

**Minutes of  
OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION BOARD  
SPECIAL MEETING**

A publicly noticed special meeting of the Ohio Public Employees Deferred Compensation Board was held at the Ohio Public Employees Retirement System offices located at 277 East Town Street, Columbus, Ohio on April 15, 2024, at 9:30 a.m.

Members present: Chair Ken Thomas; Ms. Julie Albers; Representative Richard Brown; Mr. Randy V. Desposito; Mr. Christopher Mabe; Ms. Kathleen Madden; Mr. Scott Richter; Mr. Stewart Smith; Mr. Timothy Steitz; Mr. James R. Tilling; and Mr. Steve Toth.

Also present: Mr. Paul D. Miller, Interim Executive Director, Mr. Kevin Kirkpatrick, Ms. Renee Zysk, and Ms. Cindy Ward of the Ohio Public Employees Deferred Compensation Program; Mr. Matt Gill, Mr. Cedric Gaaskjolen, Ms. Brenda Anderson, Ms. Felicia Hill, and Ms. Anna Keefer of Nationwide; Ms. Caroline Mills of the Attorney General's office; and Ms. Karen Carraher and Ms. Lauren Gresh of the Ohio Public Employees Retirement System (OPERS).

Member(s) absent: Senator Louis W. Blessing, III and Mr. James E. Kunk.

Chair Thomas called the meeting to order.

Chair Thomas indicated the Special Meeting was called to discuss moving forward on choosing an option for the administrative staffing model. He noted that three Board member requests were received for additional information on the administrative staffing model discussion. He summarized the requests for financial information, next steps, and an email from Mr. Kunk that indicated his desire not to combine the entities, but to continue moving toward the shared purchases model.

**Action Items**

Mr. Gill presented the large state plan benchmarking information that was based on current Nationwide clients that the Board requested at its March meeting. He reviewed plan size, structure, and staff/leadership. Ms. Anderson indicated that the large plans have dedicated leadership that concentrates on Board initiatives and strategic planning, legislation, industry best practices, maintaining a leadership position in the industry, developing staff, making daily decisions, and managing contracts. Ms. Anderson presented information on Nationwide clients that are separate from the pension system. Discussion was held regarding other plans that are embedded in a state pension system compared to

those that are separate, variations in the number of internal staff and plans available to the employees in each of the benchmarked plans, and competition with additional plans in Ohio.

Mr. Gill reviewed responsibility for the administrative tasks, features and services, and revenue sources in each of the plans.

Chair Thomas indicated that regardless of the direction taken by the Board, it is important to keep the Ohio Deferred Compensation (the "Program" or "Ohio DC") operations the same, while looking for enhancements, providing leadership that is available to address Program needs, and doing what is in the best interest of the Program and the participants.

Ms. Anderson and Mr. Gill were asked for their key takeaways on plan structure and leadership. Ms. Anderson noted the importance of keeping focus on the responsibilities and differences of Ohio DC as a voluntary defined contribution plan compared to a defined benefit plan. Mr. Gill indicated the importance of having leadership that understands defined contribution plans and the availability to make regular decisions. Discussion was held regarding variance of participation rates by employer, and the potential risk of Ohio DC losing established neutrality, if merged with OPERS.

Mr. Miller presented the five-year financial projections and assumptions for the Program Fund that includes participant contributions, withdrawals, and fees. Investment earnings are the main source for increasing assets each year since Ohio DC is a mature Plan. Discussion was held regarding the assumptions being conservative and attainable, flat projections on in-bound assets, and asset retention concerns and efforts. Mr. Miller indicated that asset retention is on the strategic plan and will be discussed at the August meeting.

Mr. Miller presented the five-year projections of the Administrative Fund that includes income, expenses, and capital expenditures. He noted the 0.08 bps blended participant fee, the winddown of IT consulting projects by the addition of staff, amortization expenses, and the effect on cash reserves.

Discussion was held regarding the number of staff included in the projections, and how the 0.08 bps fee compares to other plans. Mr. Miller noted that RVK completes an annual fee review that indicates Ohio DC fees are equal or lower than industry peers. The 2024 annual fee review will be presented at the May Board meeting.

Chair Thomas indicated that the current Ohio DC structure is not broken and there is an opportunity to look for synergy and enhancements, by purchasing services from OPERS. He noted the

focus is to maintain the structure that is in place and determine full-time leadership that will be embedded in the Ohio DC offices and will help identify collaborative efforts and find appropriate purchased services from OPERS. Chair Thomas indicated that OPERS is prepared to provide a dedicated leadership staff position now. The leadership position would provide follow-up reports to the Board on next steps to develop additional resources and collaboration, and all purchased services costs would be billed back to Ohio DC.

Mr. Mabe moved; Mr. Desposito seconded to continue with Path B and the purchase of services model that will put a transitional director in place moving forward.

Chair Thomas asked for any discussion regarding the motion.

Discussion was held regarding differences between purchasing leadership from OPERS and the previous staff recommendation to hire an Executive Director and purchase needed services.

Ms. Carraher indicated that it was shared with her that there was a desire to staff full-time leadership at Ohio DC. Ms. Carraher determined she would appoint Ms. Gresh to provide leadership to Ohio DC.

Discussion was held regarding any conflicts of interest by outsourcing Ohio DC's leadership and decision-making to an OPERS staff member, the ability to hire Ms. Gresh directly as the Executive Director, and the need to continue purchasing other appropriate services from OPERS in addition to leadership. It was discussed that most IT resources are too distinct and would require a longer-term investment, and legal resources would require legislative changes. It was noted that OPERS would be choosing the leadership for Ohio DC, but leadership would be responsible to the Board and staff.

Discussion was held regarding the motion, which is starting with the hybrid structure to allow time to continue the evaluation of the appropriate administrative structure. Chair Thomas specified that it is ultimately the Ohio DC Board's responsibility to determine the structure of Ohio DC. The Board will provide the strategic direction to leadership to continue evaluating the Ohio DC structure, determine milestones, and address risks and upcoming staff departures. Discussion was held regarding concerns that purchasing leadership from OPERS is just a step on the continuum to full integration, and when and how Ohio DC Board direction was provided to begin the evaluation of the administrative staff model.

Ms. Carraher indicated there were discussions with the OPERS Board to evaluate services that OPERS could provide, and she stated that the Ohio DC Board would set the Plan's direction, and all OPERS purchased resources, including leadership, would be billed to Ohio DC.

Discussion continued regarding the authority to share OPERS data with Ohio DC, coordinated communications and marketing, succession planning, cyber security concerns, and the need for the Ohio DC leadership to maintain independence.

Chair Thomas called for roll call on the motion on the table.

Roll call vote was taken:

Ms. Albers	yes	Representative Brown	no
Mr. Desposito	yes	Mr. Stietz	no
Mr. Mabe	yes	Mr. Toth	no
Mr. Richter	yes	Ms. Madden	abstain
Mr. Smith	yes		
Mr. Tilling	yes		
Chair Thomas	yes		

(Ms. Madden entered the meeting during roll call. The motion language was repeated for her benefit.)

The motion passed 7 to 3, with one abstention.

Chair Thomas indicated that a leadership transition update will be provided at the May Board meeting.

Ms. Carraher introduced Ms. Gresh. Ms. Gresh provided background on her experience with state government and the administration of public retirement plans.

Mr. Mabe moved; Mr. Smith seconded to go into Executive Session at 11:29 a.m., pursuant to Ohio Revised Code §121.22(G)(1) to discuss the compensation of a public employee.

Roll call vote was taken:

Ms. Albers	yes	Mr. Smith	yes
Representative Brown	yes	Mr. Stietz	yes
Mr. Desposito	yes	Mr. Tilling	yes
Mr. Mabe	yes	Mr. Toth	yes
Ms. Madden	yes	Chair Thomas	yes
Mr. Richter	yes		

The motion passed unanimously.

Mr. Richter left the meeting during Executive Session.

The meeting returned to regular session at 12:08 p.m.

Representative Brown moved; Mr. Mabe seconded to proceed with the Interim Executive Director's position compensation as reviewed and discussed in Executive Session.

Chair Thomas asked for any questions regarding the motion.

Roll call vote was taken:

Ms. Albers	yes	Mr. Smith	yes
Representative Brown	yes	Mr. Stietz	yes
Mr. Desposito	yes	Mr. Tilling	yes
Mr. Mabe	yes	Mr. Toth	yes
Ms. Madden	yes	Chair Thomas	yes

The motion passed unanimously.

Mr. Mabe moved; Mr. Tilling seconded to adjourn the special meeting at meeting at 12:10 p.m.