

Minutes of the

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The monthly meeting of the Ohio Public Employees Retirement Board was held in the offices of the Board, Ohio Public Employees Retirement System building, 277 East Town Street, Columbus, Ohio at 9:00 a.m., Tuesday, March 18, 2025

Members present: Mr. James Kunk; Ms. Kathleen Madden; Mr. Stewart Smith; Mr. Tim Steitz; Mr. Steve Toth; and Mr. Chris Mabe. (Ms. Julie Albers and Mr. Ken Thomas entered the meeting later.)

Members absent: Mr. Scott Richter and Mr. Jim Tilling.

Also present: Ms. Tonya Brown, Deputy Executive Director; Ms. Karen Carraher, Executive Director; Mr. Allen Foster, Deputy Executive Director; Mr. Gordon Gatien, Director Government Relations; Ms. Lauren Gresh, Deputy Executive Director; Mr. Eric Harrell, General Counsel; Mr. Stephen Kell, Director Information Technology; Ms. Jenny Starr, Chief Financial Officer; Ms. Caroline Stinziano, Director Internal Audit; and Ms. Ciji Wilhelm, Director, Human Resources.

Mr. Toth moved, Mr. Kunk seconded, to approve the minutes of the meeting held February 18, 2025, and the disability report (see Appendix to the Minutes for report).

Roll call vote was taken as follows: Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Smith moved, Mr. Toth seconded, to enter executive session to discuss pending or imminent litigation.

Roll call vote was taken as follows: Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

By acclimation, the Board came out of executive session.

Mr. Toth moved, Mr. Kunk seconded, to proceed as discussed in executive session.

Roll call vote was taken as follows: Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, abstain; Mr. Steitz, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with five ayes and one abstention.

(Ms. Albers and Mr. Thomas entered the meeting.)

Mr. Toth moved, Mr. Kunk seconded, to enter executive session to discuss the appointment of a public employee.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

By acclimation, the Board came out of executive session.

The Chair requested a voice vote of the Board:

Julie Albers - Sheri Meacham  
James Kunk - Russell Smith  
Kathleen Madden - Russell Smith  
Stewart Smith - Russell Smith  
Tim Steitz - Timothy Hess  
Ken Thomas - Timothy Hess  
Steve Toth - Timothy Hess  
Chris Mabe - Russell Smith

There was not a majority for the selection, so a second voice vote was required between Mr. Timothy Hess and Mr. Russell Smith.

The Chair requested a voice vote of the Board:

Julie Albers - Russell Smith  
James Kunk - Russell Smith  
Kathleen Madden - Russell Smith  
Stewart Smith - Russell Smith  
Tim Steitz - Timothy Hess  
Ken Thomas - Timothy Hess  
Steve Toth - Timothy Hess  
Chris Mabe - Russell Smith

Mr. Kunk moved, Mr. Smith seconded, to appoint Mr. Russell Smith to fill the open Non-Teaching College/University Employee Board seat.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

The Board recessed at 12:05 p.m. until Wednesday, March 19, 2025, at 9:30 a.m.

The Board reconvened at 9:35 a.m. March 19, 2025, and the Chair proceeded with the Board agenda.

All Board members from the previous day were present, except for Ms. Madden who entered the meeting later.

Also present: Ms. Tonya Brown, Deputy Executive Director; Ms. Karen Carraher, Executive Director; Mr. Allen Foster, Deputy Executive Director; Mr. Gordon Gatien, Director Government Relations; Mr. Paul Greff, Director, Investments; Ms. Lauren Gresh, Deputy Executive Director; Mr. Eric Harrell, General Counsel; Mr. Stephen Kell, Director Information Technology; Mr. Chuck Quinlan,

Director Information Technology Strategy; Ms. Jenny Starr, Chief Financial Officer; Ms. Caroline Stinziano, Director Internal Audit; and Ms. Ciji Wilhelm, Director, Human Resources.

Ms. Albers, Chair of the Personnel and Salary Review Committee, reported that the Committee met on January 15, 2025, and provided a report out of the agenda item discussed as part of the meeting. During the Personnel and Salary Review Committee meeting, Ms. Wilhelm reviewed the following action item and recommended approval by the full Board:

- The Proposed Appendix C of the 2025 Investment Division Incentive Compensation Plan.

Ms. Albers moved, Mr. Thomas seconded, to approve Appendix C of the 2025 Investment Division Incentive Compensation Plan as recommended by the Personnel and Salary Review Committee report.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Todd Richard addressed the Board to express his concerns regarding how a retiree's Health Reimbursement Arrangement is affected by re-employment and the Board's accessibility to members. Mr. Mabe thanked Mr. Richard for bringing his concerns to the Board.

Mr. Thomas moved, Ms. Albers seconded, to present the following Resolution to Mr. Desposito:

***WHEREAS***, Mr. Desposito served OPERS with distinction as the representative of Non-Teaching College/ University Employees from December 2017 to February 2025.

***WHEREAS***, during his tenure Mr. Desposito earnestly applied his

*ample experience and knowledge to participate in several Board committees.*

***WHEREAS***, Mr. Desposito routinely helped to guide the system and advance sound public pension policy by upholding the principles of its Board, consistently fulfilling his fiduciary duty to the system, participating workers and their beneficiaries.

***WHEREAS***, Mr. Desposito will be remembered as a true ally of our retirement system who was consistently dedicated to the members that he represented.

***BE IT RESOLVED THAT*** the OPERS Board of Trustees does hereby officially recognize Randy Desposito on this 19th day of March, 2025, for his honorable and loyal service to OPERS, its members and its retirees.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Ms. Starr presented the 2025 board election schedule.

Ms. Albers moved, Mr. Thomas seconded, to approve the 2025 board election schedule as presented by staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Ms. Carraher discussed the potential merger of Ohio Deferred Compensation (ODC) and OPERS. The Boards have had recent discussions on the path forward to proceed with this merger and seek legislation.

Mr. Smith moved, Mr. Thomas seconded, to authorize staff to seek legislation to merge ODC with OPERS.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Harrell reviewed the Remote Meeting Attendance Policy that was discussed at the February meeting and indicated there were no additional changes to the policy based on the discussion at that meeting.

Mr. Smith moved, Ms. Albers seconded, to approve the Remote Meeting Attendance Policy as reviewed and discussed with staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Harrell reviewed the proposed changes to the Board Governance Policy Manual as discussed at the February meeting and indicated there were no additional changes to the policy based on the discussion at that meeting.

Ms. Albers moved, Mr. Kunk seconded, to approve the changes to the Board Governance Policy Manual as reviewed and discussed with staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Craig Hallermann, OPERS Actuary, reviewed the 2024 Health Care Rate Stabilization Fund transfer.

A component of the Health Care Preservation Plan (HCPP 3.0) adopted by the Board in September 2012 included the establishment of the Health Care Rate Stabilization Fund, separate from the Health Care Core Fund. These two sub funds are for recordkeeping only.

Mr. Thomas moved, Mr. Kunk seconded, to approve the December 31, 2024 health care transfer of \$391,844,315 to the Health Care Rate Stabilization Fund from the Health Care Core Fund as reviewed and discussed with staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. David Sancewich and Ms. Alli Wallace Stone from Meketa discussed the establishment of new policy benchmarks and modifying an existing benchmark for both the Defined Benefit and Health Care Funds.

(Ms. Madden entered the meeting during the discussion.)

In late 2024 and early 2025, the Board, Staff, and Meketa conducted an asset liability study for the DB and HC Funds. This led to the introduction of Risk Mitigation Strategies (RMS) with a long-term target allocation of 10% for each fund. The HC Fund will reach this target in 2025, while the DB Fund will allocate 5% in 2025 and the remaining 5% in 2026. The RMS allocation includes Long Duration U.S. Treasury, Trend Following, and Alternative Risk Premia. Additionally, the standalone U.S. Treasury allocation within Fixed Income will be restructured to a shorter-duration portfolio.

Staff, in collaboration with Investment Advisor Meketa, has introduced an RMS allocation and restructured the U.S. Treasury portfolio.

They reviewed proposed policy benchmarks for the sub-asset classes of risk mitigating strategies and fixed income.

Ms. Albers moved, Mr. Kunk seconded, to approve the Investment Policy benchmark changes for the Defined Benefit and Health Care Funds as discussed with Meketa and staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, abstain; Mr. Mabe, aye.

The motion passed with seven ayes and one abstention.

Mr. Prabu Kumaran, Lead Fund Manager, reviewed a staff request to change the target Defined Benefit and Health Care Policy benchmark allocations from quarterly to monthly for 2025, starting April 1<sup>st</sup> and ending December 31<sup>st</sup>.

Ms. Albers moved, Mr. Thomas seconded, to approve the monthly resetting of target benchmark allocations for the Defined Benefit and Health Care Funds due to the implementation of the new Risk Mitigation Strategies allocation.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Kumaran reviewed the 2025 Annual Investment Plan, including the alpha targets.

Ms. Albers moved, Mr. Kunk seconded, to approve the 2025 Annual Investment Plan, including alpha targets, as reviewed and discussed with Meketa and staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Kumaran reviewed the proposed changes to the OPERS Investment Policies.

Mr. Kunk moved, Mr. Smith seconded, to approve the Investment Policy changes as reviewed and discussed with Meketa and staff.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

The Board recessed for lunch.

After recess, the Chair proceeded with the agenda.

Mr. Sancewich and Ms. Stone reviewed 4<sup>th</sup> quarter 2024 investment returns and provided a market update.

Mr. Foster introduced Ms. Lori Mitchell Dixon, PhD. from Great Lakes Marketing Research to provide an overview of the communications preferences survey process, the survey's methodology, the audience surveyed, response rates and next steps.

The Executive Director report was included in the meeting materials.

Ms. Albers moved, Mr. Smith seconded, to enter executive session to discuss pending or imminent litigation.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with all ayes.

By acclimation, the Board came out of executive session.

Mr. Smith moved, Mr. Toth seconded, to proceed as discussed in executive session.

Roll call vote was taken as follows: Ms. Albers, aye; Mr. Kunk, aye; Ms. Madden, aye; Mr. Smith, aye; Mr. Steitz, nay; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

The motion passed with seven ayes and one nay.

Mr. Toth moved, Mr. Smith seconded, the meeting be adjourned until the next regular meeting to be held Tuesday, May 20, 2025, at 10:30 a.m.

The motion passed without dissent.

The meeting adjourned at 2:00 p.m.