

# **SERS Retirement Board Meeting Minutes**

**December 16, 2021**

The nine hundredth and forty-fifth 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, December 16, 2021.

## **Pledge of Allegiance**

The SERS Retirement Board meeting convened at 8:32 a.m. with the Pledge of Allegiance.

## **Roll Call**

Following the Pledge of Allegiance, the roll call was as follows: Barbra Phillips, Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, and Daniel Wilson. 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 Joe Leonard and Jamie Robinson of RSM, Jeannine Markoe Raymond of NASRA, along with other members of the public in person and via Zoom.

## **Consent Agenda**

The consent agenda for December 16, 2021, included:

- Minutes from the **November 18, 2021**, board meeting
- Summary of Investment Transactions for the period of **October 1, 2021**, through **October 31, 2021**
- Retirement Report – Superannuation and Survivor Benefits and Special Cases
- Disability Report – Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits – Any Occupation

Matthew King moved and Jeffrey DeLeone seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, December 16, 2021. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

## **External Audit Report**

Jamie Robinson and Joe Leonard, external auditors from RSM, provided an update on the 2021 SERS External Audit. RSM audited the financial statements of School Employees Retirement System of Ohio (SERS), which comprise the statement of fiduciary net position as of June 30, 2021, and the related statement of changes in fiduciary net position for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise SERS basic financial statements as listed in the table of contents. In the opinion letter published by RSM, RSM stated the financial statements referred to present fairly, in all material respects, the fiduciary net position of SERS as of June 30, 2021, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. The audit was positive with no unusual transactions and there were no modifications necessary. This was the second year performing a virtual audit and things went well. The board thanked the auditors for their presentation.

## **Annual Comprehensive Financial Report (ACFR)**

SERS Chief Financial Officer, Tracy Valentino, provided an overview of the Annual Comprehensive Financial Report (ACFR). Ms. Valentino started her presentation by showing appreciation and thanking the various staff members and several SERS departments that worked together to create this document. Ms. Valentino reviewed several sections of the document with the board including the letter of transmittal, which summarizes the accomplishments over the past year. Ms. Valentino highlighted other areas such as administrative and budget expenses, employer and employee contributions, and actuarial results. After a robust question and answer session, the board thanked Ms. Valentino for her presentation.

# SERS Retirement Board Meeting Minutes

December 16, 2021

## Investment Report

### Global Equities Portfolio Review

SERS Investment staff Judi Masri and Dustin Matthiessen presented the annual Global Equity portfolio review as of October 31, 2021. The global equity portfolio had a market value of nearly \$7.7 billion. The global equity portfolio was 47.4% of the Total Fund, which was 2.4% above the policy target of 45%. US equity comprised 55.7% of the global equity portfolio while non-US equity made up the remaining 44.3%. Both segments were close to their policy allocation targets of 55% and 45%, and staff intentionally tilted the allocation toward US equity to take advantage of higher returns.

The top returning markets in SERS' global equity portfolio over the 1-, 5-, and 10-year periods from top to bottom were the Russell 3000 Growth, Developed ex-US, All Country Growth, and Emerging markets. Over the 3-year period, developed ex-US and Emerging markets swapped positions.

### Monthly Investment Report

Farouki Majeed, SERS Chief Investment Officer, presented the SERS monthly investment report for the period ending October 31, 2021. Mr. Majeed and the Board discussed the effects of COVID-19 on the U.S. economy that are currently relevant. The preliminary performance report as of November 30, 2021, was provided to the Board for their information. As of November 30, 2021, the Fund was \$18.24 billion with a FYTD return of 4.1%. Following comments, the Board thanked Mr. Majeed for the presentation.

The Board took a break at 10:41 a.m.

The Board reconvened at 10:57 a.m.

## Executive Director's Report

Richard Stensrud, SERS Executive Director, opened his report by introducing SERS legal staff who discussed 4 categories of SERS Administrative Rules that were on the agenda.

Legal Counsel discussed with the Retirement Board filing with JCARR the following rules as no change rules: 3309-1-01 Membership effective date; 3309-1-10 Mandatory direct deposit; 3309-1-16 Qualified child attending educational institution; 3309-1-47 Purchase of school board member service; 3309-1-48 Effect of applicant's death on retirement application; 3309-1-49 Purchase of exempt service credit; 3309-1-54 Purchase of service credit by payroll deduction; 3309-1-59 Cincinnati retirement system; 3309-1-66 Application for early Medicare coverage; 3309-1-67 Electronic transactions.

James Rossler moved and Hugh Garside seconded that rules 3309-1-01, 3309-1-10, 3309-1-16, 3309-1-47, 3309-1-48, 3309-1-49, 3309-1-54, 3309-1-59, 3309-1-66 and 3309-1-67 be filed with JCARR as no change rules as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-14 Purchasing leave of absence service credit. Catherine Moss moved and Jeffrey DeLeone seconded that proposed amended rule 3309-1-14 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-30 Eligibility for retirement. Matthew King moved and Frank Weglarz seconded that proposed amended rule 3309-1-30 be filed with JCARR as discussed. Upon roll call, the vote was as

# **SERS Retirement Board Meeting Minutes**

**December 16, 2021**

follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-40 Application and procedures for receiving disability benefits. Hugh Garside moved and James Rossler seconded that proposed amended rule 3309-1-40 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-41 Appeals for denial and termination of disability benefits. Catherine Moss moved and Frank Weglarz seconded that proposed amended rule 3309-1-41 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-45 Release of names, addresses and information. Frank Weglarz moved and Matthew King seconded that proposed amended rule 3309-1-45 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-60 Division of property orders. Catherine Moss moved and Frank Weglarz seconded that proposed amended rule 3309-1-60 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended administrative rule: 3309-1-68 Guardianships. Matthew King moved and Catherine Moss seconded that proposed amended rule 3309-1-68 Guardianships be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed rescinded rule: 3309-1-51 Long-term care coverage. Frank Weglarz moved and Hugh Garside seconded that proposed rescinded rule 3309-1-51 Long-term care coverage be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed rescinded rule: 3309-1-57 Rule on rules. Hugh Garside moved and Frank Weglarz seconded that proposed rescinded rule 3309-1-57 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed new administrative rule: 3309-1-57 Rule on rules. Jeffrey DeLeone moved and Hugh Garside seconded that proposed new rule 3309-1-57 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

# SERS Retirement Board Meeting Minutes

December 16, 2021

## Carol Nolan-Drake Honor

Mr. Stensrud requested that the board adopt the following resolution honoring of Carol Nolan-Drake, SERS former federal legislative consultant, who recently resigned from her role with SERS:

***WHEREAS**, the School Employees Retirement System of Ohio provides pension benefits to more than 227,000 active and retired non-teaching school employees; and*

***WHEREAS**, Carol Nolan Drake, a respected public pension fund legislative and public policy advocate has faithfully represented SERS as our federal legislative consultant since 2017; and*

***WHEREAS**, Ms. Drake has served as the system's eyes, ears, and voice on numerous federal legislative and regulatory issues impacting the administration of the system and the retirement security of our members and retirees; and*

***WHEREAS**, through Ms. Drake's extensive networking contacts and close relationships she forged with members of the Ohio Congressional delegation, legislative leadership, and the influential committee staff, SERS' messages have received prominent consideration; and*

***WHEREAS**, Ms. Drake has consistently advocated for repeal or reform of the harmful GPO and WEP penalties; and*

***WHEREAS**, Ms. Drake has urged Congress and the Administration to preserve innovative retiree health care programs such as the Wraparound HRA and appropriate Medicare prescription drug coverage through our Employer Group Waiver Plan (EGWP); and*

***WHEREAS**, Ms. Drake earnestly shared the stories of SERS members to support pension policies involving taxes, investments, and health care to improve their retirement security ; and*

***WHEREAS**, despite the perception that the U.S. political system is gridlocked and partisanship is at an all-time high, Ms. Drake remained hopeful and optimistic about the American political process in good times and bad; now, therefore,*

***BE IT RESOLVED**, that the Retirement Board of the School Employees Retirement System of Ohio is sincerely appreciative of Ms. Drake's guidance on federal government issues and extends it best wishes in her future endeavors.*

Hugh Garside moved and Jeffrey DeLeone seconded the motion to approve the resolution as stated. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The resolution was approved. The SERS Retirement board members thanked Ms. Nolan-Drake for her work and dedication. Ms. Drake thanked each of the board members for their support and the opportunity to work with SERS.

## 2022 Qualified Excess Benefit Arrangement (QEBA) Budget

SERS Chief Financial Officer, Tracy Valentino, reported on the 2022 Qualified Excess Benefit Arrangement (QEBA). SERS established a separate plan, effective January 2003, to provide for the payment of a retiree's service retirement benefit that otherwise would have been payable by the System except for the limitations of Internal Revenue Code ("IRC") §415(b). This code section limits the amount of annual benefit that a defined benefit plan, such as SERS, can pay to a retiree. However, IRC §415(m) allows governmental plans to set up a qualified excess benefit arrangement (QEBA) to pay the excess amount. SERS' Qualified Excess Benefit Plan is funded on a calendar year basis from contributions from the retiree's last employer. Estimated expenses for administering the plan are included in the annual funding request.

# SERS Retirement Board Meeting Minutes

## December 16, 2021

Each year a budget is prepared using the new IRS plan limits, calculating current QEBA recipients' projected benefits, adding new QEBA recipients and projecting the cash balance remaining in the QEBA account at year end. For calendar year 2022, we are requesting that \$ 283,000 of employer contributions be assigned to the QEBA Fund.

James Rossler moved and Hugh Garside seconded the motion to assign \$ 283,000 of employer contributions from the last employer of retirees covered by the SERS Qualified Excess Benefit Plan to the QEBA Fund for calendar year 2022. The QEBA Fund is authorized to pay benefits of approximately \$ 278,000 to qualified retirees; with the balance allocated to QEBA Fund operating expenses. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, and Barbra Phillips. Abstain: Daniel Wilson. The motion carried.

### Implementation of Actuarial Factors

Based on the 5-year actuarial experience study completed by Cavanaugh Macdonald Consulting, the Board adopted resolutions to change certain quinquennial benefit factors and rates in September 2021 with an effective date of January 1, 2022. We are requesting that these factors and rates updates be deferred until April 1, 2022, based on the information provided below.

#### Overview

Actuarial factors are used to calculate final pension benefits for new retirees and beneficiaries. As Staff was testing and preparing to implement the factor changes, unlike previous quinquennial changes where there were nominal differences between estimates and final benefit calculations, test results were showing larger variances. In some instances, the monthly pension benefit was reduced by up to 3 percent when using the new factor tables. Staff reached out to Cavanaugh Macdonald to verify that the adopted factors were correct. This review was completed on December 10 and it validated the primary drivers of the benefit differences were related to reductions in assumed investment returns (currently at 7 percent), mortality table changes, and lower COLA assumptions.

Member Services provides advance estimated pension calculations using an applicant's requested retirement date. Based on the options chosen by the future retiree, for example: partial lump sum payments, survivor benefits, early retirement, the final actual monthly benefit is now lower compared to estimates that members have already received. Younger retirees and beneficiaries are more impacted by the new factors and rates since they receive benefits over a longer time. Currently we have approximately 680 applications with 500+ members that have a planned January, 2022 retirement date. The examples provided below help provide comparison impacts between the old and new factors:

#### Cavanaugh Macdonald Comparison – Payment Examples Based on Earned Benefit

##### Plan A: Member receives specific monthly amount and spouse receives 1/2 of amount

Age	2017 Factors	2022 Factors
	Mortality, Interest Rates, & COLA	Mortality, Interest Rates, & COLA
50	\$963	\$937
60	\$911	\$892
70	\$808	\$796

##### Plan D: Member receives specific monthly amount and spouse receives the same amount

Age	2017 Factors	2022 Factors
	Mortality, Interest, & COLA	Mortality, Interest, & COLA
50	\$928	\$881
60	\$837	\$805
70	\$679	\$661

# SERS Retirement Board Meeting Minutes

December 16, 2021

## **Recommendation – Amend the Resolution Effective Date**

Although our correspondence includes language that information provided are estimates and the final benefit calculations may change, the variances due to the new factors are more significant than expected. To better align estimates to final calculations, we recommend changing the effective date of the previous resolutions from January 1 to April 1, 2022. This will allow us to grandfather pending retirements through March 31, and to provide April and forward retirement estimates using the new actuarial factors and rates. Amended resolutions that are needed for this recommendation are:

- Optional Benefit Plan and PLOP Reduction Factors
- Early Retirement Incentive Rates
- Re-employed Retiree Annuity Factors
- Money Purchase Annuity Factors
- Interest Rates and Factors (amend the portion of the resolution pertaining to interest charged on purchased service and unpaid ERI balances)

*Resolutions approved in October for Re-employed Retiree Annuity – Employer Contributions, Reemployed Retiree Annuity – Interest on Contributions, Interest Rates and Factors (the portion of the resolution pertaining to interest credited to additional annuity contributions and percent of salary required for purchase of exempted credit) and School Board Service Credit Purchase – Liability Factors do not require an amendment.*

Hugh Garside moved and Catherine Moss seconded to amend the resolution passed at the Board meeting held on September 16, 2021, by applying the revised actuarial equivalent optional benefit plan and partial lump sum option plan (PLOP) reduction factors, as developed by the actuary, to initial benefits paid on and after April 1, 2022 rather than January 1, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Catherine Moss moved and Frank Weglarz seconded to amend the resolution passed at the Board meeting held on September 16, 2021, by applying the revised re-employed retiree annuity factors, as developed by the actuary, to initial re-employed retiree annuities paid on and after April 1, 2022 rather than January 1, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Frank Weglarz moved and James Haller seconded to amend the resolution passed at the Board meeting held on September 16, 2021, by applying the revised money purchase annuity factors, as developed by the actuary, to initial benefits paid on and after April 1, 2022 rather than January 1, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

Hugh Garside moved and Catherine Moss seconded to amend the resolution passed at the Board meeting held on September 16, 2021, by applying the new interest rate charged on purchased service and unpaid ERI balances, as developed by the actuary, on and after April 1, 2022 rather than January 1, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

James Haller moved and Matthew King seconded to amend the resolution passed at the Board meeting held on September 16, 2021, by applying the percentage of salary rates and additional health care liability costs for early retirement incentive (ERI) programs, as developed by the actuary, to ERI programs that become effective on and after April 1, 2022 rather than January 1, 2022. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. The motion carried.

# **SERS Retirement Board Meeting Minutes**

**December 16, 2021**

## **COVID-19 Health Care Report**

Mr. Stensrud continued his Executive Director's report by stating that no updated COVID-19 numbers were available for the month of December. Mr. Stensrud expects the case numbers amongst SERS members to deteriorate and will provide an update to the board as soon as it's available.

## **Ohio Retirement Study Council**

Mr. Stensrud reported the ORSC meeting originally scheduled for December 9, 2021, was rescheduled for January 13, 2022.

## **Advocacy Groups**

Mr. Stensrud reported that SERS will be hosting the annual stakeholder roundtable discussion on Friday, January 21, 2022, from 10:00 a.m. until noon. The hybrid program will take place at SERS, 300 E. Broad Street, Columbus, Ohio 43215 in the O'Keefe conference center and a Zoom link will be provided for those who prefer to attend virtually. The board is invited to participate. Last year, the remote option increased meeting attendance and SERS staff is hopeful the hybrid model will be successful again.

## **Ohio General Assembly**

Mr. Stensrud reported the Ohio Police & Fire Pension Fund (OP&F) is seeking legislation to increase the employer contribution rate. The proposal would increase the employer contribution rate to 26.5% for both police and fire fighters. Employee contribution rates will not be affected. The last time the employer rate raised was 1986 and employee contribution rates were raised in 2012. OP&F expects a decrease in investment return. If they drop below, they will be outside of the 30-year amortization level requirement.

Mr. Stensrud also reported that Rep. Adam Miller (D-Columbus) reintroduced his legislation (HB499) to allow SERS and OPERS disability recipients to serve in elective office without termination of their benefits. This legislation was originally introduced last year. SERS feels this legislation is problematic and we don't feel this is consistent with treatment of other disability recipients. SERS staff and leadership will continue to monitor the progress of this legislation.

## **Federal Legislative Activity**

Mr. Stensrud continued his report with an update on federal legislation activity. Some notable items are:

- Congress passed a continuing resolution to fund the federal government until February 18<sup>th</sup>, 2022.
- SERS continues to advocate with Senate Finance committee on proposed Medicare Part D changes in the Build Back Better reconciliation bill impacting Employer Group Waiver Plans (EGWPs) like we have here at SERS. Costs will go up for SERS and retirees if this legislation is passed. SERS staff is working to educate members of congress on the impacts of the legislation. The Senate Finance Committee has issued their draft and has changed the language to take out the detrimental impact to our plan & retirees however, we are only partly through the process. The language will need to be approved by full senate then the house. SERS will closely monitor these developments.

## **Health Care Updates**

Mr. Stensrud reported open enrollment ends this month (December) for the SERS health care plan. Mr. Stensrud also stated Delta Dental premiums will decrease slightly for 2022 while plan benefits will remain the same. Mr. Stensrud also reported VSP vision premiums will decrease slightly for 2022 while plan benefits will include an increased allowance of \$200 for a wide selection of frames. There was a slight decline in Aetna Choice enrollment, which decreased by 11%. SERS Member Services staff continues to encourage members and retirees to sign up for other plans. WRAP plan enrollment increased by 2%.

# **SERS Retirement Board Meeting Minutes**

**December 16, 2021**

## **SERS Employee Holiday Charitable Initiatives**

Mr. Stensrud reported SERS staff participated in the 2021 Angel Tree program. Staff supporting the effort purchased 120 gifts and toys. The gifts and toys will be delivered to the Salvation Army East Main location for distribution during their Christmas Cheer program for needy families.

Mr. Stensrud also reported that SERS IT Department held their annual Cookie Bake-Off to benefit Toys for Tots. The IT Department did an excellent job in their 8th year for this event.

## **SERS Myths and Misconceptions**

Mr. Stensrud provided an update based on the asset valuations reported in the ACFR. Mr. Stensrud reported on the misconception that private asset classes are not transparent from an asset valuation perspective. Mr. Stensrud stated SERS performs due diligence and looks at funds with an established track record. SERS checks references, checks compliance issues, and confirms returns. SERS also looks closely at the terms of contracts and each one has provisions to determine how assets will be valued and how returns will be subject to audits. Many funds have advisory boards who meet regularly to review reports including asset valuation reports. The funds are also regulated by the SEC and the SEC will sanction funds if there are problems.

Mr. Stensrud also stated that SERS has an internal valuation committee that regularly reviews funds to see if assumptions are reasonable and if anything has changed. In addition to the previously mentioned oversight, everything is reviewed by the external auditor. The external auditor will confirm the methodology, process, and results are reasonable and appropriate and auditors will not sign off on fund reports that are not accurate.

## **Federal Legislative Report**

Mr. Stensrud introduced Jeannine Markoe Raymond, Director of Federal Relations at NASRA, who provided a presentation on the Federal Legislation updates for CY2021.

Ms. Markoe Raymond reported on legislative changes that occurred during the COVID-19 pandemic that affected pension plans. Ms. Markoe Raymond reported many legislators opposed giving pandemic funds to states and when the American Rescue Plan was enacted on March 11, 2021, it stipulated that aid "cannot be deposited into a state pension fund".

Ms. Markoe Raymond reported on other activities within the federal government. After a robust discussion, the board thanked Ms. Markoe Raymond for her presentation.

## **Internal Audit Report**

Jeff Davis, SERS Chief Audit Officer, provided a brief update on the status of several internal audits. No significant findings have been made and every audit is moving according to schedule. The board thanked Mr. Davis for his report.

## **Compensation Committee Report**

Dan Wilson, SERS Compensation Committee Chair, provided an update on the work being done by the compensation committee, including the SERS compensation study. Mr. Wilson stated that the committee met in the morning to discuss the Executive Director's goals and recessed to reconvene in the afternoon to discuss the SERS Compensation Study. The entire board was invited to attend the afternoon portion of the compensation committee meeting to chime in on the preliminary results of the compensation study.

# SERS Retirement Board Meeting Minutes

## December 16, 2021

### Board Communication and Policy Issues

---

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

##### AUDIT COMMITTEE MEETINGS

March 16, 2022 - 2:30 p.m. (Weds.)  
June 15, 2022 - 2:30 p.m. (Weds.)  
September 14, 2022 - 2:30 p.m. (Weds.)  
December 14, 2022 - 2:30 p.m. (Weds.)

##### COMPENSATION COMMITTEE MEETINGS

March 17, 2022 - 7:30 a.m. (Thurs.)  
June 16, 2022 - 7:30 a.m. (Thurs.)  
September 15, 2022 - 7:30 a.m. (Thurs.)  
December 15, 2022 - 7:30 a.m. (Thurs.)

##### TECHNOLOGY COMMITTEE MEETINGS

March 17, 2022 – 1:00 p.m. (Thurs.)  
June 16, 2022 - 1:00 p.m. (Thurs.)  
September 15, 2022 - 1:00 p.m. (Thurs.)  
December 15, 2022 - 1:00 p.m. (Thurs.)

##### BOARD MEETINGS

February 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
March 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
April 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)  
May 19-20, 2022 – 8:30 a.m. (Thurs. and Fri.)  
June 16-17, 2022 – 8:30 a.m. (Thurs. and Fri.)  
July 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)  
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.*

**SERS Retirement Board Meeting Minutes**  
**December 16, 2021**

**Continued or New Business**

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

**Adjournment**

Barbra Phillips moved to adjourn to meet on Thursday, February 17, 2022, at 8:30 a.m. for the SERS regularly scheduled Retirement Board meeting. The SERS board meeting adjourned at 12:25 p.m.

\_\_\_\_\_  
Barbra Phillips, Chairperson

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