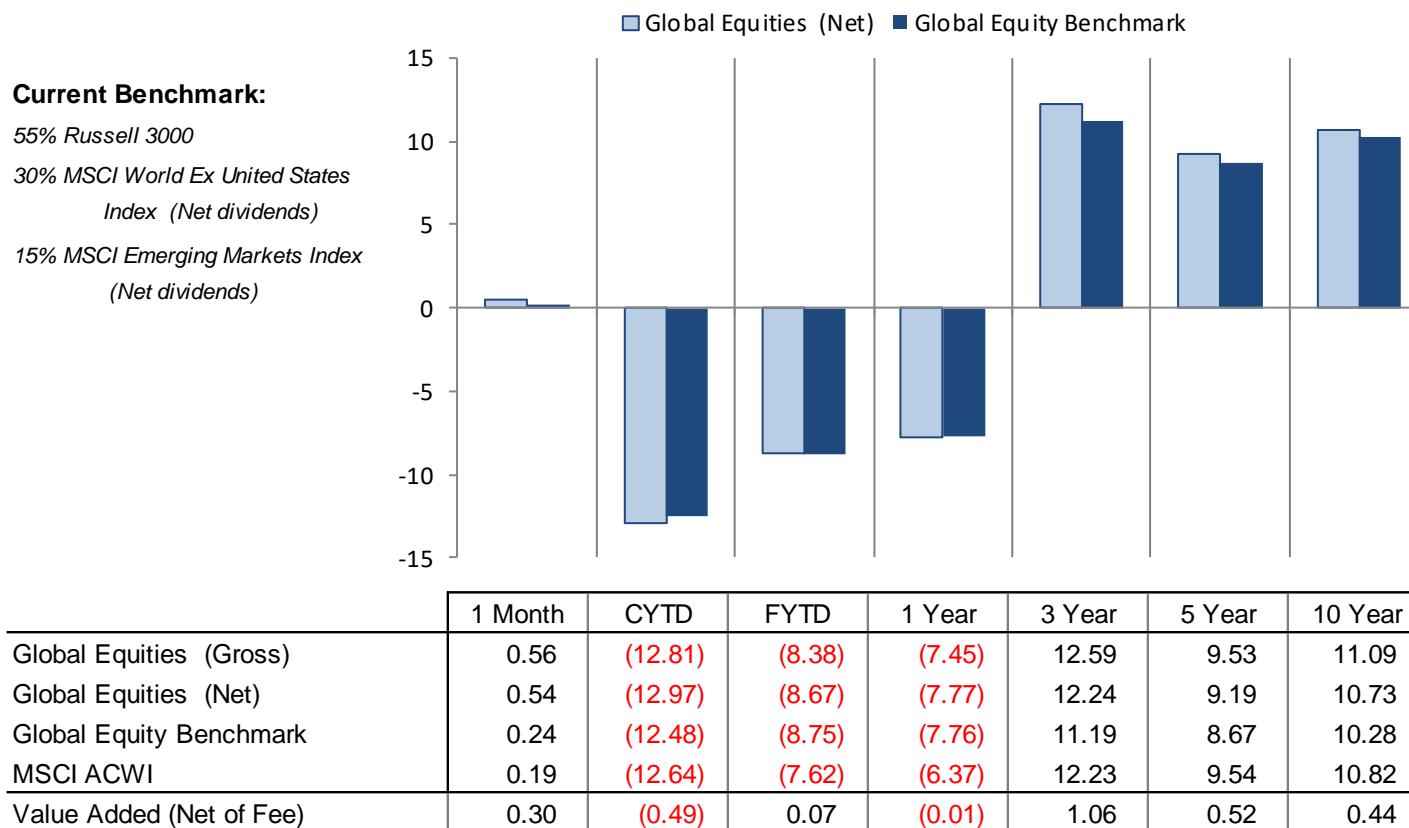
# Total Fund and Asset Class Performance (Net)



Source: BNY Mellon GRS



# Global Equities Performance



Source: BNY Mellon GRS

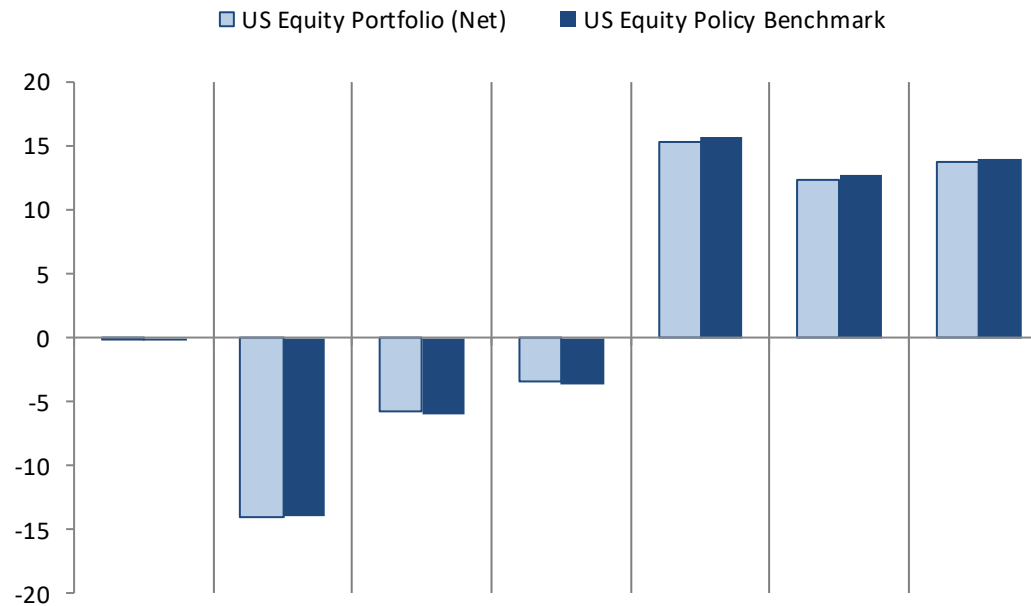




# US Equity Performance

**Current Benchmark:**

*Russell 3000*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
US Equity Portfolio (Gross)	(0.03)	(13.86)	(5.58)	(3.26)	15.54	12.59	14.07
US Equity Portfolio (Net)	(0.03)	(13.94)	(5.74)	(3.44)	15.33	12.37	13.78
US Equity Policy Benchmark	(0.13)	(13.89)	(6.00)	(3.68)	15.60	12.75	14.00
Value Added (Net of Fee)	0.10	(0.05)	0.26	0.25	(0.28)	(0.38)	(0.22)

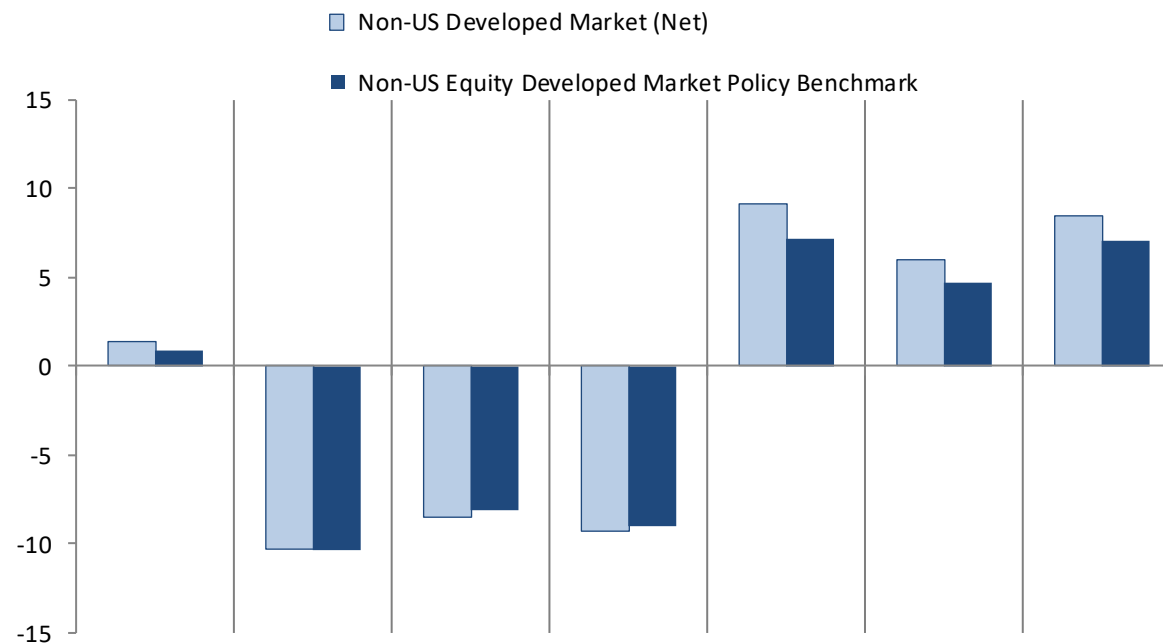
Source: BNY Mellon GRS



# Non-US Equity Developed Market Performance

## Current Benchmark:

MSCI World Ex United States Index  
(Net dividends)



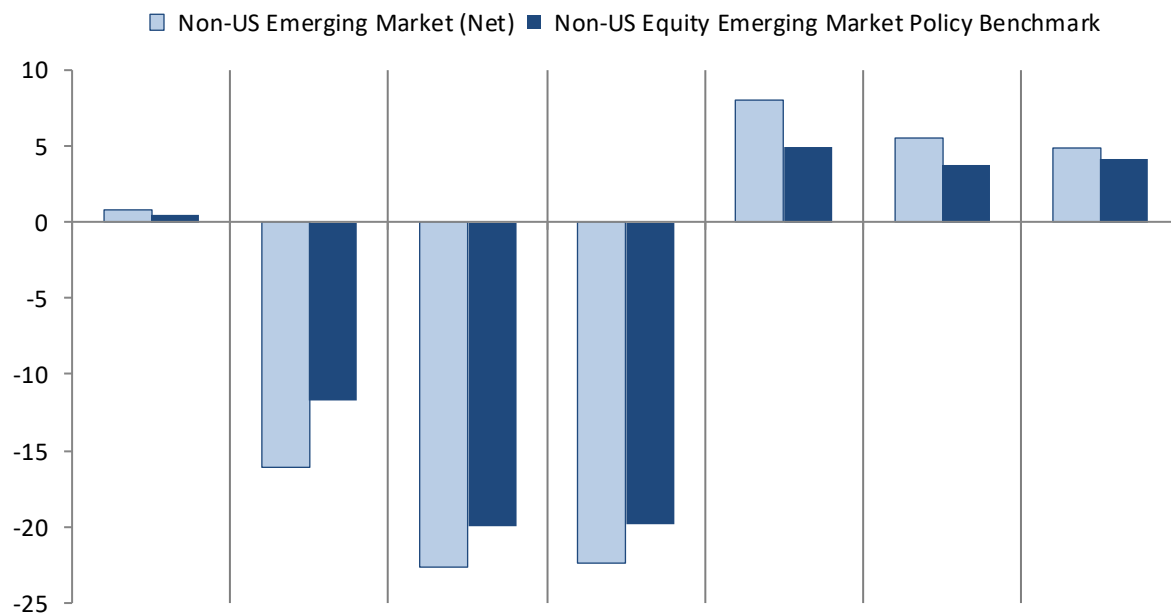
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US Developed Market (Gross)	1.44	(10.05)	(8.10)	(8.88)	9.56	6.39	8.81
Non-US Developed Market (Net)	1.38	(10.31)	(8.51)	(9.32)	9.17	6.03	8.47
Non-US Equity Developed Market Policy Benchmark	0.83	(10.32)	(8.11)	(9.05)	7.15	4.73	7.09
Value Added (Net of Fee)	0.55	0.01	(0.40)	(0.27)	2.02	1.30	1.37

Source: BNY Mellon GRS



# Non-US Equity Emerging Market Performance

**Current Benchmark:**  
MSCI Emerging Markets Index  
(Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US Emerging Market (Gross)	0.92	(15.85)	(22.09)	(21.77)	8.90	6.39	5.59
Non-US Emerging Market (Net)	0.86	(16.14)	(22.65)	(22.39)	8.06	5.56	4.81
Non-US Equity Emerging Market Policy Benchmark	0.44	(11.76)	(19.97)	(19.83)	5.00	3.80	4.17
Value Added (Net of Fee)	0.42	(4.37)	(2.69)	(2.56)	3.07	1.76	0.64

Source: BNY Mellon GRS

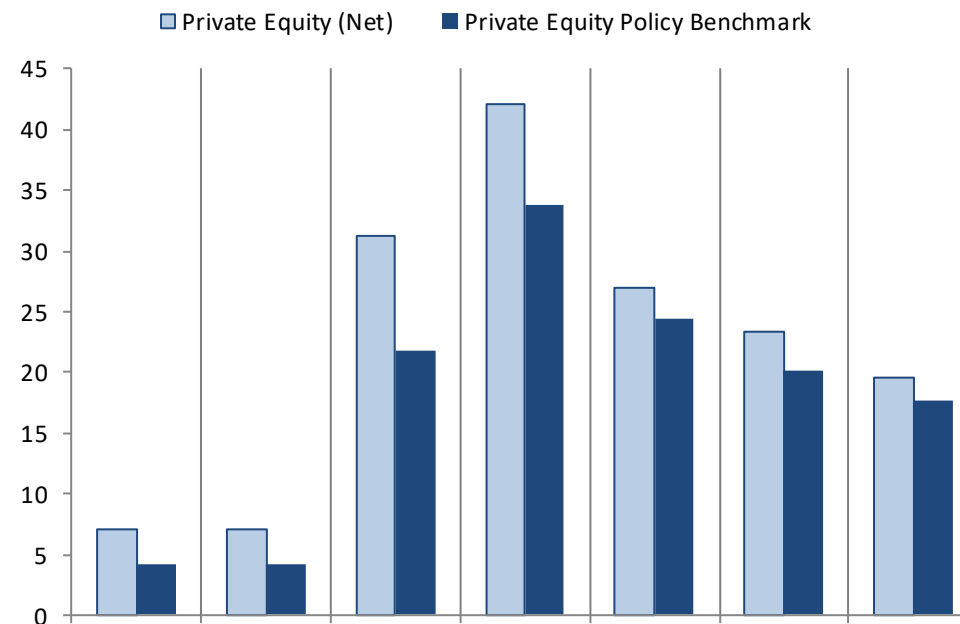


# Global Private Equity Performance

**Results as of: 03/31/2022**

**Current Benchmark:**

*Burgiss All Private Equity Index*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	7.29	7.29	32.70	44.53	28.80	25.10	21.28
Private Equity (Net)	6.99	6.99	31.30	42.12	26.94	23.37	19.56
Private Equity Policy Benchmark	4.22	4.22	21.79	33.82	24.37	20.08	17.60
Value Added (Net of Fee)	2.77	2.77	9.51	8.30	2.56	3.29	1.96

Source: BNY Mellon GRS

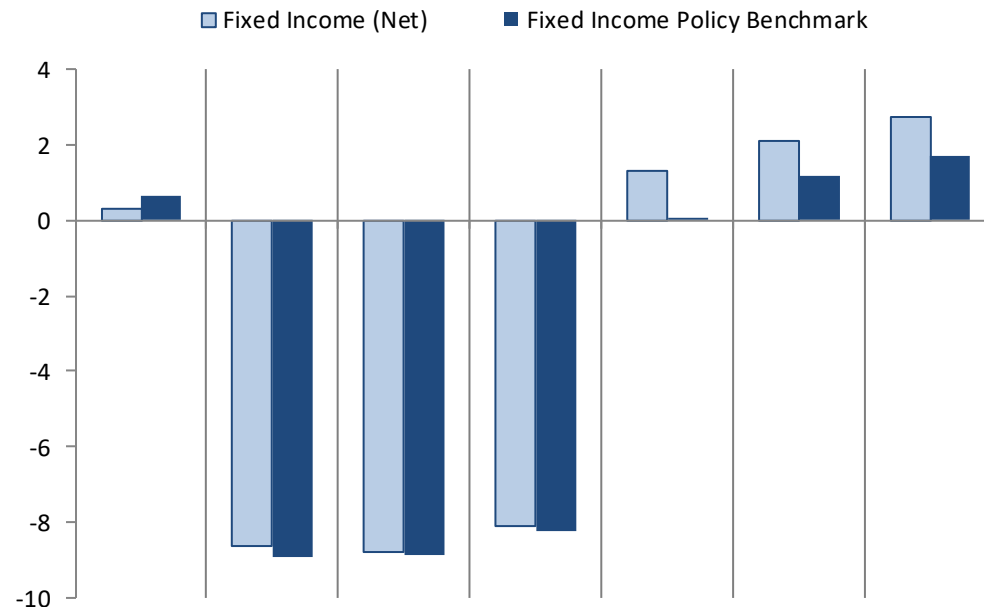
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Private Equity performance is reported one quarter in arrears.



# Global Fixed Income Performance

**Current Benchmark:**  
Bloomberg Aggregate Bond Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.31	(8.56)	(8.55)	(7.82)	1.59	2.33	2.99
Fixed Income (Net)	0.30	(8.66)	(8.78)	(8.09)	1.35	2.10	2.76
Fixed Income Policy Benchmark	0.64	(8.92)	(8.86)	(8.22)	0.00	1.18	1.71
Value Added (Net of Fee)	(0.35)	0.27	0.09	0.13	1.34	0.92	1.05

Source: BNY Mellon GRS

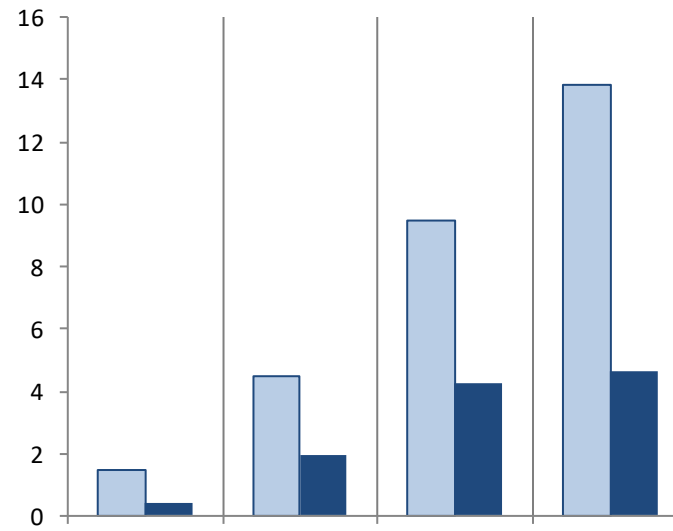


# Global Private Credit Performance

**Current Benchmark:**

90 Day T-Bill + 4.5%

■ Global Private Credit (Net)  
■ Global Private Credit Policy Benchmark



	1 Month	CYTD	FYTD	1 Year
Global Private Credit (Gross)	1.45	4.63	10.33	15.19
Global Private Credit (Net)	1.45	4.45	9.45	13.82
Global Private Credit Policy Benchmark	0.42	1.95	4.28	4.67
Value Added (Net of Fee)	1.03	2.50	5.17	9.15

Source: BNY Mellon GRS

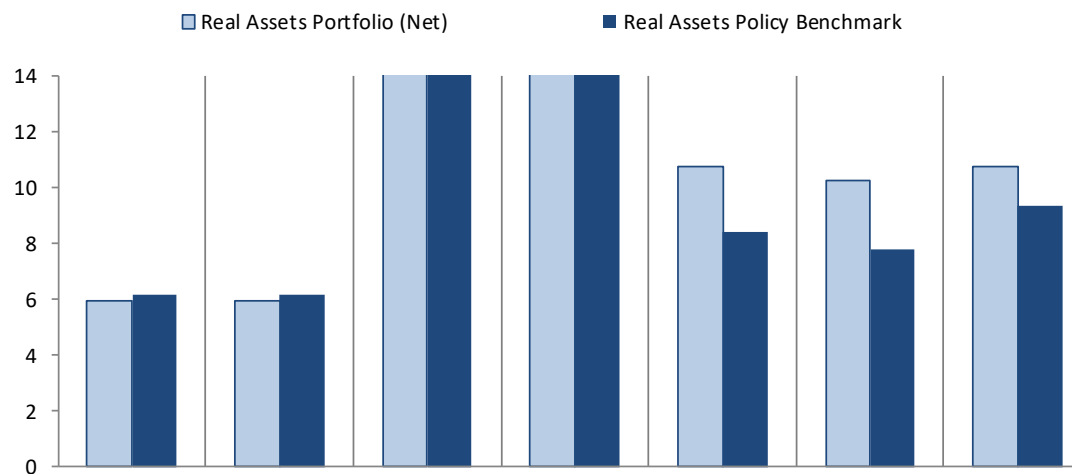
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.



# Global Real Assets Performance

Results as of: 03/31/2022

**Current Benchmark:**  
NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	6.15	6.15	19.01	23.78	11.63	11.26	11.85
Real Assets Portfolio (Net)	5.93	5.93	18.11	22.51	10.73	10.25	10.76
Real Assets Policy Benchmark	6.15	6.15	15.71	17.70	8.37	7.75	9.32
Real Assets Value Added (NOF)	(0.22)	(0.22)	2.40	4.81	2.36	2.50	1.44
Real Assets Core (Net)	8.83	9.03	24.24	27.72	12.47	11.23	11.76
Real Assets Policy Benchmark	6.15	6.15	15.71	17.70	8.37	7.75	9.32
Real Assets Core Value Added (NOF)	2.68	2.88	8.53	10.02	4.10	3.48	2.44
Real Assets Non-Core (Net)	4.06	4.06	17.10	18.82	9.26	9.24	10.45
Real Assets Policy Benchmark	6.15	6.15	15.71	17.70	8.37	7.75	9.32
Real Assets Non-Core Value Added (NOF)	(2.09)	(2.09)	1.39	1.12	0.89	1.49	1.13
Real Assets Infrastructure (Net)	1.57	1.57	7.76	14.57	9.83	12.07	n/a
Real Assets Policy Benchmark	6.15	6.15	15.71	17.70	8.37	7.75	n/a
Real Assets Infrastructure Value Added (NOF)	(4.58)	(4.58)	(7.95)	(3.13)	1.46	4.32	n/a

Source: BNY Mellon GRS

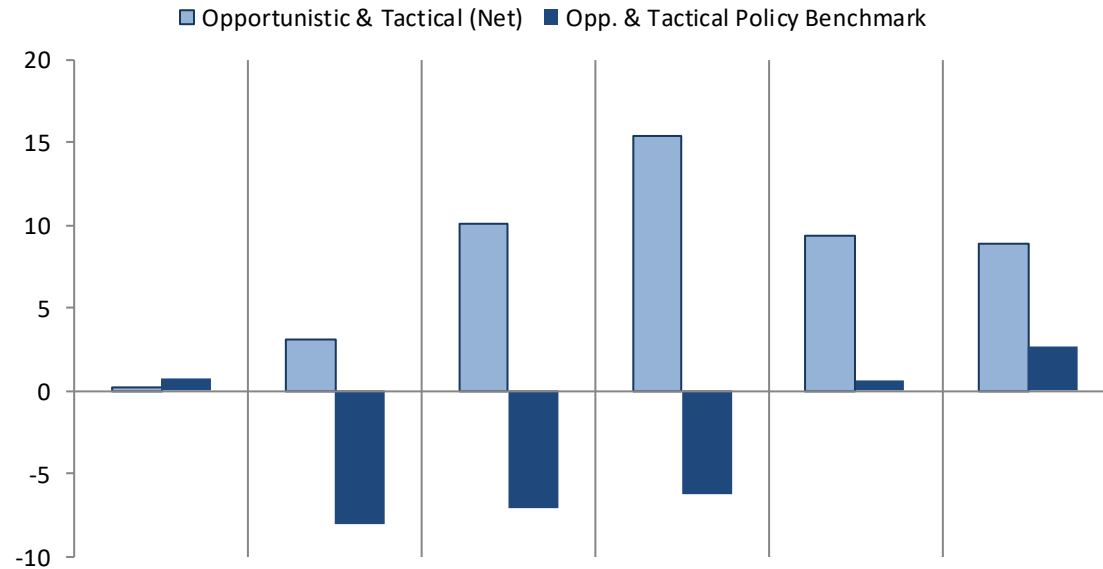
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



# Opportunistic & Tactical Performance

**Current Benchmark:**  
 Bloomberg Aggregate  
 Bond Index + 2%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	0.21	3.38	11.06	16.82	10.74	10.35
Opportunistic & Tactical (Net)	0.20	3.08	10.06	15.36	9.32	8.86
Opp. & Tactical Policy Benchmark	0.80	(8.00)	(7.02)	(6.22)	0.62	2.65
Value Added (Net of Fee)	(0.60)	11.09	17.08	21.58	8.70	6.21

Source: BNY Mellon GRS

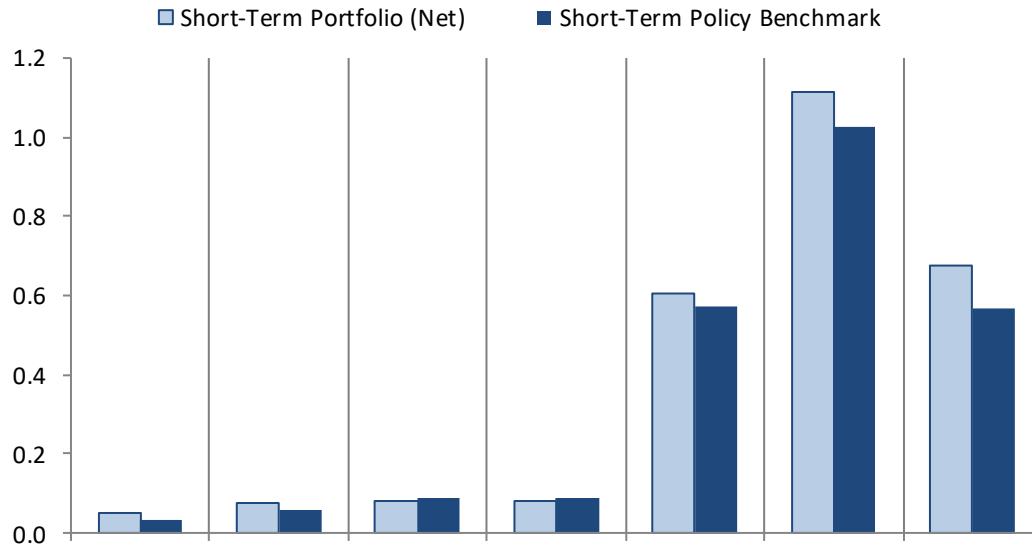




# Short-Term Performance

**Current Benchmark:**

*Citigroup 30 Day Treasury Bill Index*

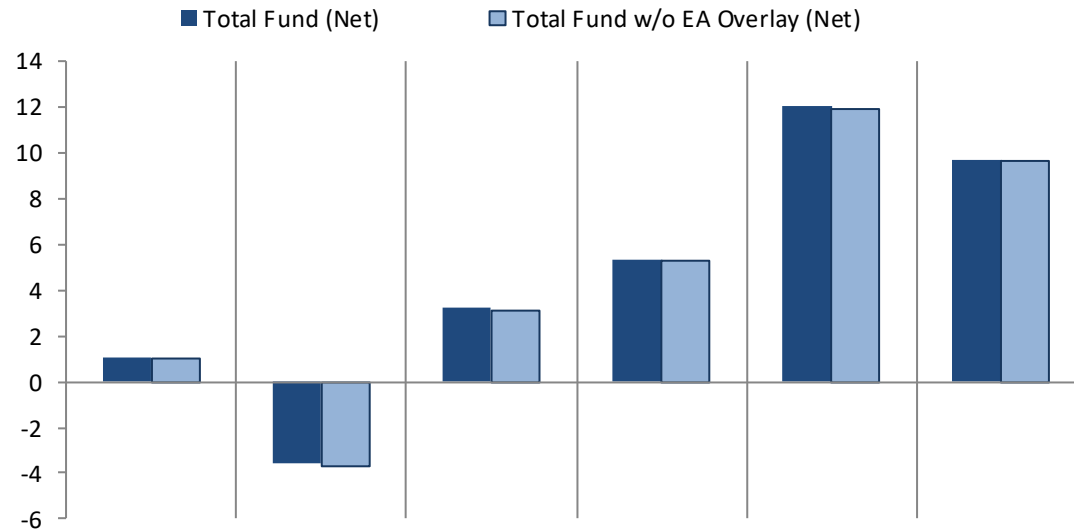


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.05	0.08	0.08	0.08	0.61	1.11	0.68
Short-Term Portfolio (Net)	0.05	0.08	0.08	0.08	0.61	1.11	0.68
Short-Term Policy Benchmark	0.03	0.06	0.09	0.09	0.57	1.03	0.57
Value Added (Net of Fee)	0.02	0.02	(0.01)	(0.01)	0.03	0.09	0.12

Source: BNY Mellon GRS



# Enhanced Asset Overlay Performance

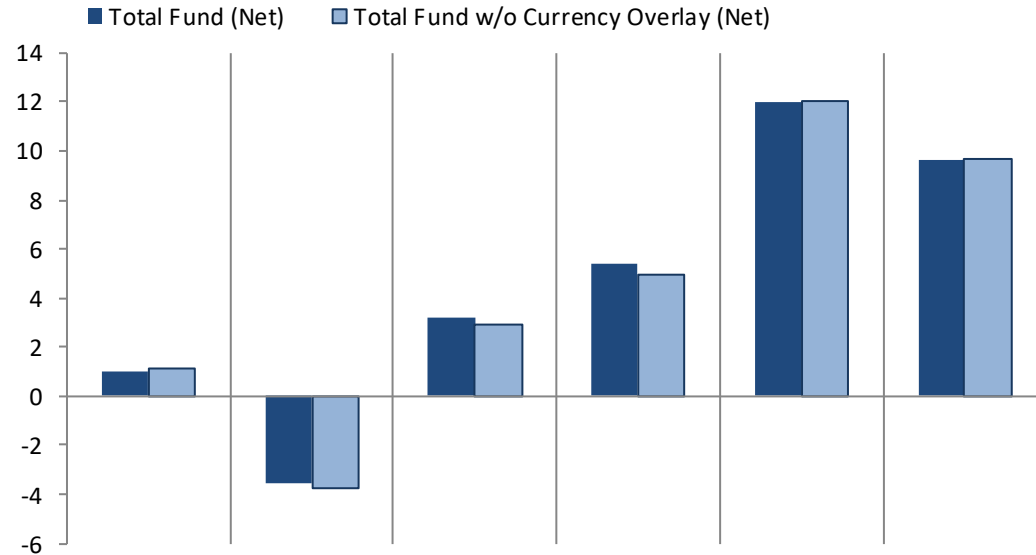


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	1.04	(3.38)	3.78	6.06	12.65	10.33
Total Fund w/o EA Overlay (Gross)	1.04	(3.48)	3.66	5.93	12.52	10.25
Total Fund (Net)	1.03	(3.58)	3.23	5.36	11.99	9.66
Total Fund w/o EA Overlay (Net)	1.02	(3.66)	3.14	5.27	11.89	9.60
EA Overlay Impact (Net of Fee)	0.01	0.08	0.09	0.10	0.10	0.06

Source: BNY Mellon GRS



# Currency Overlay Performance



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	1.04	(3.38)	3.78	6.06	12.65	10.33
Total Fund w/o Currency Overlay (Gross)	1.11	(3.55)	3.47	5.63	12.64	10.30
Total Fund (Net)	1.03	(3.58)	3.23	5.36	11.99	9.66
Total Fund w/o Currency Overlay (Net)	1.09	(3.75)	2.93	4.94	12.00	9.65
Currency Overlay Impact (Net of Fee)	(0.06)	0.17	0.30	0.42	(0.01)	0.01

Source: BNY Mellon GRS



## Proposed Investment Agenda – Next Meeting

- Wilshire Quarterly Performance Report (June 30, 2022)
- Investment Report (June 30 & July 31, 2022)

# Memo

**To:** Retirement Board  
**From:** Chris Collins  
**cc:** Richard Stensrud, Karen Roggenkamp  
**Date:** July 1, 2022  
**Re:** **Federal Legislative Report**

---

## OVERVIEW

### School shooting response

In late June the Senate passed legislation aimed at stanching acts of mass gun violence, with 15 Senate Republicans joining Democrats to advance a bill combining modest new firearms restrictions with \$15 billion in mental health and school security funding. The House quickly approved the bill and it was signed into law by President Biden.

14 Republicans joined Democrats in voting for the bill in the House, including Ohio members: Rep. Steve Chabot (R-Cincinnati), Rep. Anthony Gonzalez (R-Rocky River), Rep. Dave Joyce (R-Chagrin Falls) and Rep. Mike Turner (R-Dayton). Ohio Democrats Rep. Joyce Beatty (D-Columbus), Rep. Marcy Kaptur (D-Toledo), Rep. Tim Ryan (D-Youngstown), and Rep. Shontel Brown (D-Cleveland) supported the bill. Both Senators Sherrod Brown (D-OH) and Rob Portman (R-OH) supported the bill in the Senate.

The bill would expand background checks and would allow for more thorough reviews for 18-to-21-year-olds to buy guns. It would also encourage states to allow access to juvenile records as part of the background checks; bars a larger group of domestic-violence offenders from being able to purchase firearms; increase funding for (but not mandate) state "red flag" laws; increase penalties for straw purchases; and provide ample funding for mental health and school safety (including treatment of school-based trauma).

### Abortion decision

The U.S. Supreme Court on June 24<sup>th</sup> overturned its landmark 1973 decision in Roe v. Wade in which it found the due process clause provides a right to privacy that protects a woman's ability to choose whether to have an abortion.

The decision had an immediate impact in Ohio as a federal court at the request of Attorney General Dave Yost dissolved hours later an injunction against the implementation of Ohio's six-week abortion ban. It could also provide more momentum for a so-called "trigger ban" bill in the General Assembly.

Writing for the court's majority, Justice Samuel Alito found there is no constitutional right to an abortion, calling the Roe decision "egregiously wrong from the start."

The court also overturned *Planned Parenthood v. Casey*, which allowed states to restrict abortion access as long as they did not create an undue burden for women seeking the procedure.

He was joined in his opinion by Justice Clarence Thomas, Justice Neil Gorsuch, Justice Brett Kavanaugh and Justice Amy Coney Barrett.

### Gas Tax holiday proposal

Last month President Joe Biden called for suspending the federal gasoline tax, in his latest bid to curb rising fuel prices, though it stands almost no chance of passage in Congress.

Biden asked lawmakers to pass a three-month pause on the federal 18-cent-per-gallon levy, casting the proposal as a temporary measure that would provide relief to Americans without harming the road-building projects the tax traditionally funds.

The more likely scenario was for Biden to put pressure on states to enact their own gas tax holidays. But Ohio has already ruled out that idea. Gov. DeWine called the gas tax holiday scenario a “very false promise” that “sounds very good” without considering the impacts to construction projects, road safety and more.

### January 6<sup>th</sup> committee update

The Jan. 6 select committee originally intended to hold roughly a half-dozen public hearings in June to present its findings, though investigators had cautioned the schedule was subject to change as new evidence emerged. The select panel has maintained its investigative work even as it ramped up its pace of hearings.

The select committee has focused its hearings squarely on former President Trump. Its first hearing laid out what the panel described as a seven-part effort by the former president to overturn the 2020 election.

The committee is planning at least two additional hearings in mid-July; one would be focused on the nexus between Trump’s orbit and domestic extremists like the Proud Boys and Oath Keepers, with the other zeroing in on Trump’s 187 minutes of inaction as violent supporters entered the Capitol and threatened the lives of lawmakers and then-Vice President Mike Pence.

## **FEDERAL APPROPRIATIONS**

The House adopted a \$1.6 trillion discretionary spending cap for FY23, which roughly reflects the President’s Budget Request. This resolution solely sets a single topline and does not specify how the funds would be divided up between defense and nondefense spending. While passage of the resolution allowed the House Appropriations Committee to begin its markups, House and Senate Appropriations leaders failed to reach an agreement on the topline and on the parity between defense and non-defense spending. The House Appropriations Committee has been holding its FY23 markups this month, with subcommittee markups occurring June 15-22 and full committee markups occurring June 22-30. Floor votes on the bills will likely occur before the August recess.

However, a budget framework for the Senate’s appropriations bills is still in progress, and even with the House beginning its markups this summer, Senate Appropriations Vice Chairman Richard Shelby (R-AL) predicted that Congress will likely need to pass a continuing resolution. He noted that there is a possibility that Democrats and Republicans can reach a deal in the lame duck session between the midterm elections and the end of the calendar year. Senate Republicans expressed enthusiasm for an early spending agreement on appropriations with continued talk that Democrats still may seek some mandatory spending through the Budget Reconciliation process.

## **RETIREMENT SECURITY**

The U.S. Senate Committee on Finance approved the Enhancing American Retirement Now (EARN) Act, its version of SECURE 2.0, which includes a number of similar and distinctive provisions from previous legislation, including an administrative fix for the HELPS (Healthcare Enhancement for Local Public Safety) Retirees Act, added exceptions to the 10% early distribution penalty, increased age for required minimum distributions, and tax modifications for governmental DC plans, among other things.

However, the differences between the two chambers' proposals would need to be worked out before full congressional approval could occur. Under the House-passed bill, required minimum distributions, or RMDs, from retirement accounts would start at age 75 by 2033, up from the current age 72 (which was increased in the original Secure Act from age 70½). The Senate proposal would raise the RMD age to 75 by 2032. Both would reduce the penalty for failing to take RMDs to 25% (and in some cases, 10%) from the current 50%.

Senate lawmakers said during the committee hearing that they are in conversation with their peers in the House to reach agreement on a final version.

## **SOCIAL SECURITY**

A new Social Security trustees report points to a slightly longer time horizon for the program's trust funds. But even with a new depletion date of 2035 — a year later than projected last year — the program still faces a 75-year deficit. Still, the program is not bankrupt. Payroll tax revenues will continue to cover a substantial portion of benefits even after the projected depletion dates, though replacement rates are expected to drop.

Congress has yet to agree on what to do about Social Security's potentially depleted trust funds. Republicans tend to lean toward benefit cuts while Democrats typically look to expand the program. Proposals, including Connecticut Rep. John Larson's "Social Security 2100 Act," would raise the wage cap on earnings eligible for Social Security taxes (\$147,000 in 2022) and link the cost-of-living adjustment to the consumer price index tied to common household expenses of older Americans, among other provisions.

A group of senators, including former Democratic presidential candidates Sen. Bernie Sanders (I-VT) and Sen. Elizabeth Warren (D-MA), introduced the Social Security Expansion Act which, per Senator Sanders' website, "would expand Social Security benefits by \$2,400 a year and fully fund it for the next 75 years past the year 2096 – all without raising taxes by one penny on over 93 percent of American households."

The legislation does not appear to have been endorsed by the White House. There is also some skepticism either bill can pass without any support from Republicans in the Senate or House.

## **SECURITIES AND EXCHANGE COMMISSION**

Republicans on Capitol Hill sent strongly worded letters to the SEC and the National Association of State Retirement Administrators (NASRA) to try to block the SEC's proposed climate disclosure rules.

A letter signed by the ranking member of the Senate Banking Committee Pat Toomey (R-PA) and the other Republican members of the committee said the SEC's proposed climate-related disclosure rules are "unnecessary and inappropriate, exceed the SEC's mission and expertise, will harm consumers, workers, and the entire U.S. economy at a time when energy prices are skyrocketing, and hijack the democratic process in determining U.S. climate policy."

The letter also argued that, to the extent climate change will have a material impact, companies are already legally required to disclose this information. The lawmakers also said the proposed rule will discourage capital investment in oil, natural gas, and other energy industries at a time when inflation is at a 40-year high and energy prices are skyrocketing. Overall, they called the rules “an example of a financial regulator hijacking the democratic process by straying into a contentious public policy issue wholly unrelated to its mission and expertise.”

The letter also raised concerns about limited transparency concerning “communications between SEC staff in the office of the chairman and any climate activists before the issuance of the proposed climate disclosure rule.” To shed more light on this, the lawmakers asked the SEC to provide detailed information about emails and text messages related to the proposed rule sent among the SEC, the executive branch, the Financial Stability Oversight Council and the Environmental Protection Agency. They also requested all records showing the extent of the costs that are expected to occur in connection with the proposed climate disclosure rule, including, but not limited to, the impact that the proposed rule is expected to have on energy prices.

### SEC Appropriations

A FY 2023 funding bill for a number of federal agencies, including the SEC, contains a provision prohibiting funds to be used to implement the proxy advisor rules that the commission issued in July 2020. The House Appropriations Financial Services and General Government Subcommittee reported the bill, which would fund the SEC at \$2.2 billion (\$207 million above the FY 2022 level) to the full committee June 16. The provision is unlikely to be passed by the full Senate.

The SEC rules codify that proxy advice is considered "solicitation" and provide a "principles-based" approach to exemptions for proxy advisors from the onerous filing requirements related to solicitations.

## **HEALTH CARE**

### ACA Subsidies

The head of the Centers for Medicare & Medicaid Services (CMS) said Affordable Care Act officials need to start letting consumers know whether enhanced subsidies will be in place for next year.

But Congress has yet to pass legislation extending the boosted subsidies past this year, causing new alarm from CMS and state-run exchanges as open enrollment for the 2023 coverage year starts in November and plans are already creating their rates.

The American Rescue Plan Act boosted subsidies from 2021 through 2022, ensuring that some low-income customers receive zero-dollar or \$10-a-month premiums. The enhanced subsidies helped fuel a record 14.5 million enrollment on the ACA exchanges for the 2022 coverage year.

### PBM transparency

Congress advanced two pieces of legislation aimed at pharmacy benefit manager (PBM) reform. H.R. 7666 is a mental health bill being used as a vehicle to pass a smaller PBM transparency bill from Chairman Frank Pallone Jr. (D-NJ) and Ranking Member Cathy McMorris-Rodgers (R-WA). The bill passed the House in June and was referred to the Senate Committee on Health, Education, Labor, and Pensions (HELP). The second bill, S. 4293, is much more comprehensive in nature. It requires greater transparency from PBMs directly to the Federal Trade Commission (FTC) and allows for the FTC and states to directly enforce its provisions. Senator Maria Cantwell (D-WA) introduced the bill last month with Senator Chuck Grassley (D-IA) and it was passed out of Committee and will be sent to the entire Senate for a vote.



**FEDERAL LEGISLATION BOARD REPORT**  
**117<sup>th</sup> United States Congress**  
**(Prepared by Chris Collins as of July 8, 2022)**

---

**H.R.82**

SPONSOR: Rep. Rodney Davis (R-IL)  
LAST ACTIONS: House - 01/04/2021 Referred to the Subcommittee on Social Security.  
CAPTION: Social Security Fairness Act of 2021

COMMENT: Repeals the GPO and WEP. 281 co-sponsors; seven Ohioans

---

**H.R.328**

SPONSOR: Rep. Peter DeFazio (D-OR)  
LAST ACTION: House - 01/15/2021 Referred to the House Committee on Ways and Means.  
CAPTION: To amend the Internal Revenue Code of 1986 to impose a tax on certain trading transactions.

COMMENT: 28 co-sponsors; one Ohioan

---

**H.R.1319**

SPONSOR: Rep. John Yarmuth (D-KY)  
LAST ACTIONS: 03/11/2021 Became Public Law No: 117-2.  
CAPTION: American Rescue Plan Act of 2021

COMMENT: Provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

---

**H.R.2337**

SPONSOR: Rep. Richard Neal (D-MA)  
LAST ACTIONS: House - 04/01/2021 Referred to the House Committee on Ways and Means.  
CAPTION: To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

COMMENT: 189 cosponsors; three Ohioans

---

**S.1302**

SPONSOR: Sen. Sherrod Brown (D-OH)  
LAST ACTIONS: Senate - 04/22/2021 Read twice and referred to the Committee on Finance.  
CAPTION: A bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

COMMENT: 40 cosponsors

---

**H.R.3**

SPONSOR: Rep. Frank Pallone (D-NJ)

LAST ACTIONS: House - 04/27/2021 Referred to the Subcommittee on Oversight and Investigations

CAPTION: Elijah E. Cummings Lower Drug Costs Now Act

COMMENT: 88 cosponsors; three Ohioans

---

**H.R.5376**

SPONSOR: Rep. John Yarmuth (D-KY)

LAST ACTIONS: House - 11/19/2021 Motion to reconsider laid on the table.

CAPTION: Build Back Better Act

COMMENT: This bill provides funding, establishes programs, and otherwise modifies provisions relating to a broad array of areas, including education, labor, child care, health care, taxes, immigration, and the environment.

---

**H.R.5834**

SPONSOR: Rep. Kevin Brady (R-TX)

LAST ACTIONS: House - 11/03/2021 Referred to the House Committee on Ways and Means

CAPTION: Equal Treatment of Public Servants Act of 2021

COMMENT: 53 cosponsors; four Ohioans

---

**H.R.5723**

SPONSOR: Rep. Larson, John B. [D-CT-1]

LAST ACTIONS: House - 10/26/2021 Referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

CAPTION: Social Security 2100: A Sacred Trust

COMMENT: 202 cosponsors; four Ohioans

---

**STATE LEGISLATION BOARD REPORT**  
**(Prepared by Chris Collins as of July 8, 2022)**

---

**134<sup>th</sup> General Assembly**

---

**HB110 OPERATING BUDGET** Scott Oelslager (R- North Canton) To make operating appropriations for the biennium beginning July 1, 2021, and ending June 30, 2023, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 07/01/2021 SIGNED BY GOVERNOR; effective 7/1/21

---

**HB14 REGARDS STATE RETIREMENT SYSTEM** Diane Grendell (R – Chesterland) Regarding state retirement system fiduciary duties, Public Employees Retirement System management fees and employee pay, and creating the Committee on Pension Salaries and Fees.

Current Status: 02/04/2021 Referred to Financial Institutions Committee

---

**SB233 SCHOOL NURSE LICENSURE, RETIREMENT** Louis Blessing III (R - Cincinnati) Regarding licensure and state retirement system membership for school nurses.

Current Status: 02/15/2022 Senate Primary and Secondary Education, (Second Hearing)

---

**HB416 AUTO-ENROLLMENT RETIREMENT PROGRAM FOR PRIVATE EMPLOYEES** Juanita Brent, (D – Cleveland) Stephanie Howse (D – Cleveland) To establish an auto-enrollment retirement savings program for private sector employees.

Current Status: 10/27/2021 House Insurance, (First Hearing)

---

**HB499 ALLOW ELECTED OPERS/SERS RECIPIENTS TO RECEIVE BENEFITS** (Miller, A) - To allow a Public Employees Retirement System or School Employees Retirement System disability benefit recipient elected to certain offices to continue receiving a disability benefit during the term of office.

Current Status: 6/1/2022 Third Hearing, All Testimony, SUBSTITUTE BILL

---

**HB512 POLICE, FIRE PENSION FUND** (Abrams, C; Baldrige, B) - To increase employer contributions to the Ohio Police and Fire Pension Fund.

Current Status: 03/30/2022 House Insurance, (Second Hearing)

---

**HB539 STATE RETIREMENT SYSTEMS - PUBLIC BROADCAST** (Kelly, B; Ghanbari, H) - To require the state retirement systems to publicly broadcast board meetings.

Current Status: 02/15/2022 Referred to Insurance Committee

---

**HB540** STATE RETIREMENT SYSTEMS – FINANCIAL INFORMATION (Kelly, B; Ghanbari, H) - To require the state retirement system boards to disclose certain financial information regarding alternative investments.

Current Status: 5/25/2022 - House Insurance, (First Hearing)

---

**HB541** STATE RETIREMENT SYSTEMS – FORMER EMPLOYEES (Kelly, B; Ghanbari, H) - Regarding the prohibition against the state retirement systems doing business with a former state retirement system employee, officer, or board member.

Current Status: 5/25/2022 - House Insurance, (First Hearing)

---

**HB601** STRS COST-OF-LIVING ADJUSTMENTS (Lightbody, M; Miller, A) - Regarding increasing contributions for employers to the State Teachers Retirement System and School Employees Retirement System, establishing minimum amounts for certain STRS cost-of-living adjustments, and eliminating an age-related eligibility criterion for retirement in STRS.

Current Status: 04/06/2022 House Insurance, (First Hearing)

---

**SB308** DIVESTMENT, RESTRICTIONS-RUSSIA (Antani, N) - To prohibit state and local governments from investing in, granting incentives to, or contracting with Russia or companies based in Russia, to require Ohio's pension and other investment funds to divest from any such holdings, and to declare an emergency.

Current Status: 03/16/2022 Referred to General Government Budget Committee

---

**SB347** SERS CONTRIBUTION BENEFIT CAP (Schuring, K; Hottinger, J) - To establish a contribution based benefit cap in calculating a School Employees Retirement System member's retirement benefit.

Current Status: 05/31/2022 Referred to Insurance Committee

---

**SB348** SERS MEMBERSHIP DETERMINATION PROCEDURE (Reineke, W) To establish a School Employees Retirement System membership determination procedure and to limit the amount that the retirement system can charge for late contributions.

Current Status: 06/01/2022 Referred to Senate Insurance

---

# Memo

To: Retirement Board  
From: Richard Stensrud, Executive Director  
CC: Karen Roggenkamp, Deputy Executive Director  
Marni Hall, CPA, Chief Financial Officer  
Date: July 14, 2022  
Re: Actuarial Audit Services

---

Pursuant to the Board's direction when extending the contract of the current retained actuary (Cavanaugh MacDonald), SERS issued a RFP for an Actuarial Audit. The impetus for securing an Actuarial Audit was not due to any concerns or lack of confidence regarding the reasonableness and accuracy of the actuarial work performed by Cavanaugh MacDonald, but rather, was based on the Board's view that given Cavanaugh MacDonald's long tenure as retained actuary, having an independent review of that work was prudent and reflective of 'best practice' in the operation of a public retirement system. The Board further believed that it was prudent to be proactive with this review rather than to wait for the next actuarial audit commissioned by the Ohio Retirement Study Council (ORSC), which will likely be conducted in 2023.

The actuarial audit commissioned every ten years by the ORSC is a Level 1 audit in which the auditing actuary fully replicates the most recent actuarial valuation conducted by the retained actuary. Given the close proximity of the ORSC actuarial audit, it was determined that the Actuarial Audit commissioned by SERS would be a Level 2 audit which does not include a full replication but does provide independent verification and analysis of the assumptions, procedures, methods and calculations used by the retained actuary for:

- \* SERS' annual pension valuation as of June 30, 2021;
- \* The five-year experience review for the period July 1, 2015 to June 30, 2020;
- \* SERS' annual retiree health care valuation as of June 30, 2021; and

- \* GASB 67, 68, 74 and 75 disclosures.

The Actuarial Audit will include the following elements:

- \* A determination of whether the actuarial methods, considerations, and analyses used by Cavanaugh MacDonald are technically sound and conform to the Standards of Practice promulgated by the Actuarial Standards Board and the policies of the Government Accounting Standards Board (GASB).
- \* An in-depth review and analysis of the valuation results, including an evaluation of the reasonableness and consistency of the data used as well as a review of the completeness and accuracy of the mathematical calculations.
- \* Verification that all appropriate benefits have been valued and valued accurately.
- \* Evaluation of the actuarial cost method and actuarial asset valuation method.
- \* Verification of the reasonableness of the calculation of the unfunded actuarial accrued liability and amortization period.
- \* Review and analysis of the economic and non-economic assumptions.

The auditing actuary will provide a written report summarizing the results of the Actuarial Audit that will include:

- \* Specific findings with regard to each of the audit and review elements.
- \* The auditing actuary's opinion as to the reasonableness of the retained actuary's valuation assumptions, methods and conclusions, and their conformance with appropriate actuarial and accounting standards, practices and policies.
- \* Any recommended improvements that can be made to the actuarial reports prepared by the retained actuary, including the valuation results, disclosures and form of presentation.

Qualified proposals were received from three firms: GRS, Milliman, and Segal.

The proposals were evaluation by a team comprised of Kathy Thornburg, Trisha Rider, Anshu Maloo, Aimee Peck, Stacy Easterday, Maria Robinson, Tracy Valentino, and Richard Stensrud, with Dawn Viggiano as team counsel. The team reviewed each proposal, reached out to the firms with any questions, contacted references, and scored the RFPs using a weighted scoring system based on the following criteria:

- Firm Information
- Consulting team information
- Actuarial audit plan
- Standards of Conduct information
- Fee information

Each responding firm also met with the team via Zoom to present their proposal and address team questions.

Based on the proposal scores and firm presentations, the team is recommending Milliman for the Actuarial Audit engagement.

While GRS, Segal and Milliman all exhibited an understanding of the scope of the engagement and their respective teams had experience in providing the requested services, the team recommends Milliman for the following reasons:

- Extensive experience with Ohio pension systems having performed actuarial audit work for the Ohio Retirement Study Council, STRS, SERS and OPERS;
- Competitive fees;
- Strong health care experience due to their engagement with the health insurance industry;
- Direct investment experience through their investment consulting division;
- Experienced, diverse team that would partner well with SERS Board and staff; and
- Positive client references.

The proposed engagement would commence in August with the presentation of the final report at the December Board meeting.

I hope this information is helpful. We will be happy to answer any questions you might have.

**LEVEL 2 ACTUARIAL AUDIT**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that following discussion at the July 22, 2022, Board meeting, and as recommended by staff, SERS retain Milliman to conduct a Level 2 actuarial audit of SERS' current actuary, Cavanaugh Macdonald. Be it further provided that the Executive Director is authorized to sign the contract following review by SERS' legal counsel.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____



**School Employees Retirement System of Ohio**

Summary of preliminary administrative operation expenses during the period **June 1, 2022-June 30, 2022.**

Actuals  
Jun-2022

<b>Account</b>	<b>Amount</b>
Salaries & Wages	1,072,101.12
Salaries & Wages- Overtime	2,098.97
Vacation Leave Expense	102,651.64
Sick Leave Expense	29,197.25
Employer Contributions- PERS	163,776.57
Group Life	9,185.26
Long Term Disability	3,142.74
Short Term Disability	2,514.16
Group Health Claims	153,905.32
Group Health- Admin Fees	7,345.00
Prescription Claims	70,304.86
Group Health- Stop Loss Admin	15,920.32
Vision Claims	2,706.54
Vision Admin Fees	123.12
Group Health- Employee Cost	(29,352.59)
Group Health- Wellness Incentive	3,940.00
Group Health- Tobacco Premiums	(784.29)
Medicare Premium- Employer	16,360.97
Workers Compensation	3,452.75
Deferred Compensation Match	4,860.00
Actuarial Services	29,108.00
Audit	12,000.00

**School Employees Retirement System of Ohio**

Summary of preliminary administrative operation expenses during the period **June 1, 2022-June 30, 2022.**

Actuals  
Jun-2022

Custodial Fees	86,000.00
Custodial Banking	29,034.24
Master Recordkeeper Fees	83,333.33
Investment Advisory Fees	54,166.63
Performance/ Analytics Fee	37,401.66
Bloomberg Terminal Rentals	6,060.00
Medical Consultant	3,750.00
Special Counsel	26,499.72
Technical	205,513.95
Other Professional Services	53,371.04
Postage	154,033.86
Telecommunications Services	13,946.53
Member/Employer Education	2,206.57
Printing Paper	12,846.00
Communications & Publications	7,213.04
Software Maintenance	70,000.00
Software Subscriptions	131,647.34
Hardware < \$5,000	5,230.29
Equipment Repairs & Maintenance	6,270.50
Office Supplies & Expenses	767.61
Miscellaneous Office Supplies	12.99
Furniture & Equipment < \$5,000	182.30
Records Storage	1,123.82
Seminars & Conferences	8,741.56
Tuition	151.04
Travel & Transportation	23,410.70
Subscriptions	16,858.70

**School Employees Retirement System of Ohio**

Summary of preliminary administrative operation expenses during the period **June 1, 2022-June 30, 2022.**

Actuals  
Jun-2022

Memberships	625.00
Operations Maintenance	3,399.52
Interior Landscaping	1,356.37
Vehicle Expense	(1,371.89)
Staff Support	5,695.61
Recruiting Expense	2,005.12
Reimbursement of Leased Svcs.	(25,416.67)
<b>Total Administrative Expenses</b>	<b>2,700,624.19</b>

School Employees Retirement System of Ohio  
 REVIEW OF ADMINISTRATIVE EXPENSES  
 22-Jun

The following are preliminary administrative operation expenses of the School Employees Retirement System of Ohio during the period June 1, 2022- June 30, 2022

<u>Expense Account</u>	<u>Vendor</u>	<u>Amount</u>	
53100 - Salaries & Wages	ADP, LLC		1,072,101.12
		Subtotal	1,072,101.12
53110 - Salaries & Wages - Overtime	ADP, LLC		2,098.97
		Subtotal	2,098.97
53111 - Vacation Leave Expense	ADP, LLC		102,651.64
		Subtotal	102,651.64
53112 - Sick Leave Expense	ADP, LLC		29,197.25
		Subtotal	29,197.25
53200 - Employer Contributions - PERS	Ohio Public Emp. Retirement System Ohio Public Emp. Retirement System		163,776.91
		Subtotal	(0.34) 163,776.57
53300 - Group Life	American United Life Insurance Company		9,185.26
		Subtotal	9,185.26
53310 - Long Term Disability	American United Life Insurance Company		3,142.74
		Subtotal	3,142.74
53315 - Short Term Disability	Ameican United Life Insurance Company		2,514.16
		Subtotal	2,514.16
53320 - Group Health Claims	Aetna Daily Wires - ESERS SaveonSP, LLC		144,942.98
		Subtotal	8,962.34 153,905.32
53321 - Group Health - Admin Fees	Aetna Admin - ESERS		7,345.00
		Subtotal	7,345.00
53322 - Prescription Claims	SaveonSP, LLC Express Scripts - ESERS		2,500.00
		Subtotal	67,804.86 70,304.86
53324 - Group Health - Stop Loss Admin	Aetna Admin - ESERS		15,920.32
		Subtotal	15,920.32
53326 - Vision Claims	VSP - (OH)		2,706.54
		Subtotal	2,706.54
53327 - Vision Admin Fees	VSP - (OH)		123.12
		Subtotal	123.12
53330 - Group Health - Employee Cost	Employee Premiums		(29,352.59)
		Subtotal	(29,352.59)
53331 - Group Health - Wellness Incentive	ADP, LLC		3,940.00
		Subtotal	3,940.00
53332 - Group Health - Tobacco Premiums	ADP, LLC		(784.29)
		Subtotal	(784.29)
53340 - Medicare Premium - Employer	ADP, LLC ADP, LLC		16,361.01
		Subtotal	(0.04) 16,360.97
53350 - Workers Compensation	Ohio Bureau Of Workers Compensation		3,452.75
		Subtotal	3,452.75
53380 - Deferred Compensation Match	ADP, LLC		4,860.00
		Subtotal	4,860.00
54100 - Actuarial Services	Cavanaugh MacDonald Consulting, LLC Cavanaugh MacDonald Consulting, LLC		12,000.00
		Subtotal	17,108.00 29,108.00
54200 - Audit	RSM		12,000.00
		Subtotal	12,000.00
54310 - Custodial Fees	BNY Mellon Asset Servicing/ Fifth Third Bank		86,000.00
		Subtotal	86,000.00
54320 - Custodial Banking	Treasurer of State - Warrants Huntington National Bank		420.42
		Subtotal	28,613.82 29,034.24
54410 - Master Recordkeeper Fees	BNY Mellon Asset Servicing		83,333.33
		Subtotal	83,333.33
54420 - Investment Advisory Fees	Wilshire/ Aksia		54,166.63
		Subtotal	54,166.63
54430 - Performance/Analytics Fee	BNY Mellon Asset Servicing Wilshire Advisors, LLC		34,401.66
		Subtotal	3,000.00 37,401.66

54460 - Bloomberg Terminal Rentals	Bloomberg Finance LP		6,060.00
		Subtotal	6,060.00
54520 - Medical Consultant	Borchers, M.D., Glen G.		3,750.00
		Subtotal	3,750.00
54610 - Special Counsel	Legal Fee Accruals		15,000.00
	Ice Miller LLP		5,010.00
	Frost Brown Todd, LLC		504.72
	Morgan, Lewis & Bockius		5,985.00
		Subtotal	26,499.72
54620 - Technical	Buck Global, LLC		5,724.00
	Sagitec Solutions, LLC		136,983.00
	LexisNexis Risk Data Management, Inc		5,336.45
	Hyland LLC		2,812.50
	Sigital, LLC		150.00
	ComResource		632.50
	Velosio		1,425.00
	ForeFront Web		333.50
	CGI, Inc.		42,075.00
	Buck Global, LLC		7,042.00
	Alight Solutions LLC		3,000.00
		Subtotal	205,513.95
54630 - Other Professional Services	Attorney General		13,000.00
	Wickert, Kimberly		1,305.00
	Vorys Advisors LLC		3,333.33
	Hudepohl & Associates Inc.		33,794.21
	Contoural, Inc.		138.50
	CPS HR Consulting		1,800.00
		Subtotal	53,371.04
55100 - Postage	Employee reimbursement		(69.55)
	Pitney Bowes Inc.		2,992.77
	United States Postal Service		150,000.00
	Columbus Courier & Freight LLC		412.59
	Unishippers Association		670.05
	Quadient		28.00
		Subtotal	154,033.86
55200 - Telecommunications Services	Verizon Wireless		676.24
	TBG Conferencing		12.76
	XO Communications		1,756.94
	Nextel Communications		55.72
	AT&T		50.09
	LUMEN		3,591.66
	Spectrum		6,183.62
	Spectrum AWS		1,619.50
		Subtotal	13,946.53
55300 - Member/Employer Education	Member payments to SERS		(390.00)
	Holman, Carlisa		267.16
	Vaughan, Cameron		86.56
	Talbert, Katie		1,928.20
	Nass, Alisa		103.56
	Richards, Michelle		211.09
		Subtotal	2,206.57
55400 - Printing Paper	Sterling Paper Company		12,846.00
		Subtotal	12,846.00
55420 - Communications & Publications	Amazon.com		73.04
	Bindery and Specialties, Inc.		7,140.00
		Subtotal	7,213.04
56030 - Software Maintenance	Sagitec Solutions, LLC		70,000.00
		Subtotal	70,000.00
56035 - Software Subscriptions	Cloud Guru Subscription Cancellation		(468.00)
	Optiv Security, Inc.		1,991.68
	Shi		25,905.00
	ADP, LLC		4,002.63
	KLDiscovery		1,275.00
	Liquid Web Inc		616.40
	PDFForge.org tax reimbursement		(71.26)
	Zoom		955.62
	Wellable LLC		468.00
	Amazon Web Services		237.60
	A Cloud Guru		468.00
	OarNet		96,266.67
		Subtotal	131,647.34
56040 - Hardware < \$5,000	Amazon.com		31.92
	B & H Photo Video		5,198.37
		Subtotal	5,230.29
56110 - Equipment Repairs & Maintenance	Ricoh USA, Inc		512.31
	Digital Print Solutions		1,141.47
	Amazon.com		19.95
	Canon Financial Services, Inc		2,191.27
	US Bank Equipment Finance		2,405.50
		Subtotal	6,270.50
56130 - Office Supplies & Expenses	Staples Business Advantage		734.76
	Scott Machine Development Corp		32.85
		Subtotal	767.61
56140 - Miscellaneous Office Supplies	Amazon.com		12.99
		Subtotal	12.99

56150 - Furniture & Equipment < \$5,000	Amazon.com		182.30
		Subtotal	182.30
56160 - Records Storage	Vital Records Holdings, LLC		1,123.82
		Subtotal	1,123.82
56210 - Seminars & Conferences	Ohio Society of CPAs		189.00
	Pageant Media Ltd		189.00
	Employers Resource Association		365.75
	Ohio State University		675.00
	National Association of Public Pension Attorneys		995.00
	International Foundation of Employee Benefit Plans		2,450.00
	Public Retirement Information Systems Management		695.00
	Dion Training		348.00
	Central Ohio ACFE Chapter		175.00
	Cheng, Paul		1,499.63
	Marotta, Joe		485.18
	Express Scripts		450.00
	Central Ohio Agile Association		225.00
		Subtotal	8,741.56
53370 - Tuition	Maynard, Chris		151.04
		Subtotal	151.04
56310 - Travel & Transportation	Reversal Duplicate Room Charge		(243.08)
	Kroger		63.17
	Rossler, James		3,560.89
	Haller, James		591.49
	Phillips, Barbra		2,346.19
	Giant Eagle		6.98
	Sam's Club		10.88
	Majeed, Farouki		1,289.85
	Masri, Judi		677.88
	Moss, Catherine		2,554.42
	Browning, Michael		2,455.02
	Wilson, Daniel L.		590.36
	King, Matt		473.84
	Weglarz, Frank		3,377.58
	Matthiessen, Dustin		848.46
	Meijer		28.07
	Olive Garden		241.44
	Cheng, Paul		2,093.01
	Jimmy Johns		85.05
	Corporate Caterers		436.43
	Marotta, Joe		530.18
	Carrabine, Jeff		360.14
	Nist, Todd		823.20
	Super Shuttle		209.25
		Subtotal	23,410.70
56410 - Subscriptions	Wall Street Journal		93.98
	Constant Contact		250.00
	Currency Research Associates		1,250.00
	Shutterstock, Inc.		87.00
	Harvard Business Review		129.00
	BCA Research Inc.		14,202.80
	Columbus Dispatch		469.94
	Pension & Investments		350.00
	Toledo Blade		25.98
		Subtotal	16,858.70
56420 - Memberships	International Association of Business Communicators		330.00
	Burton, Pam		100.00
	ARMA International		195.00
		Subtotal	625.00
56610 - Operations Maintenance	Stanley Convergent Security Solutions, Inc.		224.64
	AT&T		246.46
	Amtrec, LLC		1,666.00
	South Central Power Company		770.00
	Northeast Ohio Natural Gas Corp.		303.53
	Meijer		188.89
		Subtotal	3,399.52
56630 - Interior Landscaping	Ambius Inc. (05)		1,356.37
		Subtotal	1,356.37
56640 - Vehicle Expense	Insurance reimbursement		(1,539.00)
	Moo Moo Car Wash		28.00
	Batteries Plus Commercial		2.71
	BP Oil Company		136.40
		Subtotal	(1,371.89)
56620 - Staff Support	Franklin Services		610.84
	Fifth Third Bank		50.00
	ADP, LLC		3,400.00
	Kroger		27.31
	Premier ProduceOne		289.45
	Giant Eagle		89.98
	Amazon.com		150.00
	PayFlex Systems USA, Inc.		336.00
	Matrix Integrated Psychological Services		597.30
	Culligan Bottled Water of Columbus		124.82
	Walmart		13.04
	BP Oil Company		6.87
		Subtotal	5,695.61
56621 - Recruiting Expense	International Institute of Business Analysis		350.00
	YourMembership.com		359.00
	Indeed		1,296.12
		Subtotal	2,005.12
56900 - Reimbursement of Leased Svcs	Reimbursement of Leased Services		(25,416.67)
		Subtotal	(25,416.67)
	Total SERS Administrative Expense		2,700,624.19

**ELECTION OF EMPLOYEE MEMBER TO THE RETIREMENT BOARD**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the following resolution be adopted:

BE IT RESOLVED by the Retirement Board of the School Employees Retirement System that the election of one employee member of the Retirement Board for the term beginning July 1, 2023 and ending June 30, 2027, shall be as provided herewith:

Any member of the Retirement System, other than a disability recipient, shall be eligible for election and the name of any member who is nominated by a petition, meeting the following requirements, shall be placed upon the ballot as a regular candidate. The petitions shall be signed by at least five hundred (500) members of the Retirement System of which there shall be not less than twenty (20) signers each from at least ten (10) counties wherein such members are employed; shall indicate the employer and county of employment of each signing member; shall be signed on or after August 1, 2022; and the original petitions, along with the originals of any other completed required forms, must be received in the office of the Retirement System no later than 4:30 p.m., EST, December 2, 2022.

All ballots, to be considered valid, must be received in the office of the Retirement System no later than 4:30 p.m. EST, March 6, 2023.

All ballots delivered to the office of the Retirement System shall be delivered unopened to judges appointed by the Retirement Board. The judges shall meet, make final determination of the validity of the ballots within the intent of this resolution, count the valid ballots on March 7, 2023, and announce the results of the election.

The election shall be conducted in accordance with the Retirement Board's election laws as well as its election rule, policy, and procedure.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

# Memo

**To:** Members of the SERS Board  
**From:** Chris Castle  
**CC:** Richard Stensrud, Karen Roggenkamp  
**Date:** July 6, 2022  
**Re:** New Employers

---

At the July Board meeting, staff will discuss adding two new employers to SERS.

The first proposed new employer is Heartland Council of Governments/North Central Ohio Computer Cooperative, a regional council of governments organized under Chapter 167 of the Ohio Revised Code that provides services to schools in North Central Ohio.

Heartland Council of Governments/North Central Ohio Computer Cooperative has requested SERS' approval as a new employer unit effective July 1, 2022, and by resolution has agreed to abide by all regulations and obligations as an employer under Chapter 3309.

The second proposed new employer is Northeast Ohio Management Information Network/Council of Governments, a regional council of governments organized under Chapter 167 of the Ohio Revised Code that provides services to schools in Trumbull and Ashtabula counties.

Northeast Ohio Management Information Network/Council of Governments has requested SERS' approval as a new employer unit effective July 1, 2022, and by resolution has agreed to abide by all regulations and obligations as an employer under Chapter 3309.

Attached to this memo are resolutions for the Board to accept these new employers.



**NEW EMPLOYER – Heartland Council of Governments/North Central Ohio Computer Cooperative**

Staff discussed with the Retirement Board the request from Heartland Council of Governments/North Central Ohio Computer Cooperative, a council of governments organized under Chapter 167 of the Ohio Revised Code, to accept it as a new employer unit under Chapter 3309 of the Ohio Revised Code effective July 1, 2022. Heartland Council of Governments/North Central Ohio Computer Cooperative has passed an appropriate resolution agreeing to accept all requirements and obligations imposed by Chapter 3309 of the Ohio Revised Code.

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the Board accept Heartland Council of Governments/North Central Ohio Computer Cooperative as an employer in accordance with Chapter 3309 of the Ohio Revised Code, effective July 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

**NEW EMPLOYER – Northeast Ohio Management Information Network/Council of Governments**

Staff discussed with the Retirement Board the request from Northeast Ohio Management Information Network/Council of Governments, a council of governments organized under Chapter 167 of the Ohio Revised Code, to accept it as a new employer unit under Chapter 3309 of the Ohio Revised Code effective July 1, 2022. Northeast Ohio Management Information Network/Council of Governments has passed an appropriate resolution agreeing to accept all requirements and obligations imposed by Chapter 3309 of the Ohio Revised Code.

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the Board accept Northeast Ohio Management Information Network/Council of Governments as an employer in accordance with Chapter 3309 of the Ohio Revised Code, effective July 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

**SERS  
TECHNOLOGY  
COMMITTEE  
REPORT**

**Only If Needed**

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits.

**IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M. / P.M.**

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

**RETURNED TO OPEN SESSION AT \_\_\_\_\_ A.M. / P.M.**

## **CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022 and 2023**

---

### **AUDIT COMMITTEE MEETINGS**

September 14, 2022 - 2:30 p.m. (Weds.)  
December 14, 2022 - 2:30 p.m. (Weds.)  
March 15, 2023 – 2:30 p.m. (Weds.)  
June 14, 2023 – 2:30 p.m. (Weds.)

### **COMPENSATION COMMITTEE MEETINGS**

September 15, 2022 - 7:30 a.m. (Thurs.)  
December 15, 2022 - 7:30 a.m. (Thurs.)  
March 16, 2023 – 7:30 a.m. (Thurs.)  
June 15, 2023 – 7:30 a.m. (Thurs.)

### **TECHNOLOGY COMMITTEE MEETINGS**

September 15, 2022 – 12:30 p.m. (Thurs.)  
December 15, 2022 – 12:30 p.m. (Thurs.)  
March 16, 2023 – 12:30 p.m. (Thurs.)  
June 15, 2023 – 12:30 p.m. (Thurs.)

### **BOARD MEETINGS**

September 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)  
October 20-21, 2022 – 8:30 a.m. (Thurs. and Fri.)  
November 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
December 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)  
February 16-17, 2023 – 8:30 a.m. (Thurs. and Fri.)  
March 16-17, 2023 – 8:30 a.m. (Thurs. and Fri.)  
April 20-21, 2023 – 8:30 a.m. (Thurs. and Fri.)  
May 18-19, 2023 – 8:30 a.m. (Thurs. and Fri.)  
June 15-16, 2023 – 8:30 a.m. (Thurs. and Fri.)

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

**CONTINUED OR NEW BUSINESS**

**Board Information Requested**

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

1. 

---

---
2. 

---

---
3. 

---

---
4. 

---

---
5. 

---

---
6. 

---

---
7. 

---

---
8. 

---

---
9. 

---

---
10. 

---

---

**ADJOURNMENT(R)**

\_\_\_\_\_ moved that the SERS Retirement board adjourn to meet on for their next regularly scheduled meeting.

The meeting adjourned at \_\_\_\_\_ p.m.

\_\_\_\_\_  
Jeffrey DeLeone - Chair

\_\_\_\_\_  
Richard Stensrud, Secretary