

**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 January 15, 2019 at 9:13 a.m.

Members present: Chair Steve Toth; Ms. Julie Albers; Representative Richard Brown; Mr. Harold C. Elliott; Senator Jay Hottinger; Mr. Christopher Mabe; Ms. Cinthia Sledz; Mr. Timothy Steitz; Mr. Ken Thomas; Mr. Matthew Whatley, representing Mr. Matthew Damschroder; and Mr. James R. Tilling.

Also present: Mr. Keith Overly, Executive Director, Mr. Paul D. Miller, Mr. James E. Heagen, Mr. Doug Lepper; Mr. Joshua King, and Ms. Cindy Ward of the Ohio Public Employees Deferred Compensation Program; Mr. James R. Patterson of the Attorney General’s office; Mr. Matt Gill, Mr. Cedric Gaaskjolen, and Ms. Brenda Anderson of Nationwide; Ms. Andrea Selke of Plante Moran; and Mr. Nick DeBar and Mr. Ernie Sanders of Perspecta State & Local Inc.

Member(s) absent: Mr. Randy V. Desposito.

Chair Toth called the meeting to order.

Mr. Mabe moved, Ms. Sledz seconded to excuse Mr. Desposito.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Chair Toth welcomed Mr. Elliott and Mr. Whatley, and congratulated the re-elected Board members.

Minutes

The minutes of the November 13, 2018 Board meeting, and the December 18, 2018 Board Governance Committee meeting were presented.

Ms. Albers moved, Mr. Whatley seconded to accept and file the minutes listed above as presented.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Committee Reports

Mr. Tilling, Chair of the Board Governance Committee, reported that the Committee met in December to review changes to the Board Governance Policy Manual and to discuss nominations for the 2019 Board Chair and Vice Chair. The Board Governance Committee voted to recommend approval of changes to the Personnel and Salary Review Committee Charter.

Mr. Tilling moved, Mr. Mabe seconded to approve the changes to the Personnel and Salary Review Committee Charter as presented.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Mr. Tilling indicated that he had not received any nominations for Chair and Vice Chair prior to the meeting. Discussion was held regarding potential nominations. Mr. Toth indicated he would continue as Chair, with the possibility of another Trustee taking over as Chair mid-year. Ms. Albers was nominated to be Vice Chair.

Mr. Tilling moved, Mr. Mabe seconded to nominate Mr. Toth as Chair and Ms. Albers as Vice Chair of the 2019 Ohio DC Board.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Action Items

Mr. Gill reviewed the 2018 Annual Service Plan metrics and service efforts. Mr. Gill presented the 2019 Annual Service Plan that includes face-to-face services, electronic communications, employer engagement/recognition, administrative projects, the addition of Pindrop Anti-fraud software, and a primary marketing initiative. Mr. Gill reported on the primary marketing initiative that will focus on saving for increased healthcare expenses in retirement. Mr. Gill highlighted the 2019 service metrics. Mr. Gill explained that the Nationwide staff would participate in the testing and implementation of the new recordkeeping system, contribute to the development of the new website and the addition of the Roth 457 option, and initiate the removal of the automated telephone system.

(Senator Hottinger left the meeting.)

Discussion was held regarding the opt-in/opt-out form compliance by State agencies and the optional 457 loan provision.

Ms. Albers moved, Mr. Mabe seconded to accept the Nationwide 2019 Annual Service Plan as presented.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Mr. Mabe	yes	Mr. Whatley	yes
Ms. Sledz	yes	Chair Toth	yes

The motion passed unanimously.

(Senator Hottinger entered the meeting.)

The Executive Director presented his goals and the Ohio DC target metrics for 2019. Discussion was held regarding participant education, how the target metrics can be influenced by the economy and the stock market, how staff and Nationwide affect the metric outcomes, and how some of the metrics are calculated.

The Executive Director will review and revise the 2019 metric targets based on the Board discussion.

Ms. Albers moved, Ms. Sledz seconded to approve the Executive Director 2019 Goals as presented.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

The Executive Director presented the 2019 Ohio DC Board meeting schedule and noted that due to a conflict with the OPERS Strategic Planning Meetings, the July meeting would be replaced by designating the August Strategic Planning Meeting as a regular meeting. It was noted that the year for the January 2020 meeting was incorrectly noted as 2019.

Mr. Tilling moved, Mr. Whatley seconded to approve the 2019 Board meeting schedule as amended.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Chair Toth read the following resolution:

RESOLUTION

WHEREAS, *Robert Blair* has served on the Ohio Public Employees Deferred Compensation Board from January 2011 to December 2018; and,

WHEREAS, *Robert Blair's* faithful service 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

NOW, THEREFORE, BE IT RESOLVED, the Ohio Public Employees Deferred Compensation Board, collectively and individually, respectfully expresses its appreciation to *Robert Blair* 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 15th day of January 2019.

Mr. Tilling moved, Mr. Mabe seconded to approve the resolution for Mr. Blair.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Chair Toth read the following resolution:

RESOLUTION

WHEREAS, *Seth Metcalf* has served on the Ohio Public Employees Deferred Compensation Board from January 2018 to December 2018; and,

WHEREAS, *Seth Metcalf's* investment expertise and faithful service 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

NOW, THEREFORE, BE IT RESOLVED, the Ohio Public Employees Deferred Compensation Board, collectively and individually, respectfully expresses its appreciation to *Seth Metcalf* 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 15th day of January 2019.

Ms. Sledz moved, Mr. Whatley seconded to approve the resolution for Mr. Metcalf.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Chair Toth read the following resolution:

RESOLUTION

WHEREAS, *Herman H. Mollmann, Jr.* has served on the Ohio Public Employees Deferred Compensation Board from March 2017 to November 2018; and,

WHEREAS, *Herman H. Mollmann, Jr.'s* investment expertise and faithful service 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

NOW, THEREFORE, BE IT RESOLVED, the Ohio Public Employees Deferred Compensation Board, collectively and individually, respectfully expresses its appreciation to *Herman H. Mollmann, Jr.* 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 15th day of January 2019.

Mr. Toth moved, Ms. Albers seconded to approve the resolution for Mr. Mollmann.

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

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

The motion passed unanimously.

Discussion Items

Mr. Thomas moved, Ms. Albers seconded to go into Executive Session pursuant Ohio Revised Code §121.22(G)(6) to discuss matters involving the security of the Ohio Deferred Compensation Program and its operations.

Roll call vote was taken:

Ms. Albers	yes	Mr. Steitz	yes
Representative Brown	yes	Mr. Thomas	yes
Mr. Elliott	yes	Mr. Tilling	yes
Senator Hottinger	yes	Mr. Whatley	yes
Mr. Mabe	yes	Chair Toth	yes
Ms. Sledz	yes		

(Mr. Whatley left the meeting.)

The meeting returned to regular session at 11:30 a.m.

The Executive Director presented options for hiring a new Executive Director due to his intended retirement in the spring of 2020. He reviewed advantages of the options, and the potential timeline and cost to hire a professional search firm.

(Senator Hottinger left the meeting.)

Mr. Thomas indicated that before a new Executive Director is hired the Board could consider reviewing the current Ohio DC business model. Discussion was held regarding the necessity, timeline and process of evaluating the current business model, and the need for more information.

Mr. Miller updated the Board on the status of the Ohio DC Intermediate Bond fund minimum investment amount needed to remain at the current expense ratio. Assets in this investment option have remained below the minimum requirement for several quarters. The asset level review date has been set to the end of the first quarter 2019. RVK will bring back possible options and a recommendation at the March Board meeting. Discussion was held regarding the history of the asset levels in the fund and the possibility of using an asset target range instead of using a hard target to determine the expense ratio.

Attorney General Report—Mr. Patterson indicated that he did not have anything to add to the written report in the agenda.

Information Items

The Executive Director did not have anything to report on the information items.

Mr. Thomas moved, Mr. Tilling seconded to adjourn the meeting at 11:50 a.m. until the next regular meeting of the Board, March 19, 2019, to be held at the Ohio Public Employees Retirement System offices, located at 277 East Town Street.