

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

**Minutes
January 11, 2024**

The meeting was called to order by Chairman Romanchuk at approximately 10:01 a.m. in Room 116, the Ohio Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting members

Adam Bird
Bill Blessing
Beryl Brown Piccolantonio
Paula Hicks-Hudson
Lora Miller
Ed Montgomery
Phil Plummer, Vice-Chairman
Dr. Anthony Podojil
Mark Romanchuk, Chairman

Non-voting members

Karen Carraher, PERS
Mary Beth Foley, OP&F
Scott Helkowski, Attorney General
Lynn Hoover, STRS
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Staff

Jeff Bernard
Bethany Rhodes
Alex Strickmaker

With a quorum present, the meeting was called to order at 10:01 a.m.

Chairman Romanchuk moved to the swearing-in of new members. He invited Representative Brown Piccolantonio to make introductory remarks. Representative Brown Piccolantonio stated that she looks forward to meeting and working with everyone on the Council. Director Rhodes stated that all members had been duly qualified and sworn.

Chairman Romanchuk moved that the minutes of the previous ORSC meeting. The minutes were approved without objection.

Senator Hicks-Hudson arrived at 10:04 a.m.

Chairman Romanchuk moved that Alex Strickmaker receive a \$5,000 salary increase in line with the new duties associated with the addition of Deputy Legal Counsel to his title. Vice-Chairman Plummer seconded the motion. The motion was approved unanimously.

Chairman Romanchuk announced the creation of an ORSC subcommittee to evaluate staff duties, policies and procedures, compensation, benefits, and the employee handbook. He named Representative Plummer as chairman of the subcommittee and named Senator Hicks-Hudson and Ms. Miller to the subcommittee.

Chairman Romanchuk moved to the Sub. S.B. 168, AM_135_1370-1 Staff Recommendation. Mr. Strickmaker presented the recommendation.

Senator Hicks-Hudson asked what problem the amendment is trying to fix. Mr. Strickmaker stated that the amendment allows the entities covered by the bill to fill urgent hiring need in a faster manner than currently allowed by law. He used the example of a school that had a teacher retire in the summer and was unable to find a replacement. Under current law, the retired teacher would not be able to be rehired to fill the need for sixty days which would be after the school year starts. The amendment would allow the retired teacher to be hired before the start of the next school year.

Representative Brown Piccolantonio asked what the threshold for "urgent need" would be. Mr. Strickmaker stated that it is a showing by an entity specified in the bill in a public forum. Representative Brown Piccolantonio asked if there were specific criteria that must be met. Dr. Podojil stated that the amendment language is broad so that entities would have the flexibility to meet their urgent hiring needs subject to the public forum.

Chairman Romanchuk asked whether the Senate bill sponsor had contacted Mr. Strickmaker or the ORSC about the amendment. Mr. Strickmaker stated that he had not been personally contacted. Chairman Romanchuk followed up that he was curious whether when subjects touching the five pension systems come up in the legislature if the ORSC is ever contacted and asked for thoughts. Director Rhodes stated that it varies. In this instance, staff at STRS were aware of the amendment and contacted her. It was from there that the process was started. Chairman Romanchuk followed up saying that his reason for asking was because the staff recommendation mentioned the ORSC precedent of uniformity among the systems, and the amendment only dealt with two of the five. He asked if that was a concern. Director Rhodes stated that while recommending uniformity is the precedent, the ORSC also has a precedent of advocating for the fixing of an immediate problem.

Ms. Miller asked if situations could exist where the amendment would ever need to apply to the systems not currently included. Mr. Strickmaker provided a theoretical example of urgent hiring need that would apply to a police or fire department.

Mr. Montgomery asked whether staff had spoken to the systems about the recommendation prior to writing it. Mr. Strickmaker stated that he had not but that the recommendation is based on longstanding ORSC precedent. Mr. Montgomery stated

that it may be worth getting the input of the other systems prior to voting on the recommendation. Chairman Romanchuk stated that discussion on uniformity across the systems can be continued. He further stated that his question was to better understand ORSC precedent and uniformity across the systems.

Dr. Podojil moved that the ORSC adopt the staff recommendation. Vice-Chairman Plummer seconded the motion. The motion passed unanimously.

Chairman Romanchuk moved to the PERS 2023 Iran/Sudan Report. Director Carraher presented the report.

Chairman Romanchuk moved to the STRS 2023 Iran/Sudan Report. Interim Director Hoover presented the report. Representative Bird asked for clarification on the thinking that goes into divesting in these companies without taking losses. Interim Director Hoover stated that finding a suitable replacement that can stand in the portfolio is the main consideration.

Chairman Romanchuk moved to the SERS 2023 Iran/Sudan Report. Director Stensrud presented the report.

Representative Bird asked if the investment in Total Energies SA was a mistake in light of SERS' investment policy. Director Stensrud stated that it was not a mistake. He said that SERS made the investment prior to the company being added to the restricted list.

Chairman Romanchuk asked whether it is worth looking at selling the holding now that it has realized a gain. Director Stensrud stated that it would be up to the discretion of the SERS external fund managers. Chairman Romanchuk followed-up asking if continuing to have the holding was in the spirit of the SERS investment policy. Director Stensrud stated that it is as there is not an appropriate alternative. Chairman Romanchuk followed-up asking what approach SERS was planning to take to remain in-line with Iran/Sudan divestment requirements. Director Stensrud clarified that there is no statutory requirement for SERS to divest, just that divestment is a general principal agreed upon by the individual retirement systems.

Chairman Romanchuk moved to the OP&F 2023 Iran/Sudan Report. Director Foley presented the report.

Chairman Romanchuk moved to the 2023 HPRS Iran/Sudan Report. Director Roark presented the report.

Chairman Romanchuk moved to the 2023 STRS actuarial valuation. Interim Director Hoover presented the valuation. Senator Hicks-Hudson asked what calculations were used to determine the funding levels of the system. Interim Director Hoover stated that they are actuarial assumptions calculated by STRS' actuary, Cheiron. Senator Hicks-Hudson followed-up with a question on what considerations would need to be made for STRS to allocate money to the healthcare fund. Interim Director Hoover stated that

market downturns were the driving force to stop diverting money from the pension fund to the healthcare fund. She further stated that, at this time, the healthcare fund is overfunded and does not need an allocation.

Chairman Romanchuk moved to the 2023 SERS Actuarial Valuation. Director Stensrud presented the valuation.

Chairman Romanchuk moved to the 2023 SERS Healthcare Report. Director Stensrud presented the report.

Chairman Romanchuk moved to the 2023 STRS Healthcare Report. Interim Director Hoover presented the report. Dr. Podojil asked whether consideration is taken into the cost of non-Medicare individuals on the healthcare fund when STRS lowers the age and service requirements for active members. Interim Director Hoover stated that it is one of the considerations.

Chairman Romanchuk moved to the 2023 ORSC Staff Activities Summary and Anticipated 2024 Staff Activities. Mr. Bernard presented the reports.

Chairman Romanchuk stated that the next ORSC meeting will take place on Thursday, February 8th, 2024, or at the call of the Chair.

The meeting adjourned at approximately 10:45 a.m.

Date Approved

Mark Romanchuk, Chairman

Bethany Rhodes, Secretary

Phil Plummer, Vice-Chairman