

SERS Retirement Board Meeting Minutes

October 17, 2024

The nine hundredth and seventy-second 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, October 17, 2024.

Pledge of Allegiance

The special SERS Retirement Board meeting convened at 8:31 a.m. with the Pledge of Allegiance.

Roll Call

The roll call was as follows: Matthew King, Jeffrey DeLeone, James Haller, James Rossler, Aimee Russell, and Frank Weglarz. Absent: Catherine Moss and Daniel Wilson. Also attending was Lisa Reid, representative of the Ohio Attorney General's Office. Various members of the SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Consent Agenda

The consent agenda for **October 17, 2024**, included:

- Minutes of the **September 19, 2024**, Retirement Board meetings
- Summary of Investment Transactions for the period of **August 1, 2024**, to **August 30, 2024**
- Retirement Report – Superannuations, Survivor Benefits, and Transfers
- Disability Report – Approval of Disability Benefits, Disapproval of Disability Benefits, Approval of Appeal for Disability Benefits, Termination of Disability Benefits – Any Occupation, Approval of Appeal of Termination on Personal Appearance

James Haller moved and Jeffrey DeLeone seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, October 17, 2024. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, James Rossler, Aimee Russell, Frank Weglarz, and Matthew King. Absent: Catherine Moss and Daniel Wilson. The motion carried.

Investment Report

Annual Portfolio Review – Private Equity

SERS Investment staff Steve Price and Phil Sisson provided an update on the Private Equity portfolio. Mr. Price reported the Private Equity portfolio has a market value of \$2.52 billion with 27 general partners, 66 funds, and 16 co-investments. SERS maintains a diverse private equity portfolio to provide returns that can be adjusted based on risk. The target for Global Private Equity allocation is currently 14% of the SERS total fund, with a permissible range of 11% to 17%.

Mr. Sisson stated the objectives for FY2025 are to manage the Private Equity portfolio and fiscal year commitments to reflect the investment allocation of 14%, subject to identifying opportunities that meet SERS' investment criteria. Another goal is to review the private equity portfolio strategy and structure and develop a plan to improve risk and return characteristics of the portfolio, achieve fee reductions and optimize manager count as appropriate. Also, investment staff will actively seek co-investment opportunities where appropriate with current SERS' private equity general partners who meet co-investment criteria, as outlined in the private equity co-investment guidelines. The final goals is to research and identify new and innovative investment opportunities with managers who offer compelling return expectations. These new opportunities may be used for a combination of purposes to replace current managers who no longer meet SERS' investment criteria or to target strategies that are not currently a directly invested component of the private equity portfolio.

With no questions, the board thanked Mr. Price and Mr. Sisson for their report.

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Monthly Investment Report – Period Ending August 31, 2024

Chief Investment Officer, Farouki Majeed, provided an update on the investment fund status for the month ending August 31, 2024. Mr. Majeed stated US inflation was down 0.4% to 2.5% from July while the housing market continued its upward trend. Economists are not predicting the US will have a soft landing, avoiding a recession.

Mr. Majeed also reported that equity markets were up in September, as well as the US fixed income market. Mr. Majeed closed his report stating that the fund was at \$19.137B as of August 31, 2024.

After several questions, the board thanked Mr. Majeed for his report.

Executive Director's Report

Ohio Retirement Study Council

SERS Executive Director, Richard Stensrud, began his report stating the ORSC met on October 10, 2024. RVK provided a review of the quarterly investment performance of OPERS and provided HPRS valuations.

In November, the ORSC will receive its valuation and Cavanaugh Macdonald will present pension and health care fund evaluations. The pension fund is expected to improve to 79% funded status and the healthcare fund should receive solvency.

The next scheduled meeting is November 14, 2024 or at the call of the chair, however, it is unlikely that the ORSC will meet in November due to the upcoming election.

Stakeholder Engagement

SERS staff continue to collaborate with OASBO staff on communication efforts around pensionable compensation, the new CBBC rule, and other pertinent items. SERS wants to be sure that employers have a clear understanding of what is coming so they are prepared. SERS leadership is also working with OASBO to understand the school districts and their reporting requirements for vendors and other contracted workers to assist with CBBC implementation.

Employee Health/Charitable Initiatives

Mr. Stensrud continued his report, stating that SERS annual United Way campaign began this month and an update will be provided next month. The program provides resources to support the most vulnerable people and their families living in central Ohio. Staff are able to participate through online pledges and can participate in fun activities as well. The total amount collected will be shared at the next board meeting.

Review of Administrative Expenses

SERS Chief Financial Officer, Marni Hall, provided an update on SERS administrative expenses. Ms. Hall reported that the current FY2025 expenses are on schedule and there are no anomalies to note. With no questions, the board thanked Ms. Hall for her report.

Nominations for Vacant Employee Member Board Seat

Mr. Stensrud noted that at the Special Board Meeting on September 11, 2024, the SERS Board declared that there was a vacancy in an employee member seat on the Board and announced that SERS members interested in being elected by the Board to fill the vacancy should submit a statement of interest and qualifications as well as a Certification Form to the Board no later than October 9, 2024. Two SERS members, Jeanine Alexander and Aaron Winland, submitted the required materials within the prescribed time period.

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Interviews of the nominated candidate or candidates will be held at the Board Meeting scheduled for November 21, 2024. Election by the Board will be conducted at the November 21, 2024 Board Meeting. The term for this board seat expires June 30, 2025.

As Chairperson of the SERS Board, Matthew King opened the floor to nominations for the vacant employee member seat. Board member, Frank Weglarz, nominated Jeanine Alexander. With no other nominations, Chairperson Matthew King declared one applicant as being nominated to fill the vacancy of the employee member seat. Board members shall interview the nominated candidate at the November 21, 2024, Board meeting.

Technology Committee Report

Technology Committee Update

SERS Technology Committee Chair, Matthew King, provided an update on the work being done in the Technology Committee. The committee was provided with an update on the progress of the Technology Roadmap, advising that IT projects are in motion and within the approved budget. The committee went into executive session to discuss information security. With no questions, the board thanked Mr. King for his update.

Retirement Report

There was no executive session for the retirement report.

Board Communication and Policy Issues

Board Information Request & Follow Up Items

There were no requests for additional information.

Calendar Dates for Future Board Meetings

The board reviewed the meeting dates for the remainder of 2024.

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2024 **

AUDIT COMMITTEE MEETING

December 18, 2024 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETING

December 19, 2024 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETING

December 19, 2024 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

November 21 – 22, 2024 – 8:30 a.m. (Thurs. and Fri.) **** Board Photo ****

December 19 – 20, 2024 – 8:30 a.m. (Thurs. and Fri.)

**** Please note that these dates and times are tentative.**

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The board took a break at 9:44 a.m.

The board reconvened at 10:03 a.m.

Executive Director's Report (cont.)

Executive Session

James Haller moved and Aimee Russell seconded the motion that the Board convene in Executive Session pursuant to R.C. 121.22 (G)(5) to discuss a matter required to be kept confidential by law. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, James Haller, James Rossler, Aimee Russell, Frank Weglarz, and Matthew King. Absent: Catherine Moss and Daniel Wilson. The motion carried.

The board convened in executive session at 10:04 a.m.

The board returned to open session at 10:29 a.m.

Adjournment

Board Chair, Matthew King, moved to adjourn to meet on Thursday, November 21, 2024, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 10:33 a.m.

Matthew King, Board Chair

Richard Stensrud, Secretary