

Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, Ohio 43215

Minutes
April 14, 2022

The meeting was called to order by Chairman Plummer at approximately 10:06 a.m. in Room 017, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting members

Adam Bird
Hearcel Craig
Jay Hottinger
Phil Plummer, Chair
Dr. Anthony Podojil

Non-voting members

Karen Carraher, PERS
Charles Carter, Attorney General
Mary Beth Foley, OP&F
William Neville, STRS
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Brigid Kelly, Excused
Lora Miller, Excused
Kirk Schuring, Vice Chair, Excused

Staff

Jeff Bernard
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:06 a.m.

Chairman Plummer recognized Director Rhodes, who stated that all members had been duly qualified and sworn.

Chairman Plummer welcomed Representative Bird to the ORSC. Representative Bird thanked the Chairman for the opportunity to speak, noting that he has been a member of STRS for a number of decades and said he was thankful for the opportunity to serve on the ORSC.

Chairman Plummer moved to the March 10, 2022, ORSC minutes. Without objection, the minutes were approved.

Chairman Plummer moved to the staff analysis of H.B. 499 regarding disability benefits while serving in certain elected offices. Mr. Bernard reviewed the staff analysis. Dr.

Podojil asked Mr. Bernard to clarify what would happen if a disability recipient today was elected to one of these positions. Mr. Bernard said that under current law, a person's disability benefit would automatically be terminated but that current law does not, per se, preclude a person from seeking office if they have a disability benefit.

Representative Hottinger moved that the ORSC approve the staff recommendation, and the motion was seconded by Dr. Podojil. Senator Craig noted that while he would vote to approve the staff recommendation, he said that that the issue was an important one and that he would like further and broader discussion with the sponsor. The motion was approved 5-0.

Chairman Plummer moved to the 5-year experience review for STRS. Director Neville reviewed the purpose of the report and its results. He also discussed the STRS Board's decision at the March STRS Board meeting to provide a 3% COLA in FY2023 and eliminate the age 60 requirement that was due to take effect in 2026. Representative Bird clarified who was eligible for a COLA and why it was only available for those who retired prior to the specified date. Director Neville said the Board relied upon the actuary's advice that such a change would have no material impact while the larger eligibility would have material impact. He also noted that the STRS Board will continue to look at these questions annually.

Dr. Podojil noted that these reports do not look at the effect of these changes on retirement rates and that would be looked at next year. Director Neville said it was fair to say that the STRS Board would look at the net effect of these changes in the future to see what is affordable next spring and as more data becomes available. Senator Craig said he appreciated meeting with Director Neville and observed that these changes were made in a prudent and thoughtful manner. Chairman Plummer thanked Director Neville and noted that this would provide some relief to many constituents who had contacted his office. He asked constituents to continue to provide comments as it was the ORSC's job to oversee the pension systems and he would like to continue to hear public comments.

Chairman Plummer moved to the update on Russian investments. He reminded the systems' directors that the ORSC requires materials by 5:00 pm on Monday and thanked them for their adherence to that requirement in order to update all materials on the website and iPads.

Director Carraher reported that the PERS Board unanimously adopted an official policy for Russian divestment. She then reviewed divestment progress since the last ORSC meeting.

Director Neville reported that the STRS Board passed a motion to direct staff to continue to divest as practicable; the board also asked staff to draft an official divestment policy for Russian assets and the staff are doing so.

Director Foley reviewed OP&F's progress in Russian divestment. She noted that investment managers have been directed not to trade in Russian securities.

Director Stensrud reviewed SERS' progress in Russian divestment, noting that, per SERS' investment policy, those assets had been marked down to \$0, but they shall remain on SERS' books. Representative Bird asked if there were any concerns that those assets in Russia could be seized by the Russian government and that we may never get those assets back. Director Stensrud remarked that he was not a foreign relations expert, but that is certainly a possibility that Russia would seize assets located in Russia. However, he remarked that at the moment foreign asset holders are in a holding pattern. There were no further questions.

Director Roark noted that HPRS does not have direct holdings in Russia, but has exposure in comingled funds. He noted that the HPRS investment committee has not met but expected a directive from the board next week to divest from Russian holdings when the committee meets next week.

Chairman Plummer thanked the executive directors and boards for their update and stated the ORSC will continue to monitor the systems' divestment efforts.

Chairman Plummer moved to the 2021 ORSC Annual Report. Mr. Bernard noted that the report was distributed March 30, 2022.

The Chairman said that the next meeting is scheduled for May 12, 2022, or at the call of the Chair.

The meeting adjourned at approximately 10:38 a.m.

Date Approved

Phil Plummer, Chair

Bethany Rhodes, Secretary

Kirk Schuring, Vice Chair