November 16, 2017

OATH OF OFFICE

OATH OF OFFICE OF HUGH GARSIDE, JR.
MEMBER OF THE RETIREMENT BOARD OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

I, HUGH GARSIDE, JR., do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed.

HUGH GARSIDE, JR.

SWORN TO and SUBSCRIBED before me this 16th day of November, 2017.

Joseph M. Marotta

Notary Public

JOSEPH M. MAROTTA
ATTORNEY AT LAW
Notary Public, State of Ohio
My Commission Has No Expiration
Section 147.03 R.C.

ATTESTED BY:

Richard Stensrud, Executive Director

Daniel Wilson, Chairperson

The nine hundredth and five meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, on Thursday, November 16, 2017. The meeting convened in open session at 8:32 a.m. and continued with the Pledge of Allegiance. Following the Pledge of Allegiance, the roll call was as follows: Daniel Wilson, Chairperson, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and James Rossler. Also in attendance was Mary Therese Bridge, representative of the Attorney General, various members of the SERS staff, and members of the public.

APPROVAL OF MINUTES OF THE RETIREMENT BOARD MEETING HELD ON
October 19, 2017

Catherine Moss moved and Christine Holland seconded the motion to approve the minutes of the Retirement Board meeting held on Thursday, October 19, 2017. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and Daniel Wilson. Abstain: Hugh Garside. The motion carried.

Chairman Daniel Wilson asked Chief Investment Officer Farouki Majeed to present the investment report.

INVESTMENT REPORT

Hedge Fund Consultant Presentations
Two finalist candidates were selected to present to the Board following the RFP search for a Multi-Asset Strategies consultant. Simon Fludgate, Jim Vos, Matt Mullarkey and Kate Klebacha of Aksia addressed the Board regarding the capabilities and resources of their firm. Next, John Claisse, Kathy Rossi, Steve Kennedy and Will Greenwood of Albourne presented their firm's capabilities and resources. Mr. Majeed reviewed the RFP selection process with the Board and the final scores of the two candidates from the Staff team. Aksia gained the highest score although Albourne is also a credible candidate. The Board selected Aksia ten years ago. The original scope was modified to discontinue quarterly presentations to the Board and reduce the annual fees. Currently, Aksia functions primarily as a Staff consultant. The Board may choose to select the new consultant or delegate the decision to the Staff search team. After discussion, the Board chose to defer selection of the consultant to Staff.

Wilshire Quarterly Performance Report
Felicia Bennett of Wilshire Associates presented the performance report for the quarter ended September 30, 2017, including economic and capital market highlights, SERS' Total Fund and asset class performance. Ms. Bennett stated that performance was strong on an absolute and relative basis for the quarter and one-year. Three-year and five-year total fund performance is ahead of the benchmark and ranks in the top decile of peer universe. Following discussion, the Board thanked Ms. Bennett for her comments.

Quarterly Investment Report
Mr. Majeed discussed the Investment report for the quarter ended September 30, 2017. The preliminary performance report as of October 31, 2017 was provided to the Board for their information. Mr. Majeed informed the Board that he had been invited to participate on a panel for the CFA Society of New York's 2nd Annual Public Pension Funds Conference, beginning this afternoon. Following questions and answers, the Board thanked Mr. Majeed for his presentation and wished him well at the conference.

The Board took a break at 10:34 a.m. and reconvened at 10:47 a.m.

The Board continued with the review of the Annual Portfolio Review – Multi-Asset Strategy.

Annual Portfolio Review – Multi-Asset Strategy
SERS' Investment Officers Judi Masri and Jason Naber presented the MAS portfolio structure, risk management, and FY2018 objectives. Ms. Masri stated that the portfolio is currently underweight and will move closer to the 10% target as multi-strategy managers are hired. In the coming year, Staff looks to reduce equity long/short and event driven sectors, increase less volatile relative value and increase multi-strategy sectors to reduce fees and increase cross asset exposure. The role of the portfolio guidelines is to generate absolute returns with managed volatility, provide positive attribution and portfolio diversification to the Total Fund. New sector ranges became effective in June 2017. Three sectors are in range and two out of range. The portfolio had good performance during the past year, underperformed

during the 3-year period, and had positive performance for the 5-year period and since inception. Mr. Jason Naber continued with the discussion of risk management and FY2018 objectives, including implementation of new sector range implementation guidelines, hiring new mandates within the multi-asset sector, and continued monitoring of the MAS portfolio. Management and incentive fees have declined and are anticipated to decline further. The Board thanked Ms. Masri and Mr. Naber for the presentation.

SUMMARY OF INVESTMENT TRANSACTIONS

Catherine Moss moved and James Haller seconded that the following summary of investment transactions made in compliance with the Ohio Revised Code Section 3309.15 during the period of **September 1, 2017** through **September 30, 2017** hereby be approved. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and Daniel Wilson. The motion carried.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
US Equities	$249.3
Non-US Equities	145.5
Fixed Income	301.8
Multi-Asset Strategies	15.0
Private Equity Capital Calls	53.3
Real Asset Capital Calls	14.6
Opportunistic	12.6
Cash Equivalents	347.8

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
US Equities	$ 254.1	$ 26.5
Non-US Equities	145.4	9.5
Fixed Income	269.7	1.5
Multi-Asset Strategies	0.8	0.2
Private Equity distributions	27.9	n/a
Real Asset distributions	11.1	n/a
Opportunistic	0.9	n/a
Cash Equivalents	389.8	n/a

EXECUTIVE DIRECTOR'S UPDATE

COLA Delay Legislation
Executive Director Richard Stensrud informed the Board that substantial progress has been made on the legislation that would permit the Board to establish a delayed starting date for COLAs for future retirees. The language was placed in a conference committee bill, SB 8, a clean-up bill that is very close to the end of the legislative process. Currently, SB 8 has been approved by the Senate and will move to the House. After the House acts, the bill will then move to the Governor for signature. Following the governor's signature, the bill becomes effective 90 days thereafter. Mr. Stensrud stated that the bill should become effective late March or early April 2018. Mr. Stensrud commended the work done by SERS governmental affairs staff and legislative consultant to have the legislation in a position to be approved so quickly. Mr. Stensrud stated that next steps would be to prepare an administrative rule that would standardize a three-year delay in the receipt of COLAs for all future retirees which would go into effect at the same time the legislative goes into effect. Any and all retirees after that date would be subject to the three-year delay.

Ohio Retirement Study Council
Mr. Stensrud stated that at the November ORSC meeting, ORSC staff asked for guidance on evaluating future COLA change proposals when a system is not outside of the 30-year statutory funding period and has a strong funded ratio. Staff suggested the ORSC evaluation of the forthcoming OPERS COLA legislation will set a precedent for how to view proactive benefit changes made by the systems' boards. The Council did not provide to staff any immediate guidance but took the request under advisement.

The OPERS language has now been introduced and will begin moving through the legislative process. The plan approved by the OPERS Board called for a 2.25% cap on COLAs; however, the language in the legislation calls for a 2.5% cap.

Mr. Stensrud noted that the ORSC awarded Aon Hewitt the OPERS fiduciary audit contract for $637,000, which is similar to what SERS paid for its fiduciary audit.

Federal Tax Reform
Mr. Stensrud stated that there has been considerable activity on federal tax reform.

With respect to the possible application of 'Rothification' principles to other deferred compensation savings plans, it is difficult to predict what will happen, however at this point it does not appear that the concept will be in either the House or Senate versions of the tax bill. Staff will continue to monitor the issue and remain engaged with the work being done in both chambers.

Mr. Stensrud reported that the tax reform bill passed by the House included language that would make Unrelated Business Income Tax (UBIT) applicable to the investment activity of retirement systems like SERS. UBIT is a concept that was put in federal tax law a number of years ago for the purpose of leveling the playing field between for profit organizations and tax exempt organizations engaging in similar business activities when that business activity was not closely related to the organization's exempt purpose. Since its inception, UBIT has never been considered as applicable to retirement systems because we are a branch of state and local government and our investment operations are central to our tax exempt purpose. The House bill would change that position and subject our investment programs to potential UBIT, particularly in the alternative asset classes. Mr. Stensrud explained there are ways to structure investments to reduce potential UBIT exposure but they are more complicated, more costly, and reduce the investment return. To-date most retirement systems have not deemed it necessary to utilize such structures but if the UBIT provision is passed, systems will need to consider shifting to such structures in order to try to mitigate the loss of investment return due to the application of UBIT. Mr. Stensrud noted the possible application of UBIT to retirement systems has triggered concern across the retirement system community and unified efforts to try to prevent it. SERS, the other Ohio statewide systems, and the national retirement system organizations have been at the forefront of these efforts and seeking to keep the UBIT provisions out of the final tax bill would continue to be a high priority. Mr.

Stensrud further stated that continued diligence was important because the UBIT provisions would yield tax revenue that would help offset the tax cuts being proposed.

Mr. Stensrud also noted that the Senate was seeking to make changes to health care through the tax bill. It is believed the changes would bring some destabilization to the health care market place and would impact individual consumers. It would also cause more people to become uninsured. As a health care plan sponsor, SERS will be monitoring the situation closely.

Stakeholder Meetings
In November, Mr. Stensrud stated that he and staff attended a meet-and-greet with the OASBO Board of Directors during the OSBA Capital Conference. This was a short discussion to introduce himself and provide a brief update on key developments at SERS.

Mr. Stensrud also stated that he met with Protect Ohio's Pensions - POP5's Bill Winegarner and Steve Buehrer to provide a system update.

SERS Culture
Mr. Stensrud stated that staff is collecting new and gently used winter coats, hats, scarves and gloves for the Cristo Rey High School students and their families. SERS have three student interns this year, one each in Print Shop, Finance and Health Care. Staff has been working with Christo Rey now for several years. The students gain valuable real-world work experience.

Funding Sustainability
Mr. Stensrud noted that he and staff have begun discussions about a communications strategy for the upcoming Board work in the area of pension sustainability. There will be more discussion forthcoming about a proposed plan for Board education and discussion sessions regarding various topics related to pension sustainability.

Quarterly Financials
Mr. Stensrud asked Chief Financial Officer Tracy Valentino to provide an update of SERS' quarterly financials.

Ms. Valentino presented the quarterly financial highlights:

- There was a decrease of about 9% from last year's contributions. This is primarily a result of timing.
- There was a significant increase in retirements prior to the August 1, 2017 pension reform deadline. Some of those positions were back-filled, most likely at a lower rate.
- From a deductions standpoint: there was a 9% increase in retirement benefits paid when compared to the prior year; this is due to increases in retirements, a higher base benefit and COLA increases.
- There was a decrease in refunds and transfers; this has driven the number of people who retire with combined service. It is difficult to predict because we don't always know when these retirements will occur. This number fluctuates based on retirements.
- The increase in the net position is due primarily by the investment performance.
- Health care – employer contributions are up because surcharge numbers are up this year. (Depending on the valuation presentation this month, and should the Board decide to allocate a portion to Health Care, an adjustment will be made).
- Premiums are stable.
- The administrative expenses are on track as we have used approximately 25% of the budget.

LEGISLATIVE REPORT

STATE LEGISLATION BOARD REPORT
132nd General Assembly
(Prepared by Laurel Johnson as of November 3, 2017)

HB362 HIGHWAY PATROL RETIREMENT Rick Carfagna (H68-R-Westerville), Dan Ramos (H56-D-Lorain) To revise the law governing the State Highway Patrol Retirement System.

Current Status: 11/01/2017 House Aging and Long Term Care, (Third Hearing) All Testimony

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FEDERAL LEGISLATION BOARD REPORT
115th United States Congress
(Prepared by Laurel Johnson as of November 3, 2017)

S. 915
SPONSOR: Sen. Sherrod Brown (D-OH)
LAST ACTIONS: 04/24/2017 - Referred to the Committee on Finance
CAPTION: Amends title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions. Companion bill to H.R. 1205.

COMMENT: The Social Security Fairness Act of 2017. Repeals the GPO and WEP. S.915 has nine co-sponsors.

H.R. 1205
SPONSOR: Rep. Rodney Davis (R-IL)
LAST ACTIONS: 03/06/2017 - Referred to the Subcommittee on Social Security
CAPTION: To amend title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions. Companion bill to S. 915.

COMMENT: H.R. 1205 has 158 co-sponsors including six Ohioans: Beatty, Fudge, Joyce, Kaptur, Ryan and Turner.

FEDERAL REPORT

MEMORANDUM

To: Laurel Johnson, Senior Government Relations Officer

From: Carol Nolan Drake, Federal Liaison

Date: November 6, 2017

Re: Federal Legislative and Regulatory Report for October and early November

OVERVIEW

Highlights for October and early November include: a major tax reform proposal in the House of Representatives was introduced; the SEC took action on shareholder proposals and auditor standards; continued discussions in the Senate on health care changes to the ACA; CHIP reauthorization; the President's decision to stop authorizing cost-sharing reduction payments and his signature on an Executive Order to make it easier for people to buy insurance through expanded access to Association Health Plans.

The Congress was in session during most of October. As of today, the House has 11 days left in November for session and four days for district work periods. The Senate has 13 remaining days in session with four district work days. Both the House and Senate will be in recess during the holidays for Veterans Day and Thanksgiving.

HEALTH CARE

The bipartisan efforts led by Senator Lamar Alexander (R-TN), Chairman of the Senate HELP Committee, and Patty Murray (D-WA), Ranking Member, picked up again after the Senate was unable to advance the Graham-Cassidy, et al. Amendment. **The Committee was making progress on a bipartisan deal to continue the cost-sharing reduction subsidies for two years until President Trump said that he would not continue to authorize the subsidies on October 13.**

After President Trump's administration decided to cut off the CSR payments, several states joined together to seek a preliminary injunction requiring that the CSRs continue to be paid until Congress finalizes a health care bill. **At least 18 Attorneys General filed suit in the U.S. District Court for the Northern District of California seeking the injunction.** On October 25, the court refused to require the Trump Administration to restore the subsidies. In his opinion, Judge Chhabria said that the decision to discontinue the payments would have little immediate impact because "consumers will receive higher tax credits to make up for increased premiums charged for some plans." He also said that "the large majority of people who purchase insurance on exchanges throughout the country will either benefit or be unharmed. In particular, many lower-income people stand to benefit."

Open enrollment under the ACA commenced on November 1 and will run through December 15. Coverage will begin on January 1, 2018. With the reduced funding for advertising and communicating open enrollment, it could be challenging for eligible retirees to hear about the window of time to enroll. If a retiree likes his or her current plan and it will continue in the marketplace next year, the retiree may re-enroll. If the plan is no longer offered, the marketplace will automatically enroll the individual in a different plan unless the person chooses another one.

CHIP

The House of Representatives passed the Children's Health Insurance Program (CHIP) funding bill on Friday, November 3, which authorizes funding for five years. The bill also included funding for community health centers and public health programs, however, it also included some cuts and offsets to other programs that Democrats did not want included. CHIP funding expired at the end of the federal fiscal year on September 30, with many states at the point of running out of money to pay for the program. The Senate will need to act quickly to provide the funding for states that pressed for funding. The Senate version does not at present include the offsets. For example, dollars for vaccines and smoking cessation programs were cut in the House bill.

The House bill also reduces the grace period for enrollees in the exchanges from 90 to 30 days, or a different time frame that a state might adopt in law. This could be a problem for some of SERS' retirees.

MEDICAID

In the state budget bill passed by the Ohio General Assembly in June, the Kasich Administration was given authority to fund the state's portion of Medicaid, however, a caveat was added to the budget language to require that the administration receive appropriation authority from the Controlling Board, under Section 333.34(B). **On October 30, the Controlling Board unanimously approved the request by the director of the state Medicaid Program for approval for the establishment of appropriation authority in state fiscal year 2018** in the amount of $264,376,764. SERS sent a letter in October to all the members of the Controlling Board from Richard Stensrud, executive director, in support of the Administration's request. The expansion of Medicaid has been beneficial to many of SERS' retirees.

SERS WRAPAROUND PROGRAM

The SERS Wraparound Program was one of the agenda items for the Public Sector HealthCare Roundtable meeting in Alexandria, VA from November 1-3. Anne Jewel, director of Health Care, was asked by Tom Lussier, the head of the Roundtable, to provide a presentation on the SERS Wraparound Program to the attendees. Director Jewel provided them with a presentation that gave the background on the federal rules that created the "excepted benefit" wrap provisions. She discussed the benefits for over 500 SERS retirees that have enrolled in the Program over the course of the ten months that it has been offered. She also discussed coverage under the Wraparound Program, claims experience to date and expenses thus far. She asked the attendees, who are her peers in the health care arena for public employers, to consider supporting the program and contacting the federal agencies. The rules provide a three-year sunset provision that SERS would like to see extended. Christi Pepe, assistant director of Health Care, and I also attended the Roundtable.

STATE INNOVATION WAIVER

The Affordable Care Act created a mechanism for states to modify how they would implement certain provisions in the ACA subject to the approval of the Secretary of Health and Human Services. **Section 1332 is the section in the law that allows a state to make changes it deems necessary to achieve the ACA's goals of affordable and adequate health care coverage for everyone once approved by HHS.**

The Ohio General Assembly required that the Ohio Department of Insurance (ODI) submit a 1332 waiver application that waives the individual and employer mandates. The Ohio Department of Administrative Services issued a Request for Proposals in June for ODI to seek competitive bids for the actuarial analysis and application for the 1332 State Innovation Waiver. Under the terms of the RFP, the selected contractor will identify options available to the State to take advantage of the 1332 waiver and provide the actuarial support required to meet with application criteria. The contractor is also required to collect, analyze and report information for Ohio's current individual and group health insurance markets.

The 1332 innovation waiver application could be another way for the SERS Wraparound Program to continue beyond the three-year pilot program if the State of Ohio will support the concept and HHS agrees. Staff members and I have reached out and set up meetings with Greg Moody, director of the Governor's Office of Health Transformation, and Jillian Froment, director of the Ohio Department of Insurance, to discuss the idea and information on the contents of the innovation waiver. The meetings are scheduled in November.

HHS/CMS

President Trump named Eric D. Hargan as the acting secretary of Health and Human Services on October 10, shortly after the departure of former secretary, Dr. Tom Price. Mr. Hargan had been nominated to be the deputy secretary initially and was confirmed by the Senate for the deputy position one week prior to being elevated to the top post. Mr. Hargan, an attorney, previously served at HHS under the George W. Bush administration.

OPIOID ACTIVITY

The Dispatch reported that **officials in Cuyahoga County are suing several large drug companies and distributors in court due to the alleged failure by the companies to educate the public about the dangerous nature of opioid drugs, prescribed by doctors for their patients.** The lawsuit also alleges that the companies deliberately increased sales of pain killers and opioid drugs that contributed to Ohio's opioid crisis.

SERS has joined a large coalition of institutional investors, led by the UAW Medical Benefits Trust (UAW MBT), to address board issues with regard to oversight of business risks associated with ten opioid distribution and manufacturing companies. On October 30, the UAW MBT issued a press release that announced that the investor coalition was made up of funds with $1.3 trillion assets under management. The Investors for Opioid Accountability (IOA) will be commencing dialogue with the boards and filing shareholder resolutions, if necessary, at these companies. They are asking the independent directors to investigate how their boards are responding to increased business risks related to opioids. Seven manufacturers and three distributors have been identified by the OIA for this outreach. Several newspapers picked up the press release and ran articles about the IOA's engagement efforts.

TAX REFORM- HOUSE OF REPRESENTATIVES

After the President released the tax reform framework in late September, the House Speaker Paul Ryan (R-WI) continued working with various members and staff to draft the language which would be part of the tax reform bill. **On Thursday, November 2, the bill was released, entitled the "Tax Cuts and Jobs Act."** Speaker Ryan indicated that he would like to move the bill through the House before Thanksgiving. Chairman Kevin Brady (R-TX), head of the House Ways and Means Committee, released the Chairman's mark of the bill on Friday, setting up a Committee markup on Monday, November 6.

The bill includes several changes to the U.S. tax code that Republicans say will provide comprehensive tax cuts for middle class Americans and provide tax cuts for corporations to add jobs, the "rocket fuel our economy needs to soar higher than ever before," in the words of President Trump. Speaker Ryan mentioned in a press conference that the average family of four would save up to $1,182 a year under the revised tax bill. The bill mostly followed the blueprint by creating new individual tax brackets of 12, 25, 35 and 39.5% based upon income brackets.

The bill has several provisions that have created some attention for institutional investors, their members and retirees. These changes include:

- State and local tax deduction, i.e., SALT. Initially, the bill removed the state and local tax deduction, however, Chairman Brady said that he had reached a compromise that would give tax filers a deduction of up to $10,000 in state and local property tax deductions. Income tax or sales tax payment deductions would not be allowed.
- The bill allows for the repatriation of assets held overseas by some of the largest U.S. companies, such as Apple. The bill provides for a one-time tax on such assets, from 5% for illiquid assets up to 12% for liquid assets. It is too soon to tell if this provision will boost stocks in these companies for investors.
- A cut for the corporate tax rate from 35% to 20%.
- A clarification of unrelated business income tax treatment (UBIT) for entities that are exempt from taxation. **Public plans are specifically mentioned in the summary.**
- The standard deduction for tax filers that do not itemize their deductions has been increased to $12,000 for individuals and $24,000 for married couples. Each person will need to consider the previous deductions that may have been eliminated in this bill. For example, the medical expense

deduction for individuals who spent over 10% of their income on medical expenses has been eliminated.
- An increase in the child tax credit from $1,000 to $1,600 per year.
- A limit on the home mortgage interest deduction- many members may have benefitted from this deduction on their federal taxes. The good news is that the interest on loans is still deductible up to $500,000.

“ROTHIFICATION” IN TAX REFORM

Members of the SERS Tax Reform Coalition met with **Teri Geiger, state director for Senator Rob Portman (R-OH) on October 20 at SERS.** The Coalition members include representatives from SERS, STRS, OPERS, Ohio Deferred Compensation, Nationwide and NAGDCA (the National Association of Government Defined Contribution Administrators). Charlie Bolton, legislative aide for Senator Portman, called in for the meeting. Mr. Bolton handles the issues of Social Security and pensions for the Senator. Zach Rudisill, legislative aide for Senator Portman, handles tax issues, however, he was not available due to scheduling conflicts that occurred right before our meeting. We discussed concerns with lowering the pre-tax deductions for public employees into qualified deferred compensation plans, the need to protect distribution choices and not “streamline” or consolidate different plans into one retirement plan, and the exemption from the ten percent excise tax penalty for early retirement. **We discussed the need for Roth retirement plans as another way for public workers to save for retirement but not at the expense of pre-tax plans.**

NAGDCA conducted a survey in early 2017 that showed, for all responding plans, that only 2.9% had Roth accounts for participants and of the plans that offered Roth accounts, only 1.1% of the participants’ assets were invested in post-tax Roth vehicles. **These numbers show that the investment in Roth accounts is still in the early stages and will grow over time. However, the clear majority of public employees prefer pre-tax retirement savings plans.**

Right before the bill was released, on November 2, **the Coalition sent letters to all the Ohio delegation members. The letters were signed by Richard Stensrud, executive director of SERS; Keith Overly, executive director of the Ohio Deferred Compensation Program and president of NAGDCA; and Karen Carraher, executive director of OPERS.** STRS declined to sign the letter, however, is still a part of the Coalition. Nationwide had already sent similar letters to the Ohio delegation.

There was good news on this front when the House unveiled the tax reform bill. There were limited changes to 401(k) retirement savings plans in the bill. Chairman Brady said that the Ways and Means Committee did not intend to reduce the pre-tax contributions that members can make to 401(k) or other retirement savings programs. NASRA reported that the limited tax changes in the retirement arena in the House bill include:

- A reduction in minimum age for allowable in-service distributions. NASRA mentioned that this is a permissive change, not required, which may help with phased retirement plans or members who return to work. NASRA cautioned that it may change retirement patterns.
- Modifications to hardship withdrawals and loans on retirement savings.
- Non-qualified deferred compensation provisions that may only apply to non-governmental plans, however, this needs to be verified.

The tax plan may have an unintended consequence for public companies. **The bill would change the ability of public companies to deduct compensation over $1 million to senior executives. Deferred compensation and stock options may be impacted as well.** It is possible that the Ways and Means Committee will modify the bill and allow companies to continue deducting compensation up to the $1 million cap and resolve the other ways that executives are compensated and taxed.

TAX REFORM- SENATE

The Senate adopted its budget reconciliation instructions last month, as reported. Once the House passes the tax reform bill, the Senate will be able to pass its bill with a simple majority vote, avoiding a Democratic filibuster. Not every Republican Senator is on board to date. **The House bill does add up to $1.5 trillion over ten years to the federal deficit and a few Senators have expressed concerns with the deficit.** As the Ways and Means Committee marks up the bill on Monday, November 5 and the bill moves through the House, we will begin to know if the bill will pass in the Senate as written or be modified by the Senate. The Senate Finance Committee may decide to draft its own bill with some of the House bill's tax provisions.

SOCIAL SECURITY

H.R. 1205, the "Social Security Fairness Act of 2017," which would repeal GPO and WEP, now has 158 co-sponsors. Representatives from Ohio that are co-sponsors include Representatives Michael Turner (R-OH), David Joyce (R-OH), Tim Ryan (D-OH), Joyce Beatty (D-OH), Marcia Fudge (D-OH) and Marcy Kaptur (D-OH). The bill was referred to the House Ways and Means Subcommittee on Social Security and has not moved out of the Subcommittee.

Rep. Kevin Brady's (R-TX) bill, the **Windfall Elimination Provision (WEP) bill, H.R. 711,** has not moved in the House, however, Rep. Brady is the Chairman of the House Ways and Means Committee. Staff members are still indicating that he intends to try for a solution to WEP and hopefully, GPO, during this session.

U.S. SUPREME COURT

On October 3, the Supreme Court heard oral arguments in the case, *Gill v. Whitford*, which emanated from the state of Wisconsin's plan to redistrict Congressional districts, based upon a plan drafted by Republicans in 2011. The redistricting plan was challenged by Democratic citizens. In 2015, the District Court for the Western District of Wisconsin ruled in favor of the plaintiffs and ordered the state to revise the districts by 2017. The state appealed to the Supreme Court. The Court will issue its ruling at some time during the term, which will conclude in June 2018.

SECURITIES AND EXCHANGE COMMISSION (SEC)

On October 23, the **SEC approved a new Public Company Accounting Oversight Board (PCAOB) standard, AS 3101, entitled, "*The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*."** According to the news release, the new standard will result in the "first significant changes to auditor reporting in over 70 years." The published standard was developed by the PCAOB starting in 2010, after the release of several exposure drafts for public comment.

The standard left in place the auditor's "pass/fail" opinion and makes some welcome changes for shareholders to the content of the auditor's report on public companies. For the first time, auditors will be required to disclose **audit firm tenure** and clarify the auditor's role and responsibilities. The requirements will be in effect for auditor's reports on U.S. public companies for the 2017 calendar year end. Starting in 2019 for certain audits, auditors will be required to include a description of critical audit matters, as defined, in their reports.

The SEC's Division of Corporation Finance (Corp Fin) issued guidance on the filing of shareholder proposals on November 1. Corp Fin issued the bulletin to give additional information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934. Corp Fin clarified that the "bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content." **It is an important bulletin for shareholders who use Rule 14a-8 to support the filing of proposals on company proxy ballots.** The bulletin was released now because shareholder proposals must be filed several months prior to an annual meeting and many company meetings are held in the spring. Three specific discussions in the bulletin are very important to shareholders that file proposals.

1.) One of the most used SEC rules by companies is Rule 14a-8(i)(7), **the "ordinary business" exception rule,** which contains the reasons for Corp Fin's decision to permit an exclusion of a shareholder proposal filed under Rule 14a-8. **The rule allows a company to exclude a proposal that "deals with a matter relating to the company's ordinary business operations**." The purpose of the exception is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting."

With the rise in corporate governance best practices, Corp Fin has had to deal with a large number of shareholder proposals that companies have asked to be excluded from their proxy statements. Companies have used the ordinary business exception as the basis for the exclusion request. In this bulletin, Corp Fin said that it **"believes that the board of directors is generally in a better position to determine. A board of directors, acting as steward with fiduciary duties to a company's shareholders, generally has significant duties of loyalty and care in overseeing management and the strategic direction of the company.** A board acting in this capacity and with the knowledge of the company's business and the implications for a particular proposal on that company's business is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote."

Corp Fin will expect a company's no-action request to include a discussion that reflects the board's analysis of the policy issue raised and its significance.

2.) The bulletin also addressed the question of proposals that a company seeks to exclude under the "**economic relevance" exception**. Corp Fin said that when a proposal's significance to a company's business is not apparent on its face, **a proposal may be excludable unless the proponent demonstrates that it is "otherwise significantly related to the company's business."** Some shareholder proposals have been filed that related to operations that accounted for less than 5% of total assets, net earnings and gross sales. Some of the proposals, however, had a social issue or labor standards perspective and under this guidance, may not make it onto the company proxies in the future.

3.) In the bulletin, **Corp Fin also acknowledged that some shareholders use the Rule to submit proposals through a representative.** To clarify how it will review these proposals and a company's request to exclude such a proposal under Rule 14a-8, Corp Fin provided a list of their expectations for the documentation to support the proposal, including:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

If this information is not provided, Corp Fin may decide to exclude the proposal under Rule 14a-8(b).
A copy of the bulletin may be viewed here: https://www.sec.gov/interps/legal/cfslb14i.htm

CORPORATE GOVERNANCE

In October, the Council of Institutional Investors issued a guide to **"Build a Better Meeting: Five tips for U.S. companies looking to convene a shareholder-oriented shareholder meeting.** Several public companies, including Ohio-based companies, have decided to end the live annual shareholder meetings and use technology to hold virtual meetings instead. CII has issued this guide to encourage companies to use technology to support the annual meetings for shareholders who may live outside the area but not at the expense of in-person meetings.

MSCI announced on November 2 that it would temporarily block new companies with unequal voting rights from two of its popular index funds, according to an article in Pensions & Investments. The shares will be blocked from the MSCI ACWI Investible Market Index and the MSCI U.S. Investible Market 2500 Index if a company has multiple classes of equity securities and shareholder voting rights are not proportionate to their economic interest. The decision will not impact current companies on any of the MSCI index funds. In June, MSCI issued a consultation, seeking information on the "one share, one vote" principle when company voting power for shares is less than 25%.

DELEGATION LEGISLATION

On October 4, the Senate Homeland Security and Governmental Affairs Committee passed out the **Hack Department of Homeland Security (DHS) Act,** S. 1281, which was introduced by Senators Rob Portman (R-OH) and Maggie Hassan (D-NH). **The bill establishes a "bug bounty" pilot program,** modeled from similar programs at the Department of Defense and major tech companies, to strengthen cyber defenses at DHS by utilizing "white-hat" or ethical hackers to help identify unique and undiscovered vulnerabilities in the DHS networks and information technology.

On November 1, Senator Portman (R-OH) introduced S. 2051, a bill to amend Title XVIII of the Social Security Act to **modernize the physician self-referral prohibitions to promote care coordination** in the merit-based incentive payment system and to facilitate physician practice participation in alternative payment models under the Medicare program, and for other purposes. He also introduced S. 2027, a bill to amend title XIX of the Social Security Act to provide **clarification with respect to the liability of third party payers** for medical assistance paid under the Medicaid program, and for other purposes.

On October 18, Senator Sherrod Brown (D-OH) introduced S. 1977, **the Seniors Tax Hike Prevention Act of 2017,** a bill which amends the Internal Revenue Code (IRC) to extend, through 2019, the rule that permits individuals who are 65 and older to deduct certain medical expenses that exceed 7.5% of adjusted gross income. (A provision that reduced the 10% threshold for the medical expense deduction to 7.5% if a taxpayer or a taxpayer's spouse is 65 or older expired at the end of 2016.) Senator Portman is a co-sponsor.

On October 4, Rep. Marcy Kaptur (D-OH) co-sponsored, **H.R. 3937, the Megabank Accountability and Consequences Act of 2017,** a bill to require the Federal prudential banking agencies to determine whether certain institutions they regulate engage in a pattern or practice of violations of Federal banking and consumer protection laws and regulations, to provide for the revocation of banking charters and Federal deposit insurance for such institutions, and for other purposes.

On October 5, Rep. Tim Ryan (D-OH), introduced **H.R. 3969, the Prioritizing Our Workers Act**, a bill to include certain pension benefits as administrative expenses in bankruptcy for all unfunded vested benefits in a defined benefit pension plan under ERISA, and for other purposes.

The House passed H.R. 3898 in October that **prohibits U.S. financial companies from being involved in any transactions involving North Korea.** All members of the Ohio delegation supported the bill.

The Senate passed a resolution from the House, H.J. 111, which the President signed in late October**, to revoke the rule promulgated by the Consumer Financial Protection Bureau (CFPB),** headed by Ohioan Richard Cordray. The rule was adopted by the CFPB to help people who were forced into mandatory arbitration to settle disputes. In the case of Wells Fargo and other companies that had mandatory arbitration clauses in their customer contracts, people who were allegedly harmed by a company practice or wanted to pursue damages, were limited to arbitration and could not pursue a case or class action against a company. Senator Portman voted in favor of the resolution and Senator Brown voted against it.

OTHER MATTERS OF INTEREST

Rep. Pat Tiberi (R-OH) announced on October 19 that he will be resigning from the 12th District seat that he has held since 2001. Rep. Tiberi will leave office before the end of his term by January 31, 2018. He has been tapped to become the president of the Ohio Business Roundtable (OBR). The OBR is a business oriented group of Ohio business leaders who focus on six major policy areas: 1) Education and Workforce, 2) Economic Development, 3) Business Climate, 4) Healthcare, 5) Governance and Fiscal Policy, and 6) Energy Competitiveness.

In his statement, Rep. Tiberi said:

> It has been the most remarkable honor of my life to serve the people of the 12th District. As the son of Italian immigrants, I am forever grateful for the opportunity my parents gave me by coming to America and raising our family in Ohio. It was because of their pursuit of the American Dream that made it possible for me to serve 17 years in the halls of Congress representing my home. This truly is the greatest country in the world.
>
> Today, it is with a humble and thankful heart that I announce I will not be seeking reelection. While I have not yet determined a final resignation date, I will be leaving Congress by January 31, 2018. I have been presented with an opportunity to lead the Ohio Business Roundtable that will allow me to continue to work on public policy issues impacting Ohioans while also spending more time with my family. Leaving Congress is not a decision I take lightly but after a lot of consideration, it is the best one for me, my wife, Denice, and our four wonderful daughters.
>
> Over the years, I've met and worked with so many amazing people, including constituents from all walks of life and my colleagues from across the country. I've also had the best staff behind me throughout my entire career. We have helped thousands of constituents with problems they have had with the federal government and fought for solutions to improve the lives of Americans everywhere. I am proud of my team's work and everything that we have accomplished together.
>
> In Congress, nothing is possible without the support of the people we represent. To the people of Ohio's 12th District, I will always be appreciative of the years you've allowed me to serve. Thank you.

Preston Rutledge, a long-time staff member for Senator Orrin Hatch (R-UT), chair of the Senate Finance Committee, has been nominated to run the **U.S. Department of Labor Employee Benefits Security Administration (EBSA).** EBSA is responsible for administering and enforcing the fiduciary, reporting and disclosure provisions of Title I of the Employee Retirement Income Security Act of 1974 (ERISA). Mr. Rutledge was the Senator Hatch staff member that was instrumental in the drafting of the **Secure Annuities for Retirement Act (SAFE), a bill that was purportedly written to strengthen and reform much of the nation's public and private pension benefit systems.** The bill was initially introduced in 2013 and SERS, along with fellow Ohio public pension funds and national organizations were concerned with some of the provisions and opposed the need for federal legislation.

CVS, a major drugstore chain, announced in late October that it is in talks to acquire Aetna, one of the largest health care providers for up to $66 billion. The deal will need to be approved by federal regulators and comes almost one year after Aetna tried to buy Humana, a deal that was not approved by the U.S. Department of Justice.

<u>ACTIVITIES:</u>

1. Trip to Washington, D.C. from November 1-3 for the Public Sector HealthCare Roundtable.
2. Conference call with Anne Jewel on November 1, with James Mayhew, HHS/CMS, one of the staff members who worked on the regulations for the Wraparound provisions.
3. Discussion with Abigail Duggan, legislative aide on health care issues for Senator Sherrod Brown on November 2.

4. Conference call with Abigail Finn, legislative aide on health care issues for Rep. Pat Tiberi, on November 2 with Anne Jewel, to discuss the Wraparound Program.
5. Meeting with Sarah Schmidt, legislative aide on health care issues for Senator Rob Portman, with Anne Jewel and Christi Pepe, in his Senate office, to discuss the Wraparound Program.
6. Meeting with John Slatery, International Brotherhood of Teamsters, in Washington, D.C., with Anne Jewel and Christi Pepe, on November 3 to discuss the Wraparound Program.
7. Meeting with Ed Jayne, AFSCME, in Washington, D.C., with Anne Jewel and Christi Pepe, to discuss the Wraparound Program.
8. Assisted in the drafting of a letter from the Tax Reform Coalition, made up of SERS, OPERS, Ohio Deferred Compensation, NAGDCA and Nationwide, to be distributed to the Ohio Congressional delegation.
9. Set up calls and responded to emails from members of the Tax Reform Coalition, to discuss the tax reform proposals that could impact public sector employees.
10. Set up and attended a meeting with staff from the office of Senator Rob Portman (R-OH) to discuss tax reform issues that the Tax Reform Coalition identified for public sector employees.
11. Registration and participation in the NCPERS webinar on pension actuarial analysis.
12. Drafted proposal to submit to NCPERS for the May annual conference for Wraparound Program presentation.
13. Monitored bills relating to health care, the federal budget, tax reform and Social Security. Review of introduced bills by members of the Ohio delegation or other members on issues that could impact SERS.
14. Calls, meetings and emails with representatives of SERS during October.
15. Monitoring relevant House and Senate Committees, Committee hearings, review of public notices or rules from the SEC, CMS, and FDA.
16. Monitoring news organizations and websites such as the Social Security Administration, CII, ICGN, AARP and other interested parties for pension, investment, and health-related issues.
17. Review of reports and newsletters from interested party representatives from organizations such as AARP, CII, NASRA, NCTR, NCPERS, the Public Sector Healthcare Roundtable, and similar organizations.
18. Follow-up calls with delegation offices to set up meetings on tax reform, health care and federal issues.
19. Preparation of monthly Federal Update.

2017 QUALIFIED EXCESS BENEFIT PLAN BUDGET (QEBA) AMENDMENT

James Rossler moved and Christine Holland seconded the motion to increase the calendar year 2017 QEBA Fund budget, previously approved by the Board on December 15, 2016, from $363,600 to $377,760. The QEBA Fund is authorized to pay benefits of approximately $374,000 to qualified retirees, with the balance allocated to QEBA Fund operating expenses. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips and Beverly Woolridge. Abstain: Daniel Wilson. The motion carried.

Concluding, the Board took a break at 11:48 a.m. and reconvened at 1:30 p.m.

EXECUTIVE SESSION

At 1:30 p.m., Beverly Woolridge moved and Catherine Moss seconded the motion that the Board go into Executive Session pursuant to section 121.22 (G)(5) of the Ohio Revised Code to review applications for Disability Retirement Benefits. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and Daniel Wilson. The motion carried.

The Board returned to open session at 2:04 p.m.

FISCAL YEAR 2017 REVIEW

Executive Director Richard Stensrud informed the Board that Anne Jewel, Director of Health Care Services, will present a review of the experience of the healthcare program during the past fiscal year. Additionally, consultants from Willis Towers Watson will present a summary of their review of the SERS health benefits program, along with a recommendation for creating a 3-5 year strategic plan.

Ms. Jewel reviewed the financial experience of the health care program during FY2017. She highlighted the impact of pension reform, the Marketplace Wraparound Plan, and the early Medicare sign-ups on the program. Following Ms. Jewel's presentation, Nicole Bianco, Senior Consultant with Willis Towers Watson, provided a strategic summary of their review and analysis of the current SERS health care program.

FY2017 Health Care Experience

Ms. Jewel stated income for FY2017 improved over the prior year led by strong investment income. Higher income, combined with lower expenses resulted in a $12 million increase to the SERS Health Care Fund.

The largest decrease in expenses was attributed to lower spending in the Aetna Medicare plan. Spending on Medicare prescription expenses was also lower. On the non-Medicare side, medical costs were flat, but prescription drug costs increased around $1 million from FY2016.

Pension reform had a smaller than expected impact on health care enrollments. Most new non-Medicare benefit recipients did not choose SERS coverage. Some 30 percent of the new retirees who did choose SERS opted for a Health Insurance Marketplace plan with the accompanying SERS Wraparound Plan.

SERS Marketplace Wraparound Plan enrollments have just about reached the 500 mark. SERS' vendor, HealthSCOPE, is currently assisting participants with re-enrolling in a Marketplace plan. Wraparound claim costs are anticipated to increase through the end of the year, but are still expected to be significantly lower than the per-member per month cost of the non-Medicare group plans. Program savings in the range of $2.252 million is anticipated in FY2017.

Ms. Jewel then updated Board members on efforts that she and SERS staff have undertaken at the state and national levels to make the pilot Marketplace option a permanent program or extend the sunset period.

Many non-Medicare plan participants who have qualified for Medicare due to a disability are now moving into Medicare plans. Through October, the early Medicare program has qualified 151 individuals to receive Medicare earlier than they would have otherwise.

As with the Wraparound program, savings are being realized due to the early Medicare program. The cumulative potential savings for the 151 approved disability recipients through 2020 is $3.2 million.

Willis Towers Watson Strategic Summary
Earlier this year, SERS engaged the consulting firm Willis Towers Watson to provide SERS with a review of the current SERS program strategy, current health care marketplace dynamics, and provide suggestions for future program strategic directions.

Ms. Bianco presented the consulting firm's insights and recommendations. Due to the cost efficiencies within the Aetna plans, there were no recommendations to re-bid this business. However, the consultants did recommend biding the prescription drug contract due to the length of time since it has been put out to bid and the favorable developments in the national market. Short-term priority items included the evaluation and possible consolidation of the regional plans.

Ms. Bianco stated long-term priority items identified include evaluating adding additional clinical programs and a focus on cost and quality initiatives.

The Board thanked Ms. Jewel and Ms. Bianco for their presentation.

Concluding, the Board recessed at 3:25 p.m.

November 17, 2017

The Board reconvened in session at 8:30 a.m.

Executive Director Richard Stensrud introduced John Garrett, Todd Green, and Alisa Bennett from Cavanaugh Macdonald to present the results of the Annual Basic Benefits Valuation and the Retiree Health Care Benefits Valuation as of June 30, 2017.

PENSION AND HEALTH CARE ANNUAL ACTUARIAL VALUATIONS

Mr. Garrett began by discussing the annual basic benefit valuation. Mr. Garrett discussed key findings of the valuation, stating that SERS' funded status improved from 66.66% to 70.01%. The actuarially determined contribution rate decreased from 13.60% to 10.84% for basic benefits, primarily due to the provisions of HB 49. The Board-adopted funding policy requires at least 13.50% of the 14.00% employer contribution rate go to funding of Basic Benefits since the funded ratio is greater than 70%, but less than 80%. Therefore, the Health Care Fund may receive 0.50% of employer contribution, in addition to the 1.50% employer surcharge.

Following, Mr. Green discussed the funding valuation. Since the previous valuation, HB 49 reduced the COLA from a flat 3.00% to one indexed to the CPI-W with a range of 0% to 2.5%. In addition, the Board voted to suspend COLAs for 2018, 2019, and 2020. Both of these actions resulted in a decrease- in the Unfunded Accrued Liability (UAL) by $998.5 million. The market value return was 12.98%, and the smoothed actuarial value return was 7.41%. Mr. Green noted that smoothing is done on a four-year period. This resulted in the funded ratio increasing from 66.66% to 70.01%. The actuarially determined contribution rate decreased from 13.60% to 10.84% on the current 27-year amortization schedule; therefore, the funded ratio should improve faster. There was $99 million of unrecognized investment losses.

Continuing, Mr. Green stated that 2017 active membership reflects an increase of 32,641 members who have been re-categorized from inactive to active status. The average salary is slightly less at $20,906; the average age is slightly under at 46.7. The average service is 7.5 and the average age of retirees and beneficiaries is 74.8. The market value of assets for 2017 is $13,614 million, and the actuarial value $13,713 million.

Concluding, Ms. Bennett presented comments on the OPEB valuation. She stated the UAL amortization period remains 30 years. The market value of assets is used for valuation purposes. Investment returns were 9.2% versus an assumed rate of 5.25%. The funded ratio improved to 15.94% as of June 30, 2017. The actuarially determined employer contribution is 5.31% as of June 30, 2017. Ms. Bennett further stated that if SERS receives the full 0.50% in addition to the 1.50% surcharge, and all other actuarial assumptions are met, the Health Care fund is projected to remain solvent through 2033; 16 years of solvency. The valuation reflects the impact of the Marketplace Wraparound Plan for participants not eligible for Medicare.

Ms. Bennett stated the Heath Care Fund's total normal cost rate is up and the unfunded accrued liability is down slightly. Actuarial experience is very close to the actuarial assumptions. The current surcharge level is $23,700 for the 2017-2018 fiscal year. For the 2018-2019 fiscal year, calculations show a level of $21,600 would be required to meet the stated funding policy goal. The surcharge level is limited to 2.00% of each individual employer's payroll and 1.50% of total state-wide payroll.

The Board thanked the actuaries for their presentation.

ALLOCATION OF EMPLOYER CONTRIBUTIONS

Barbra Phillips moved and Catherine Moss seconded that after review and discussion of the actuary's *Report on the Annual Basic Benefits Valuation of the School Employees Retirement System of Ohio* (prepared as of June 30, 2017) at the November 2017 Board meeting, the Board accept the actuary's recommended allocation of the 14% employer contribution for fiscal year 2018 as follows: Pension Fund (10.11%), Death Benefit Fund (.05%), Medicare B Fund (.68%) and Health Care Fund (.50%). The remainder (2.66%) will also be allocated proportionately to the Pension Fund, Death Benefit Fund and Medicare B Fund in accordance with the funding policy approved by the Board on June 18, 2015. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and Daniel Wilson. The motion carried.

HEALTH CARE SURCHARGE FOR FY 2019

Hugh Garside moved and James Haller seconded the motion to accept the recommendation of SERS's actuary, Cavanaugh Macdonald Consulting, LLC, and establish $21,600 as the minimum compensation amount for purposes of the fiscal year 2019 Health Care surcharge. Upon roll call, the vote was as follows: James Rossler, Jeffrey DeLeone, Hugh Garside, James Haller, Christine Holland, Catherine Moss, Barbra Phillips, Beverly Woolridge and Daniel Wilson. The motion carried.

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

CALENDAR DATES FOR FUTURE BOARD MEETINGS

2017

December 21 and 22 (Thurs. and Fri.)

2018

February 15 and 16 (Thurs. and Fri.)
March 15 and 16 (Thurs. and Fri.)
April 19 and 20 (Thurs. and Fri.)
May 17 and 18 (Thurs. and Fri.)
June 21 and 22 (Thurs. and Fri.)
July 19 and 20 (Thurs. and Fri.)
September 20 and 21 (Thurs. and Fri.)
October 18 and 19 (Thurs. and Fri.)
November 15 and 16 (Thurs. and Fri.)
December 20 and 21 (Thurs. and Fri.)

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

BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS

Board member Barbra Phillips suggested forming a subcommittee on health care. Following a brief discussion, the matter was taken under advisement with the Executive Director bringing a proposed plan to the Board during the December Board meeting.

Continuing, the Board discussed meeting for a Board Retreat during the month of February 2018.

Board member Beverly Woolridge provided an oral report on a conference she attended in October hosted by the International Foundation of Employee Benefit Plans (IFEBP).

ADJOURNMENT

Daniel Wilson moved that the Board adjourn to meet on Thursday, December 21, 2017 for their regularly scheduled meeting. The meeting adjourned at 9:55 a.m.

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Daniel Wilson, Board Chair

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Richard Stensrud, Secretary