

**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 October 15, 2024, at 9:00 a.m.

Members present: Chair Ken Thomas; Ms. Julie Albers; Representative Richard Brown; 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, and Ms. Cindy Ward of the Ohio Public Employees Deferred Compensation Program (Ohio DC); Mr. Matt Gill and Mr. Cedric Gaaskjolen of Nationwide, Ms. Caroline Mills of the Attorney General's office; Ms. Lauren Gresh, Ms. Karen Carraher, and Mr. Eric Harrell of Ohio Public Employees Retirement System (OPERS); Mr. Matthias Bauer and Mr. Stephen Budinsky of RVK, Inc. (RVK); and Mr. John Axtell, Mr. Alex Godin (virtual), and Mr. Ben Soltsov (virtual) Goldman Sachs Asset Management (GSAM).

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

Chair Thomas called the meeting to order.

**Minutes**

The minutes of the August 20, 2024, Board meeting were presented.

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

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

Clarification was provided that the Board did not go into Executive Session to discuss the Board's self-evaluation at the August meeting.

Roll call vote was taken:

Representative Brown	yes	Mr. Smith	yes
Mr. Kunk	yes	Mr. Toth	yes
Ms. Madden	yes	Chair Thomas	yes
Mr. Richter	yes		

The motion passed unanimously.

### **Action Items**

Chair Thomas indicated that the Board resolution for Mr. Tilling would be delayed until Mr. Tilling arrives.

Mr. Bauer reviewed the executive summary of the annual stable value option (SVO) review. He noted the two recommendations that include a change to the SVO's open-maturity structure, and a change to the SVO Investment Policy Statement to clarify the staff's role regarding changes to investment manager guidelines.

Mr. Axtell announced his retirement from GSAM and thanked the Board for the opportunity to serve the Ohio DC participants.

(Mr. Steitz entered the meeting.)

Chair Thomas thanked Mr. Axtell for the guidance and knowledge he provided Ohio DC.

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

Mr. Axtell introduced Mr. Godin as his replacement as client portfolio manager and indicated that Mr. Soltsov would remain in his current position as stable value portfolio manager.

Mr. Godin highlighted the GSAM executive summary regarding the SVO performance, stable value teams updates, and anticipated manager and wrap contract changes.

Mr. Soltsov reviewed the SVO book value performance, crediting rate projections, portfolio overview and structure, wrap fees, and cash flows.

(Mr. Mabe entered the meeting.)

Discussion was held regarding the current wrap capacity, wrap coverage and fees, drivers of negative cash flows out of the SVO, SVO portfolio duration, and historical performance of the SVO versus a money market option.

Mr. Bauer presented the open-maturity structure review that includes changes that would remove the Nationwide allocation and rebalance assets among the existing SVO managers. Mr. Bauer reviewed RVK's anticipated outcomes, and qualitative assessment of the proposed open-maturity structure. Discussion was held regarding RVK's evaluation of Nationwide and the opportunity to improve the risk/return profile of the SVO.

Mr. Budinsky indicated that RVK views the SVO to be in compliance with its policy. He presented the recommended changes to the Stable Value Option Investment Policy Statement and noted that with staff's discretion to change investment manager guidelines, any changes would be reported back to the Board. Mr. Budinsky reviewed the investment manager guidelines that have changed in the past year or are currently pending.

Mr. Budinsky presented the comparison of stable value and money market funds, including the capital preservation role of each option and the historical SVO crediting rates. He noted a preference for DC plans to offer a stable value fund, and that money market funds are considered a "competing option" by wrap providers, which require a 90-day equity wash to transfer. Discussion was held regarding how an equity wash works, and the responsibility of the participant to pick the interim investment option and reallocate the funds after the 90 day period.

Chair Thomas thanked Mr. Tilling for his commitment to the Ohio DC Board and participants. Chair Thomas read the Board resolution into the record:

**WHEREAS, James R. Tilling** has served on the Ohio Public Employees Deferred Compensation Board since May 2004, representing the Ohio Auditor of State, Retirees, and the Ohio General Assembly; and,

**WHEREAS, James R. Tilling's** faithful service of over twenty years has significantly contributed to the success of the Ohio Public Employees Deferred Compensation Program and its mission of guiding participants along the path to retirement income security; and,

**WHEREAS, James R. Tilling** has exemplified the knowledge and effort of a dedicated trustee acting in the best interest of Ohio public employees while gaining the respect and friendship of the Board and staff; and,

**NOW, THEREFORE, BE IT RESOLVED**, the Ohio Public Employees Deferred Compensation Board, collectively and individually, respectfully expresses its appreciation to **James R. Tilling** for his diligent service, and further wishes him continued success, good health, and happiness in all his future endeavors.

Accepted by the Board on this 15<sup>th</sup> day of October 2024.

Chair Thomas moved; Mr. Smith seconded to approve the resolution for Mr. Tilling as presented.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Smith	yes
Representative Brown	yes	Mr. Steitz	yes
Mr. Kunk	yes	Mr. Tilling	abstain
Mr. Mabe	yes	Mr. Toth	yes
Ms. Madden	yes	Chair Thomas	yes
Mr. Richter	yes		

The motion passed unanimously with one abstention.

Mr. Tilling thanked the Board, and everyone involved in making Ohio DC a great program over the years, and he appreciated the recognition and always tried to make decisions in the best interest of the participants.

Mr. Richter moved; Mr. Tilling seconded to approve the proposed open-maturity manager structure, and the proposed edits to the Stable Value Option Investment Policy Statement.

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

Roll call vote was taken:

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

The motion passed unanimously.

**Discussion Items**

Mr. Budinsky highlighted the additional information and education on self-directed brokerage accounts (SDBA) and managed account options. RVK and staff recommend the Board not implement an SBDA or managed account option at this time, but industry trends will continue to be monitored. There were no additional questions regarding the material provided.

Mr. Bauer presented the upcoming adjustments to the BlackRock’s LifePath Target Date Portfolios’ glide path. RVK reviewed the changes regarding asset classes in the inflation-hedging components and finds them to be reasonable and does not recommend any action based on the glide path changes expected in the fourth quarter of 2024.

Ms. Gresh presented the 2025 salary budget preview, that included a 3% increase to the pay range schedule, a 4.5% increase to the salary budget for cost of living, merit raises, new positions, and increases to health care premiums, deductibles and out-of-pocket maximums. All of the changes will be incorporated into the full 2025 budget presentation in November.

Discussion was held regarding the inflation rate assumptions, the need to stay competitive in the market, and elements of the 4.5% salary budget increase. Additional information was requested regarding the previous 3 years of Ohio DC salary budget and pay range adjustments, the number of ranges compared to total staff, and the labor market peer group used in the most recent CBIZ compensation study. Discussion continued regarding the health care changes. It was noted that Ohio DC staff has the same health insurance coverage that is established and negotiated by OPERS, but Ohio DC’s actual self-insured experience is separate from OPERS.

Mr. Mabe moved; Ms. Albers seconded to go into Executive Session at 11:09 a.m., pursuant to Ohio Revised Code §121.22(G)(1) to consider the appointment, employment, dismissal, promotion, demotion, or compensation of a public employee or official.

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

Roll call vote was taken:

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

The motion passed unanimously.

(Ms. Mills remained in the Executive Session.)

(Mr. Kunk left the meeting during the Executive Session.)

The meeting returned to regular session at 12:25 p.m.

The Board independently reviewed a resolution for executive leadership services, to be provided by OPERS, that was prepared by Chair Thomas to help define the leadership services along with the job description.

Discussion was held regarding the appropriate motion language and documentation that would be provided to obtain an opinion from the Ohio Ethics Commission, as discussed in Executive Session.

Mr. Smith moved; Ms. Albers seconded to seek an advisory opinion from the Ohio Ethics Commission regarding the compatibility of the OPERS designee and Ohio DC Executive Director job duties and seek an advisory opinion on any conflict of interest for the Ohio DC and OPERS Boards to contract for services.

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

Roll call vote was taken:

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

The motion passed unanimously.

### **Information Items**

There was no additional discussion regarding the Information Items.

Mr. Mabe moved; Mr. Smith seconded to adjourn the meeting at 12:50 p.m. until the next regular meeting of the Board, November 19, 2024, to be held at the Ohio Public Employees Retirement System offices, located at 277 East Town Street.