

**MINUTES OF
STATE TEACHERS
RETIREMENT BOARD
MEETINGS**

November 16 & 17, 2023

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The State Teachers Retirement Board met at the STRS Ohio offices in Columbus, Ohio, on Thursday, November 16, 2023, at approximately 9 a. m. The Chair, Dale Price, called the meeting to order.

The following members were in attendance: Ms. Correthers, Pat Davidson, Alison Falls, Rudy Fichtenbaum, Steve Foreman, Claudia Herrington, Scott Hunt representing the Interim Superintendent of Public Instruction, Elizabeth Jones, Dale Price and Julie Sellers.

APPROVAL OF MINUTES

Mr. Price moved, seconded by Ms. Correthers, to approve the minutes of the October 2023 Retirement Board meeting.

Upon roll call the vote was as follows: Mr. Price, yes; Ms. Correthers, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, yes. The motion carried.

EXECUTIVE SESSION

Mr. Price moved, seconded by Dr. Fichtenbaum, to enter executive session under authority of Division (G)(1) of Section 121.22 of the Ohio Revised Code for the purpose of discussing appointment, employment or compensation or the investigation of complaints against a public employee or official.

Upon roll call the vote was as follows: Ms. Price, yes; Dr. Fichtenbaum, yes; Mr. Bishop, absent; Ms. Correthers, yes; Mr. Davidson, yes; Ms. Falls, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, yes; The motion carried.

The board entered executive session at 9:08 a.m.; the session adjourned at 10:20 a.m.

Public session resumed at 10:26 a.m.

RESUMPTION OF THE BOARD EDUCATION & PLANNING MEETING

The Retirement Board Chair resumed public session and recognized the Vice Chair, Ms. Correthers, for opening remarks and to lead the remainder of the meeting. Ms. Correthers reviewed the meeting agenda and recognized Julie Becker and Benita Harper from Aon Fiduciary Services Practices.

FIDUCIARY AND GOVERNANCE TRAINING

Ms. Harper presented the definition of a fiduciary and the standards and prudence which apply to those fiduciaries. She also reviewed ERISA standards and conflicts of interest for trustees.

Ms. Becker continued the presentation by addressing fiduciary liability and how Ohio law governs a breach of duties. In addition, she reviewed the elements of good governance and common practices for individual Board members.

EXECUTIVE SESSION

Mr. Correthers moved, seconded by Ms. Herrington to enter executive session under authority of Division (G)(1) of Section 121.22 of the Ohio Revised Code for the purpose of discussing appointment, employment or compensation of a public employee or official, Division (G)(3) of Section 121.22 of the Ohio Revised Code for the purpose of conferring with the board's attorney regarding pending or imminent court action and Division (G)(5) of Section 121.22 of the Ohio Revised Code for the purpose of discussing matters required to be kept confidential by federal law or state statutes.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes. The motion carried.

The board entered executive session at 11:10 a.m.; the session adjourned at approximately 1:10 p.m.

Public session resumed at 1:24 p.m.

RESUMPTION OF THE BOARD EDUCATION AND PLANNING MEETING

The Vice Chair resumed public session and recognized Mike Noble and Bonnie Rightnour of Cheiron for a review of pension levers and plan design changes.

Mr. Noble discussed key pension plan concepts, levers and other alternative plan changes requested by the Board and further information on present value concepts. Some discussion followed regarding the calculation of present value of future benefits.

Ms. Rightnour reviewed the pension levers that are included in the Actuarial Valuation Report. Additional information on how cost of living adjustments (COLA) and changes in retirement eligibility would impact the pension plan was also provided to the Board.

Ms. Rightnour presented cost estimates for various retirement eligibility changes the board previously requested. Discussion followed regarding the impact of changing rules on the membership.

Lever details and preliminary Sustainable Benefit Enhancement Plan (SBEP) budget impact calculations were shared with the Board for discussion.

Mr. Price directed Cheiron to calculate the potential cost to change the Health Care eligibility rule from 35 years to either 34 or 30 years of service credit.

RECOMMENDATIONS FROM THE FIDUCIARY AUDIT

The Vice Chair again recognized Julie Becker and Benita Harper of Aon Fiduciary Services Practice for continued discussion of the recommendations from the Fiduciary Audit.

Ms. Becker reviewed the Funston recommendations on the use of current Board committees. She discussed Aon's recommendations to which committees should be dissolved and which should be retained.

A lengthy discussion followed regarding the dissemination of information to the full Board, committee composition and structure and on-boarding education. The Board again reviewed the current standing committees and came to a consensus as to which committees should be continued or dissolved.

Ms. Becker continued her discussion to address Parliamentary Procedure-Robert's Rules of Order.

Aon recommended that a parliamentarian attend future Board meetings to provide necessary guidance.

WRAP-UP AND RECESS

The meeting recessed at 4:52 p.m. until Friday November 17, 2023, at 9 a.m.

November 17, 2023

Vice Chair Correthers called to order the resumption of the STRS Ohio Board Education and Planning meeting at approximately 9 a.m. on Friday, November 17, 2023. The following members were in attendance: Ms. Correthers, Mr. Davidson, Ms. Falls, Dr. Fichtenbaum, Mr. Foreman, Ms. Herrington, Dr. Hunt, Ms. Jones, Mr. Price and Ms. Sellers.

Ms. Correthers moved, seconded by Dr. Hunt to amend the board policy titled, "Officers, Term of Office, Duties" as discussed on this date.

Upon roll call the vote was as follows: Ms. Correthers, yes; Dr. Hunt, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers. The motion carried.

EXECUTIVE SESSION

Ms. Correthers moved, seconded by Mr. Price to enter executive session under authority of Division (G)(1) of Section 121.22 of the Ohio Revised Code for the purpose of discussing appointment, employment, compensation or investigation of complaints of a public employee or official.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, yes. The motion carried.

The board entered executive session at 9:06 a.m.; the session adjourned at approximately 10:00 a.m.

Public session resumed at 10:07 a.m.

RESUMPTION OF THE BOARD EDUCATION AND PLANNING MEETING

The Vice Chair resumed public session and again recognized Julie Becker and Benita Harper with Aon Fiduciary Services Practice.

Ms. Harper reviewed the recommendations from the 2023 fiduciary audit that pertained to Key Performance Indicators (KPI). She provided several examples of KPI's commonly seen among pension systems and listed four broad categories used in KPI organization. She led a discussion with the board that touched on several potential STRS Ohio KPI categories; Operational, Project Management and Customer Service.

Moving forward, Ms. Becker reviewed Funston's recommendations regarding the Executive Director performance evaluation and the importance of setting objectives that clearly define performance criteria.

Ms. Correthers moved, seconded by Dr. Fichtenbaum to approve and adopt the recommendations of Aon presented with regard to board committees and trustee education, with the exception of the recommendation to dissolve the disability review panel, and further authorize Aon to draft appropriate policies and other documentation to reflect these recommendations for the board's review.

Upon roll call the vote was as follows: Ms. Correthers, yes; Dr. Fichtenbaum, yes; Mr. Bishop, absent, Mr. Davidson, yes; Ms. Falls, yes; Mr. Foreman, yes; Ms. Herrington, absent; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, absent; Ms. Sellers. The motion carried.

EXECUTIVE SESSION

Ms. Correthers moved, seconded by Ms. Herrington to enter executive session under authority of Division (G)(1) of Section 121.22 of the Ohio Revised Code for the purpose of discussing appointment, employment, compensation or investigation of complaints of a public employee or official.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, absent; Ms. Sellers, yes. The motion carried. The board entered executive session at 11:16 a.m.; the session adjourned at approximately 12:07 p.m.

Public session resumed at 12:14 p.m.

RESUMPTION OF THE BOARD EDUCATION AND PLANNING MEETING

The Vice Chair resumed public session and moved into Routine Matters.

REPORT AND APPROVAL OF EXPENSES DURING OCTOBER 2023

Ms. Correthers moved, seconded by Ms. Herrington that the report and the expenditures for the month ended October 31, 2023, in the total amount of \$9,454,447 be approved.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes. The motion carried.

CONSENT MOTION

Ms. Correthers moved, seconded by Mr. Price that the Retirement Board approve the Member Benefits-related motions, with the exception of the case on appeal, as listed on the report located in the Routine Matters folder (Records are not public per Ohio Revised Code 3307.20).

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes; Mr. Bishop, absent; Ms. Falls, yes; Mr. Davidson, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, yes. The motion carried.

Ms. Correthers moved, seconded by Mr. Price that the Retirement Board approve the case on appeal, as listed on the report located in the Routine Matters folder (Records are not public per Ohio Revised Code 3307.20).

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes; Mr. Bishop, absent; Ms. Falls, yes; Mr. Davidson, no; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, no. The motion carried.

COMMITTEE FOR BOARD EDUCATION AND PLANNING REPORT – OCTOBER

The Ad Hoc Committee for Board Education & Planning was called to order at approximately 4:41 p.m. on Thursday, October 19, 2023, by the chair, Ms. Correthers. Committee members Mr. Davidson and Dr. Hunt were also in attendance. Other board members in attendance were Ms. Falls, Mr. Price and Ms. Sellers. Staff members in attendance were Ms. Ballard, Ms. Elliott, Ms. Hoover, Mr. Neville, Ms. Wideman and Mr. Worley.

Ms. Correthers recognized Mr. Neville for a review of the proposed agenda for the November meeting.

Mr. Neville confirmed the Education & Planning meeting will take place on Thursday, November 16 and Friday, November 17 and provided a summary of topics to be covered.

Julie Becker and Bonita Harper, with Aon Fiduciary Services Practice, advised that self-assessments would be emailed to the board members the following week. A discussion regarding the results, as well as the effective use of board committees and other fiduciary audit recommendations will be covered at the meeting.

The committee members confirmed the proposed schedule for the November meeting was sufficient time to cover the agenda items.

The meeting adjourned at 4:56 p.m.

Ms. Correthers moved, seconded by Dr. Fichtenbaum that the October Ad Hoc Committee for Board Education and Planning Report located in the Routine Matters folder be approved as submitted.

Upon roll call the vote was as follows: Ms. Correthers, yes; Dr. Fichtenbaum, yes; Mr. Bishop, absent; Ms. Falls, yes; Mr. Davidson, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes. The motion carried.

PENDING INVESTIGATION

Mr. Price moved, seconded by Ms. Correthers that the Board assist in the investigation of complaints received; authorize the staff changes as discussed in Executive Session on November 16 & 17; and further authorize the board chairman to act as the point of contact for all parties in this matter.

Upon roll call the vote was as follows: Mr. Price, yes; Ms. Correthers, yes; Mr. Bishop, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Ms. Sellers, yes. The motion carried.

CLOSING STATEMENT FROM RETIREMENT BOARD CHAIR

In closing, Mr. Price announced that after receiving a complaint and upon consultation with the Ohio Attorney General's office and additional outside counsel, the board placed the Executive Director on administrative leave and appointed Lynn Hoover – deputy executive director, Finance as Acting Executive Director.

ADJOURNMENT

Mr. Price announced the next Retirement Board and committee meetings would be held over December 13, 14 and 15, 2023. Details will be posted on the STRS Ohio website when the meeting plans have been finalized.

The meeting adjourned at approximately 12:20 p.m.

APPENDICES

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 East Broad Street Columbus, OH 43215-3771

**(The following reports are not public information.
Reference Section 3307.20, Ohio Revised Code)**

- **REPORT TO THE RETIREMENT BOARD ON REQUEST FOR CONTRIBUTIONS DURING LEAVE OF ABSENCE**
- **REPORT TO THE RETIREMENT BOARD ON SURVIVOR BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON RECOMMENDED DISABILITY BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON DENIAL OR TERMINATION OF DISABILITY BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON DISABILITY TRANSFERS TO OPERS/SERS**
- **REPORT TO THE RETIREMENT BOARD ON ACTION ON APPEAL HEARINGS**
- **REPORT TO THE RETIREMENT BOARD ON SERVICE RETIREMENTS AND REEMPLOYMENT BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON RESCIND ACTION OF DENIALS**
- **REPORT TO THE RETIREMENT BOARD ON FINAL AVERAGE SALARY**