

**MINUTES OF  
STATE TEACHERS  
RETIREMENT BOARD  
MEETINGS**

**September 21, 2023**

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The State Teachers Retirement Board met at the STRS Ohio offices in Columbus, Ohio, on Thursday, September 21, 2023, at approximately 9 a.m. Retirement Board Chair Dale Price called the meeting to order.

Mr. Price welcomed Pat Davidson to the STRS Ohio Retirement Board. Mr. Davidson was elected to the board this past spring. He is a contributing member with the Berea City Schools.

The following members were in attendance: Brent Bishop, Pat Davidson, Alison Falls, Rudy Fichtenbaum, Steven Foreman, Claudia Herrington, Elizabeth Jones, Dale Price, and Julie Sellers.

Carol Correthers and Scott Hunt, representing the Interim Superintendent of Public Instruction, joined the meeting remotely.

**MENTORING ASSIGNMENTS**

Mr. Price announced that he would serve as mentor for Mr. Davidson during the 2023-24 Fiscal year.

**APPROVAL OF MINUTES**

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

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

**REPORT FROM THE MEMBER BENEFITS DEPARTMENT – PENSION BENEFITS**

The chair recognized Christina Elliott, deputy executive director – Member Benefits, for the CEM Benefit Administration Benchmarking Survey report.

Ms. Elliott explained the purpose of the CEM survey was to provide insight into costs and service. She then introduced Christopher Doll, Director, Client Coverage, CEM Benchmarking, to present the report for fiscal year 2022.

Mr. Doll reviewed the global and peer participant list, explaining that the survey focused on:

- How STRS Ohio’s total pension administration costs compare to its peers;
- How STRS Ohio’s service levels compare to its peers in key service areas; and
- The relationship between service and cost for the benchmarked systems.

The survey reflected the cost per active member and annuitant for fiscal year 2022 was \$98 or \$11 below the peer average of \$109 and that STRS Ohio's service score was 93 compared to a peer median of 81.

Mr. Doll summarized the presentation stating that STRS Ohio, when compared to the global group, is below average in cost and above average in service.

Ms. Elliott then presented a review of the Defined Contribution Program. She explained that new members can elect to participate in the Defined Contribution Plan (DC) or Combined Plan (CO) in lieu of the Defined Benefit Plan (DB). She reviewed the findings from the Fiduciary Audit pertaining to the DC Program and provided an update on the status of each.

In closing, she reviewed the next steps for the DC program and the frequency in which the board hears about the DC program will increase over the next 6-12 months.

No action was required by the board.

## **PARLIAMENTARIAN WORKSHOP**

The chair recognized Mary Remson, certified Parliamentarian, for a report regarding parliamentary procedures.

Ms. Remson provided an overview of Robert's Rules and best practices for small and large group assemblies.

The chair recognized Dr. Fichtenbaum to address a previously postponed motion.

Dr. Fichtenbaum moved, seconded by Ms. Jones, that the language on page 17 of the Board Policies and Procedures dated September 30, 2021, be amended to read as follows, "On matters of parliamentary procedure when not governed by the Open Meetings Act, STRS statutes (ORC-3307), rules (OAC 3307) or other applicable state law, the Board will follow the most current edition of Robert's Rules of Order, unless otherwise noted in these Board policies and Procedures."

After some discussion, Mr. Bishop moved, seconded by Ms. Herrington, to postpone until the Board Governance discussion in November.

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

## **RECOGNITION OF PERSONS WISHING TO ADDRESS THE BOARD**

The chair recognized the following to address the board:

Charity White, representing herself, expressed concern about the closure of the C. James Grothaus Childcare Center.

Jennifer Li, representing herself, expressed concern about the closure of the C. James Grothaus Childcare Center.

Alex Sealscott, representing herself, expressed concern about the closure of the C. James Grothaus Childcare Center.

Elizabeth O'Leary, representing herself, expressed concern about the closure of the C. James Grothaus Childcare Center.

Dan MacDonald, representing 279R-NE Ohio AFT retirees, expressed concern about transparency.

Marvin Stotz, representing himself, expressed concern about fee transparency.

Dean Dennis, representing ORTA, expressed concern about investment transparency.

Bob Buerkle, representing himself, expressed concern about COLAs.

Cathi Steinhauser, representing herself, expressed concern about fiduciary responsibility.

Gerald Newsom, representing himself, expressed concern about misleading and incorrect information.

Robin Rayfield, representing ORTA, expressed concern about transparency.

Suzanne Laird representing herself, expressed concern about the duties of the board.

### **EXECUTIVE SESSION**

Mr. Price moved, seconded by Mr. Bishop, 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. Price, yes; Mr. Bishop, yes; Ms. Correthers, absent; Mr. Davidson, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, absent; Ms. Jones, yes; Ms. Sellers, yes; The motion carried.

The board entered executive session at 12:45 p.m.; the session adjourned at 2:08 p.m.

Public session resumed at 2:23 p.m.

## **REPORT FROM THE INVESTMENT DEPARTMENT**

The chair recognized Matthew Worley, deputy executive director – Investments, for the Report From the Investment Department.

Mr. Worley provided the following highlights as a summary of the investment activity report:

- The preliminary total fund return for August is -0.95% gross and -0.96% net. The preliminary 2024 fiscal year return is estimated at +0.62% gross and +0.60% net.
- \$570 million was removed from fixed income allocated to liquidity reserves, international equities, and real estate for rebalancing activity.
- Total investment assets ended August at \$89.9 billion, lower by \$100 million in fiscal 2024.

Steve Mayes, portfolio manager – Fixed Income, presented the annual review of the securities lending program. In fiscal year 2023, the securities lending program earned \$5.8 million versus \$4.3 million in fiscal year 2022. The increase in earnings was the result of an increase in “specials” margins offsetting a decrease in loan volume. The program has generated \$345 million of investment income since its inception in 1992.

Brady O’Connell, senior vice president of Callan responded to a research request, to determine the correlation of peer group’s allocation to alternative investments and the amount of risk observed over the proceeding five years. Callan calculated -0.2; but also discussed other pertinent risks when considering alternatives such as liquidity risk.

The September 2023 investment transactions and two private equity funds were reviewed without question or concerns.

There was one request from the board:

- Provide a list of all properties in the real estate portfolio with their market values.

## **EXECUTIVE DIRECTOR’S REPORT**

The chair recognized Executive Director Bill Neville for the Executive Director’s Report. Mr. Neville highlighted items from his September Executive Director’s Report containing the topics listed below:

- Distribution of *Annual Statements* Underway
- STRS Ohio Shares Plan Summary Brochure
- Email Communication With STRS Ohio Increases
- U.S. Securities and Exchange Commission (SEC) Adopts New Private Fund Adviser Rules
- Actuary File Provides Interesting Facts

- Actuarial Valuations Are Underway

He also provided a review of demographic information from the actuarial report.

### **REPORT AND APPROVAL OF EXPENSES DURING AUGUST 2023**

Ms. Price moved, seconded by Ms. Herrington that the report be accepted and the expenditures for the month ending August 31, 2023, in the total amount of \$7,539,405 be approved.

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

### **CONSENT MOTION**

Mr. Price moved, seconded by Mr. Bishop, that the Retirement Board approve the Member Benefits-related motions 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: Mr. Price, yes; Mr. Bishop, yes; Ms. Correthers, yes; 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.

### **MOTION TO TERMINATE DISABILITY BENEFIT**

Mr. Price moved, seconded by Ms. Herrington, that the board approve the recommendation of the executive deputy director – Member Benefits that disability benefits be terminated as discussed in executive session. (Records are not public per Ohio Revised Code 3307.20)

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

### **REPORT FROM THE FINAL AVERAGE SALARY COMMITTEE**

Mr. Price moved, seconded by Dr. Fichtenbaum, that the Retirement Board adopt as its order the recommendation made by the Final Average Salary Committee for the retirees 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: Mr. Price, yes; Dr. Fichtenbaum, yes; Mr. Bishop, yes; 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.

**RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS TO ACT  
FOR THE BOARD IN ALL INVESTMENT MATTERS**

Mr. Price moved, seconded by Mr. Bishop, that the Retirement Board authorizes the administrative officers to act for the board in all investment matters as described on the resolution located in the Routine Matters folder.

Upon roll call the vote was as follows: Mr. Price, yes, Mr. Bishop, yes; Ms. Correthers, yes; 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.

**RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS  
TO ACT FOR THE BOARD IN ALL MATTERS RELATED  
TO THE DETERMINATION AND PAYMENT OF BENEFITS**

Mr. Price moved, seconded by Ms. Herrington, that the Retirement Board authorizes the administrative officers to act for the board in all matters related to the determination and payment of benefits as described on the resolution located in the Routine Matters folder.

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

**RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS  
TO ACT FOR THE BOARD IN ALL MATTERS RELATED TO  
THE OPERATION AND ADMINISTRATION OF THE SYSTEM**

Mr. Price moved, seconded by Ms. Herrington that the Retirement Board authorizes the administrative officers to act for the board in all matters related to the operation and administration of the system as described on the resolution located in the Routine Matters folder.

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

**REPORT FROM THE INVESTMENT COMMITTEE – SEPTEMBER 2023**

A meeting of the Investment Committee was called to order by Mr. Price, chair of the committee on Wednesday, September 20, 2023 at 12:10 pm. Committee members present were Mr. Price, Mr. Bishop, Ms. Falls, and Ms. Herrington. Other board members present were Dr. Fichtenbaum, and Ms. Jones. Staff present were Mr. Neville, Mr. Worley, Ms. Elliott, Ms. Hoover, Ms. Wideman and Ms. Ballard.

The chair recognized Matt Worley, deputy executive director – Investments, for a review of the agenda. Mr. Worley briefly reviewed the timeline for the general investment consultant search. He explained that four firms will be making presentations for consulting services to the Retirement Board.

Mr. Worley recognized Wilshire Advisors staff members, Felicia Bennett, Christopher Tessman, David Lindberg, Thomas Toth, and Ned McGuire to present their proposal.

Mr. Worley recognized Meketa Investment Group staff members, Colin Bebee, C. LaRoy Brantley, Stephen McCourt, and Hayley Tran to present their proposal.

Mr. Worley next recognized Callan staff members, Brady O’Connell, Michael Joecken, and James Callahan to present their proposal.

Mr. Worley lastly recognized Aon staff members, Mike McCormick, Raneen Jalajel, and Steve Cummings to present their proposal.

The committee discussed initial impressions of the general investment consultants and expressed a desire to review the defined contribution investment consulting services presentations next month.

The meeting adjourned at 4:34 pm.

### **OLD BUSINESS/NEW BUSINESS**

Mr. Davidson distributed a letter to each Board member outlining his thoughts on the system, as well as information regarding actuarial reductions and requested future discussion by the board.

Mr. Bishop requested discussion at the next board meeting regarding creation of a Key Performance Indicator (KPI) dashboard for the Board’s assistance in measuring system performance.

Mr. Davidson moved to allow the childcare center to remain open until June 30, 2024.

After some discussion, Mr. Price moved, seconded by Ms. Falls to postpone any further discussion regarding the childcare center until the October Board meeting when information can be presented by staff.

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

Mr. Neville will provide a presentation on the childcare center at the October meeting.

### **ADJOURNMENT**



The chair announced the next Retirement Board and committee meetings would be held over October 18, 19 and 20, 2023. With no further business to come before the board, the meeting adjourned at 3:29 p.m.

# APPENDICES

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO (“SYSTEM”)

RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS  
TO ACT FOR THE BOARD IN ALL INVESTMENT MATTERS

WHEREAS, Ohio Revised Code (“ORC”) Chapter 3307 sets forth the duties and responsibilities of the System and pursuant to ORC Section 3307.15, the State Teachers Retirement Board of Ohio (“Board”) has adopted policies, objectives, and criteria for the operation of the investment program which are more specifically set forth in a Statement of Investment Objectives and Policy and a Statement of Fund Governance (collectively, the “Statements”) relative to the investment of funds, and

WHEREAS, ORC Section 3307.04, Ohio Revised Code, provides that the Board may authorize its administrative officers to act for the Board in accordance with the Statements and the Board’s policies (“Board Policies”) in the investment of the System’s funds; now, therefore, be it

RESOLVED, that the Executive Director, be authorized to act for the Board in accordance with the Statements and Board Policies in any and all investment matters, including, but not limited to, the purchase, sale, operation and management of all investments, the receipt and disbursement of funds relating to all investments, the settlement of any disputes relating to all investments, and the execution of any documents relating to any of the foregoing, and, be it further

RESOLVED, that the Deputy Executive Director – Investments, be authorized to act for the Board in accordance with the Statements and Board Policies in any and all investment matters, including, but not limited to, the purchase, sale, operation and management of all investments, the receipt of income and payment of expenses relating to all investments, the settlement of disputes relating to all investments, and the execution of any documents relating to any of the foregoing, except that he is not authorized to act for the Board to: (1) authorize the purchase or sale of any real estate investment, or (2) authorize the disbursement or receipt of funds respecting the purchase or sale of any investment, or (3) initiate or resolve court action without the authorization of the Executive Director and, be it further

RESOLVED, that consistent with the Statements and Board Policies, the Executive Director and the Deputy Executive Director – Investments, each may authorize staff members to exercise the authority hereby granted to him provided; however, that the Deputy Executive Director – Investments shall advise the Executive Director in writing of any such authorization.

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO (“SYSTEM”)

RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS  
TO ACT FOR THE BOARD IN ALL MATTERS RELATED TO THE DETERMINATION  
AND PAYMENT OF BENEFITS

WHEREAS, Chapter 3307, Ohio Revised Code (“ORC”), governs eligibility for membership and eligibility for and payment of survivor, disability and service retirement benefits and provides for the determination of the amounts of such benefits, and

WHEREAS, ORC 3307.04 provides that the State Teachers Retirement Board of Ohio (“Board”) may authorize its administrative officers to act for the Board in determining the eligibility for membership and benefits and the amount of such benefits,

THEREFORE, BE IT RESOLVED, that in order to maintain accurate membership records and information and facilitate prompt payment of benefits, the Executive Director, the Deputy Executive Director – Finance or the Deputy Executive Director – Member Benefits, or another administrative officer of the System duly authorized by the Executive Director be authorized to act for the Board in all matters related to the determination of membership eligibility, the determination of earnings included in compensation, the determination of membership and eligibility for and the amount of benefits paid to members and beneficiaries, and to make payments thereof, and execute any documents in furtherance thereof, and

BE IT FURTHER RESOLVED, that such action by such administrative officers may be subject to subsequent approval by the Board.

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO (“SYSTEM”)

RESOLUTION AUTHORIZING ADMINISTRATIVE OFFICERS  
TO ACT FOR THE BOARD IN ALL MATTERS RELATED TO THE OPERATION AND  
ADMINISTRATION OF THE SYSTEM

WHEREAS, Ohio Revised Code (“ORC”) Chapter 3307 sets forth the duties and responsibilities of the System and pursuant thereto the State Teachers Retirement Board of Ohio (“Board”) has adopted policies, salary schedules for the compensation of all personnel, and a budget of expenses necessary for the proper operation of the System, and

WHEREAS, ORC Section 3307.04 provides that the State Teachers Retirement Board of Ohio may authorize its administrative officers to act for the Board in accordance with its policies;

THEREFORE, BE IT RESOLVED, that the Executive Director, a deputy executive director or other administrative officer of the System duly authorized by the Executive Director be authorized to act for the Board in all matters necessary for the daily operation and administration of the System, including the employment and compensation of personnel, implementation of operational and administrative policies and procedures, purchase of goods and services, and authorization of expenditures for all expenses not in excess of the total amount budgeted for current expenses, and that such persons may execute documents in furtherance thereof, and

BE IT FURTHER RESOLVED, that expenditures by such administrative officers may be subject to subsequent approval by the Board.

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**