



# ***SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO***

## **BOARD MEETING HIGHLIGHTS**

### **APRIL 2025**

#### **Ballot Certification of Employee-Member Seats**

On March 4, staff counted ballots for the two employee-member seats up for election, with terms beginning July 1, 2025, and ending June 30, 2029.

The ballot counting process was observed by representatives of the Attorney General's Office and the Auditor of State.

A total of 10,877 valid ballots were cast. The representatives from the Attorney General's Office and the Auditor of State, and the SERS Board at its April Board meeting, certified the election results in favor of Jeanine Alexander and Becky Roe. Becky Roe received 4,281 votes, Jeanine Alexander received 3,825 votes, and James Haller received 2,760 votes. Eleven ballots were received for write-in candidates.



Roe is the director of financial process improvement for Columbus City Schools. Alexander is the treasury services assistant for Rossford Exempted Village Schools and sits on the finance committee for the Rossford School Board.

#### **Board Member Reappointed**

James A. Rossler, Jr. took his oath of office at this month's Board meeting. He was reappointed by the Speaker of the House of Representatives and the President of the Ohio Senate.

This is Rossler's sixth term on the SERS Board. His term runs until April 9, 2029.

Rossler is treasurer of the Rossford Exempted Village Schools and regional past president of the Ohio Association of School Business Officials.



James Rossler, Jr., left, and General Counsel Joseph Marotta, right

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#### **RETIREMENT BOARD**

**MATTHEW KING**  
*Chair, Employee-Member*

**CATHERINE P. MOSS**  
*Vice-Chair, Retiree-Member*

**JEANINE ALEXANDER**  
*Employee-Member*

**JEFFREY T. DELEONE**  
*Appointed Member*

**JAMES HALLER**  
*Employee-Member*

**JAMES A. ROSSLER, JR.**  
*Appointed Member*

**AIMEE RUSSELL**  
*Employee-Member*

**FRANK A. WEGLARZ**  
*Retiree-Member*

**DANIEL L. WILSON**  
*Appointed Member*

## Global Real Assets Portfolio Review

On Jan. 1, 2024, the Global Real Assets portfolio was separated into distinct real estate and infrastructure allocations; however, they continue to be managed in tandem as they both provide diversification, inflation protection, and income return.

The real estate target allocation is 13% with a range of 10-15%, and the infrastructure target allocation is 7% with a range of 5-10%. Due to current market conditions, staff is intentionally working to equalize the two portfolio allocations by moving infrastructure holdings closer to the 10% range and reducing real estate to 10%.

Staff has been able to reduce real estate fees by 9 basis points since 2020, and infrastructure fees by 4 basis points since 2022. They anticipate further reductions due to economies of scale in the future. Goals for the portfolio include exploring additional co-investment opportunities, evaluating new strategies that can benefit from market correction, enhancing sector diversification, and focusing on adding investments with inflation protection characteristics and long-term income potential.

### Real Estate

Currently, real estate comprises 11% of the Total Fund and 62% of the Real Assets portfolio with a market value of \$2.17 billion. Holdings in the portfolio are 99% U.S. based. The property type composition is 46% industrial, 22% multi-family, 16% niche (data centers, life science, student/senior/manufactured housing, medical office, single family rental, and storage), 9% office, and 6% retail. When compared to the benchmark, SERS is overweight in industrial, niche and hotel, and underweight in the other property types.

Geographically, 39% of SERS' real estate exposure is in the west, 31% in the east, 25% in the south, and 6% in the Midwest. Staff has also grown its Ohio investments from \$1.7 million in FY2021 to \$15 million in September 2024. Staff is looking to increase Midwest and Ohio holdings primarily through co-investments.

SERS' February 2025 one-year net return for real estate was -2.82%, which was slightly better than the -2.90% benchmark. Despite the recent struggles in the real estate sector, forecasts predict 5.5% returns this year and 7.3% in 2026.

Staff also is evaluating the possibility of recommending a benchmark change from the NPI Classic benchmark to the NPI Expanded benchmark. The expanded benchmark appears to more closely mirror the holdings in SERS' Real Estate portfolio. A formal recommendation could be presented to the Board later this year.

### Infrastructure

Infrastructure is 38% of the Real Assets portfolio and has a market value of \$1.34 billion. Transportation is 44.9% of the portfolio, energy is 26.9%, communication is 13.2%, renewable is 6.1%, social is 5.2%, and utilities is 3.8%.

Geographically, most of SERS' investments are in North America (44.1%) and Western Europe (34.2%) with smaller exposure to Eastern Europe, Latin America, Middle East, Asia, and the Pacific rim.

The net return for infrastructure for the one-year period ended February 28, 2025, was 9.44%. Over the 3- and 5-year periods, the portfolio returned 8.27% and 8.69% respectively.

Co-investment and continuation funds are growing segments of the portfolio, and the recent addition of public infrastructure has improved liquidity.

### Investment Committee Approves Three Investments

The SERS Staff Investment Committee approved up to a \$75 million commitment to BGTF II, an infrastructure non-core strategy within the real assets portfolio, and up to a \$75 million commitment to SVP Special Situations Fund VI, a special situations strategy within the opportunistic portfolio.

In addition, the Investment Committee hired Connor, Clark, & Lunn Investment Management Ltd. to manage a \$500 million global equities portfolio, which will be allocated in stages over the next year.

These investments will be funded from cash reserves.

### Total Fund Update

| TOTAL FUND BALANCE              |                 |                |
|---------------------------------|-----------------|----------------|
| January 31                      | February 28     | Difference     |
| \$19.79 billion                 | \$19.82 billion | ▲ \$30 million |
| TOTAL FUND RETURN (net of fees) |                 |                |
| Fiscal Year                     | Calendar Year   | 3-Year         |
| ▲ 5.90%                         | ▲ 2.02%         | ▲ 6.50%        |
| TOTAL FUND RETURN vs. BENCHMARK |                 |                |
| Fiscal Year                     | Calendar Year   | 3-Year         |
| ▲ 0.17%                         | ▲ 0.26%         | ▲ 1.19%        |

### Board Approves Filing of Amended Administrative Rules

The Board approved the filing of an amended administrative rule regarding spousal consent with the Joint Committee on Agency of Rule Review (JCARR).

The amendment waives the requirement for spousal consent when the member elects Plan D at retirement and designates the current spouse as beneficiary. Plan D provides a lower monthly payment to the retiree, which continues to be paid in the same amount to the surviving spouse after the retiree's death.

The current rule requires spousal consent when a married member chooses a payment plan other than Plan A, which provides half of the retiree's gross monthly pension to the surviving spouse after the retiree's death.

In addition, the Board approved the filing of a refiled amended administrative rule regarding the validity of marriage. The amendments included a requirement that SERS receive a valid marriage certificate, abstract of marriage, or marriage record in order for a spouse to qualify for or receive a benefit, as well as clarification that SERS will no longer accept a marriage license as proof of marriage.

### Health Care Sustainability

Due to the importance of health care to SERS' retirees, sustainability of the health care program is a major goal in the System's strategic plan. One of the strategies within this strategic goal is to "continue to explore opportunities to improve affordability."

Over the last several years, SERS' covered Medicare population has declined as well as the number of new retirees choosing SERS' plan. A 2024 member survey indicated that premium cost was the primary reason SERS retirees were opting for other health care plans.

With the Health Care Fund at a historic solvency level, staff identified one area that could improve affordability: a reduction in the premium surcharge. A \$35 monthly premium surcharge was implemented in 2011 as a way to stabilize the Health Care Fund following the Board's commitment to utilize more employer contributions for funding pensions following the Great Financial Crisis.

The Health Care Fund has been self-sustaining, with no share of employer contributions since 2019.

Following a presentation on different levels of premium surcharge reduction and their effects on the Health Care Fund, the Board gave staff the authority to construct the 2026 health care premium structure with a \$15 per month premium surcharge, a \$20 reduction from 2025.

This reduction will provide SERS' Medicare plan enrollees with a lower net deduction from their monthly benefit check. SERS' Medicare plan offers better benefits than most other plans on the market and this premium reduction will improve the plan's value for members and their Medicare-eligible spouses.

### **Executive Director's Update**

#### ***House Public Insurance and Pension and Committee***

SERS is scheduled to provide an overview of the System and its programs to the Ohio House Public Insurance and Pensions committee on April 30. The committee heard testimony last week from the other four Ohio retirement systems. In advance of the presentation, Executive Director Richard Stensrud has met one-on-one with nearly every member of the committee over the last month.

#### ***Advocacy Group Outreach***

SERS is preparing presentations for the SERO Annual Meeting to be held on Wednesday, May 7, and an OASBO meeting to be held Friday, May 23.

#### ***Member Counseling Overview***

John Grumney, director of Member Services, and Stephanie Thompson, supervisor of counseling and member outreach, provided an overview of SERS' counseling and member outreach efforts.

Grumney described SERS' Member Support Team as the "voice of SERS," and SERS' counseling team as the "face of SERS."

The counseling team consists of six staff members who are responsible for providing retirement counseling and conducting member education events. Last year, the team served more than 4,400 members through scheduled in-office, walk-in, phone, and video appointments. Each member, regardless of which type of counseling session they choose, is scheduled for a one-hour personalized session with an experienced SERS counselor.

In addition to counseling appointments, the team participates in member education events, such as benefit fairs, member meetings, webinars, and virtual retirement conferences.

In FY2024, the team attended 64 events with 4,477 attendees. They also assist with other departmental tasks like processing estimate and income verification requests.

Following each counseling session, members are asked to provide feedback regarding their counseling appointment. The survey results from February 2025 indicated that 97% of the 88 members who responded were highly satisfied with their appointment, giving their counselor a rating of five out of five.

Board members were then presented with a 'highlight reel' of SERS' *Lunch Break Webinar*, hosted by Member Education Coordinator, Cameron Vaughan. The recorded webinar can be viewed at any time on SERS' [Education Center webpage](#).

Thompson wrapped up the presentation by walking Board members through a typical counseling session. Appointments are scheduled a minimum of two weeks ahead of time so that members have ample time to review their estimate of benefits. At busier times of the year, such as closer to summer, members may need to schedule two months ahead of time.

Members also can call SERS' office Monday through Friday, during normal business hours, to speak with an experienced Member Support Team specialist.

### **Monthly Retirement and Survivor Benefit Transactions**

For April, the SERS Board approved 251 active members for service retirements, and 18 survivor benefits for spouses and/or dependents.

### **May Meeting Dates**

The Board meeting will take place on Thursday, May 15, and Friday, May 16 (if necessary), at 8:30 a.m.