

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

A publicly noticed 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 May 14, 2024, at 9:25 a.m.

Members present: Chair Ken Thomas; Ms. Julie Albers; Mr. James E. Kunk; 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, Mr. Kevin Kirkpatrick, Ms. Renee Zysk, Mr. Jason Chang (virtual), and Ms. Cindy Ward of the Ohio Public Employees Deferred Compensation Program (Ohio DC); Mr. Matt Gill, Mr. Cedric Gaaskjolen, and Ms. Brenda Anderson of Nationwide, Ms. Caroline Mills of the Attorney General's office; Ms. Lauren Gresh and Ms. Karen Carraher of Ohio Public Employees Retirement System (OPERS); Mr. Matthias Bauer and Mr. Stephen Budinsky of RVK, Inc. (RVK); and Mr. Zac Morris and Katie Snyder of Rea & Associates (Rea).

Member(s) absent: Senator Louis W. Blessing, III; Representative Richard Brown; and Mr. Randy V. Desposito.

Chair Thomas called the meeting to order.

**Minutes**

The minutes of the March 19, 2024, Audit Committee meeting, the March 19, 2024, Board meeting, and the April 15, 2024, Special Board meeting were presented.

Mr. Smith moved; Mr. Kunk seconded to accept and file the minutes listed above.

Chair Thomas asked for any questions regarding the motion.

All aye. The motion passed without dissent.

**Audit Committee Report**

Mr. Smith, Chair of the Audit Committee, reported that the Committee met with staff and the representatives from Rea to discuss the 2023 audit results. Mr. Smith noted the audit produced a clean unmodified opinion, with no written recommendations. One verbal recommendation was made regarding process documentation.

Mr. Smith moved; Mr. Richter seconded to accept the Audit Committee report.

All aye. The motion passed without dissent.

**Action Items**

No action items.

**Discussion Items**

Mr. Budinsky reviewed the executive summary of the 2024 administrative fee review and noted there is no specific Board action needed.

Mr. Budinsky presented best practices for plan fee management, and the current administrative fee policy statement. He reviewed Ohio DC's fees and expenses, and administrative fund reserve balance.

(Ms. Albers entered the meeting.)

Discussion was held regarding the Plan's history of revenue sharing funds and recordkeeping reimbursements, and that no current investment option includes these arrangements.

(Mr. Mabe entered the meeting.)

Mr. Budinsky reviewed the RVK survey peer group characteristics, and the fee benchmarking summary, noting Ohio DC's plan costs over time, average recordkeeping and participant fees, various fee models, and investment fees and allocations.

Discussion was held regarding the slightly higher fee for the Arrowstreet managed portfolio included in the Non-US Company Stock option. Arrowstreet's allocation is 30% of the option, and their performance has nearly doubled the benchmark over all trailing periods.

Mr. Budinsky indicated that Ohio DC's recordkeeping, administrative fees and expenses, and investment expenses are reasonable; the administrative reserve fund balance remains in compliance with our Policy guidelines; and no action is recommended.

Mr. Bauer presented the first quarter 2024 capital markets review and noted market performance, the treasury yield curve, and the economic environment and indicators.

Mr. Bauer highlighted Ohio DC's asset allocation, performance, and the fund monitoring summary. All investment options are rated "green" status. Mr. Bauer highlighted the comparative performance, fee analysis, and cash flows. RVK does not recommend any changes to the investment options.

Discussion was held regarding BlackRock introducing an annuitization product within a version of their LifePath series. RVK is evaluating the appropriateness of this product in relation to the guaranteed income Ohio DC participants receive from a public pension.

Chair Thomas indicated that the purchased leadership transition is going well and the Memorandum of Understanding (MOU) for leadership services is being reviewed by the Attorney General's (AG) office before moving forward. Chair Thomas noted an email received from Mr. Steitz and Mr. Toth with a request to obtain more information regarding the use of purchased leadership from the Ohio Ethics Commission.

Discussion was held regarding Chair Thomas' efforts to facilitate a review by the AG's office, and the need for due diligence and to bring information to the full Board for review and discussion. Ms. Mills indicated that the AG's office is reviewing the MOU for leadership services to provide guidance to the Board. The Ohio DC Board can then determine any additional guidance that is needed. Discussion noted that the Ohio Revised Code Chapters 145 and 148 permit the purchase of services from OPERS. In addition, the AG review of the purchased leadership MOU is looking at fiduciary responsibility and signatory authority as well.

Ms. Gresh reviewed the purchased services update that included goals, expectations, and the status of purchased service MOUs and collaboration with OPERS regarding participation. Ms. Gresh

presented preliminary items for the August 20 Strategic Planning meeting. Any specific strategic planning topic requests from the Board should be given to Ms. Ward by the end of May. Ms. Gresh indicated there is statutory authority for leadership services, and the AG legal review will help answer questions discussed today. Chair Thomas noted that the proposed MOU includes 75% of Ms. Gresh's salary and benefits being billed to Ohio DC.

Discussion was held regarding a Board member request to reconsider the Executive Session discussion and decision at the April Special meeting regarding the compensation of Mr. Miller as Interim Executive Director.

Ms. Albers moved, Mr. Toth seconded to reconsider the April 15 Special meeting, Executive Session discussion and motion.

Chair Thomas asked for any questions or discussion regarding the motion.

Roll call vote was taken:

Ms. Albers	yes	Ms. Madden	no
Mr. Kunk	yes		
Mr. Mabe	yes		
Mr. Richter	yes		
Mr. Smith	yes		
Mr. Steitz	yes		
Mr. Tilling	yes		
Mr. Toth	yes		
Chair Thomas	yes		

The motion passed 9 to 1.

(Ms. Albers left the meeting.)

Mr. Smith moved, Mr. Richter seconded to go into Executive Session at 10:52 a.m., pursuant to Ohio Revised Code §121.22(G)(1) to discuss the compensation of a public employee.

Chair Thomas asked for any questions or discussion regarding the motion.

Roll call vote was taken:

Mr. Kunk	yes	Mr. Steitz	yes
Mr. Mabe	yes	Mr. Tilling	yes
Ms. Madden	yes	Mr. Toth	yes
Mr. Richter	yes	Chair Thomas	yes
Mr. Smith	yes		

The motion passed unanimously.

The meeting returned to regular session at 11:13 a.m.

**Information Items**

There was no additional discussion regarding the Information Items.

Mr. Mabe moved; Mr. Smith seconded to adjourn the meeting at 11:15 a.m. until the next regular meeting of the Board, August 20, 2024, to be held at the Ohio Public Employees Retirement System offices, located at 277 East Town Street.