* refined in further discussion.

It was decided that the next FCBC meeting will be in January, 2022.

**Travel** – Alabelle Zghoul reported the following:

OSURA Executive Board Meeting Minutes

Tuesday, December 14, 2021

Present:

Sandy Bell, Sue Burge, Lynne Bonenberger, Karen Bruns, Sally Dellinger, Evie Freeman, Shirley Flowers, Rai Goerler, Michele Hobbs, Gemma McLuckie, Carol Newcomb-Alutto, Jerry Newsom, Hallan Noltimier, Marie Taris, Darian Torrance, Nancy Wardwell, Elenore Zeller. This constitutes a quorum of the Board. The meeting was called to order at 9:35 AM

Vice President’s Report

The Tax Seminar will be on January 28, 2022 from 1:00 to 2:00 via Zoom

Approval of the November 9, 2021 Board Minutes: Carol Newcomb-Alutto made a motion to approve and seconded by Hal Noltimier. Motion passed.

**Treasurer’s Report** – Nancy Ingold reported the following:

OSURA Summary of Investment and Related Cash Accounts For the Month ended October 31, 2021 Cash Principal Cash Principal Account Balances,9/30/21 510,903 13,055 20,293 7,317 159,546 16,392 294,300 Increase (Decrease) in Checking 5,038 5,038 . Investment - Life Memberships 75 75 Investment - Donations - Transfers (16,119) (7,000) (9,119) Earnings 4 1 3 Withdrawals - Account Balances, 10/31/21 499,901 18,094 20,293 318 159,546 7,276 294,375 Less: Checking Account 18,094 Subtotal 481,808 Less: Investment Cash Accounts (27,887) Total Investment Accounts 453,921 These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Substantially all disclosures and the Statement of Cash Flows are omitted. These financial statements are in accordance with accounting principles generally accepted in the United States of America.

For the coming year we need to fill the Vice President position, three members at large, and the secretary position. The nominating committee consists of five active members, two from the Board, and three from the general membership.

Old Business

Central Calendar we are looking into having a central calendar with a google account.

We need to find Chairs for Cultural Arts and Travel. Also need an FCBC representative. There is several outdated equipment in Elenore Zeller’s garage. Rai Goerler made a motion to remove these items, was seconded by Elenore Zeller. Motion passed.

**Dinner Series** will be start up on January 27, 2022.

**Benefits Committee:**

FCBC– Hal Moellering shared some information from the November 30 FCBC meeting including a proposal from Jeff White of the Faculty Club on some strategies to make membership more flexible and attractive. That proposal will go to Faculty Council. Issues of faculty salaries and raises continue to be a focal point for FCBC as they prepare for a meeting with President Johnson. They have made some headway in their work on gender equity.

PERI – Sally Dellinger mentioned that there was no local, chapter meeting but she pulled information from the quarterly report of *PERI Perspective*, the state-wide publication, which shows that the focus is still on efforts to protect OPERS’ COLA’s beyond 2022.

Elder Care – Meg Teaford’s report included findings from research about older caregivers including changes in activities and engagement among spousal caregivers. It has been well documented that caregivers are more likely to limit roles outside the home and have an increase in the risk of depression and health problems. Researcher at the University of North Carolina studied activities of caregivers found (no surprise) that more women than men were engaged in these activities and that the reported level of physical activities (other than those of caregiving).

Financial Matters – Some highlights from Doug Jones’ report: Good news about the robust economic recovery in that unemployment dropped to 4.2% but not good news was the reported rise of inflation at 6.3%....the highest rate in decades. Raising interest rates by next spring is in serious consideration by the Federal Reserve. While the Biden administration’s fiscal stimulus may have contributed to inflationary pressure, the stimulus initiatives are spread over 10 years. Social Security’s finances have further deteriorated as the spike in unemployment this past year reduced payroll taxes paid into the program.  Medicare premiums are being adjusted upward, and for many seniors exceed the rate at which SS increases are provided. Health care expenses are estimated to rise about 6% in 2022. Some facts on personal finance: Two-thirds of persons with IRA’s plan to leave them to their heirs, one-third have “other plans”. While federal estate taxes don’t kick in until very high levels of income are reached, state taxes on inheritance have much lower exemption levels.

Carol Newcomb-Alutto mentioned she would like to look at any overlap/duplication in activities, information and reports presented at both the Benefits and Board meetings. Gemma mentioned that past Board meetings have used “Consent Agendas” to reduce time spent in meetings. Carol suggested that everyone think about whether there is a way we might increase our efficiency and impact and discuss ideas at the next Benefits meeting.

**Budget/Finance** – Jerry Newsom reported the following:

Jerry Newsom made a motion and was seconded by Hal Noltimier to transfer $20,000 from the current use account (315499) to our checking account at 5/3 bank.  Account # is 044002161 and routing # is 7283709611. Motion passed.

**Annual Conference** – Sally Dellinger reported that the committee is underway with planning for the 2022 conference and the next meeting is Thursday, December 9. Meg Teaford mentioned that Sally received for her excellent work on coordinating recent conferences, the OSURA annual Outstanding Service award in September but it was not delivered to her at that time. So Meg presented her with the etched-glass, well-deserved award.

**Membership** – Sandra Bell reported the following:

Membership Numbers: 2,448 members as of the end of October. Last month someone asked about the percentage of retirees who are joining OSURA in 2021 compared to previous years. We looked at last year and found that in 2020 9% of the retirees joined OSURA. In 2021, through October, 12% of retirees have joined OSURA. Fall Membership Drive: The membership committee has finished its Fall Drive with phone calls to annual members whose membership is expiring at the end of December 2021. We will wait to see how many renewals we get in December to see how successful the drive was. Outreach for New Members: We are in the process of getting an updated brochure printed. The membership committee plans on sending a brochure and a letter to retirees who have been retired for 6 months or longer and who have not joined OSURA. It is an attempt to touch base with retirees once they have had time to settle into retirement and may perhaps be looking for some new social opportunities.

Jerry Newsom reported that there was 267 renewals in November, a very good number. It likely means a much smaller number in December, but still, it's a good feeling.

**Social** – Elenore Zeller reported the following: the December 2, 2021 lunch was cancelled due to low enrollment. Next meeting is scheduled for January 20, 2022.

**SIGs** – Lynne Bonenberger reported the following:

**SPECIAL INTEREST GROUP ATTENDANCE**

**NOVEMBER 2021**

**Book Club**

*Nov. 30: 6 (online contacts throughout the month)*

Lynne Bonenberger

Don Dell

Rose Hart

Lee Hill

Mary Lynn Jacobson

Nancy Wardwell

**Craft Group**

*Nov. 10: 8*

Mary Ann Anderson

Jean Butler

Martha Cull

Mary Cull

Brenda Hammond

Mary Ann Herbst

Ellen Leppert

Barbara [last name not given]

**Photo Society**

*Nov. 18: 10*

Larry Anderson

Ruth Anderson

Charlotte Assor

Lewis Claman

Gene Gilliom

Ted Huston

Ronald Laymon

Nancy Verber

Martha Warren

Mary Beth Wise

**Tertulia Lunch**

*Nov. 23: 8*

Jerry Dare

Andreas Garnes

Sara Garnes

Gene Gilliom

Daniel Jenson

Carol Newcomb-Alutto

Bev Sweeney

Tom Sweeney

**Walking/Hiking Group**

*Nov. 20: 6*

Margaret Hull

Hal Noltimier

Romy Noltimier

Tom Olencki

Ron Pilotoski [sp?]

Darian Torrance

**OPERS** – Darian Torrance reported the following:

OPERS Report – November 2021 The OPERS Board met November 16 - 17, 2021. OPERS’ Service Levels and Organizational Performance – Mike Heale, CEM Benchmarking, Inc. provided an annual, detailed report of OPERS’ service levels and organizational performance in comparison to peer organizations. This included: • Pension administration cost per member – OPERS is at $55 per member per year, which is just below the median cost, and $22 below the peer average of $77. The average FTE of front office staff is at 1.5 per 10,000 members, which is 1.1 FTE lower than the peer average of 2.6. The total pension administrative cost for FY 2020 was $64.6 million, excluding the cost of administering healthcare and optional and third-party administered benefits of $7.6 million. • Service scores by activity level – OPERS average weighted score for FY 2020 is 82 vs. peer average of 77. Web activity has increased substantially (59.7%) from 2013 to 2020, while one on-one, call and mail volume has decreased. Members are relying more on information from the OPERS website than from personal contact. • Service areas to improve or reduce cost – OPERS service level fell from 87 to 82 (out of 100) for the period 2018 to 2020 mainly due to undesired call center outcomes. Average call wait time increased from 82 seconds to 206 seconds. Changes in healthcare announced in January 2020 increased the number of calls. Insufficient staffing, as well as the Covid-19 pandemic also affected this score. • Overall service score in comparison to peers – OPERS is considered a low to medium cost administrator with high service levels. The service level for 2020 is higher than peers (rated 77). Investments Benchmarking Results – Mike Heale, CEM Benchmarking Inc., presented the Investments benchmarking results for the calendar year 2020, with the following key points: • Total Policy Return and Asset Allocation Differences – OPERS’ 5-year net total fund return was 9.9%, above the US public median of 9.6% and equal to the peer median of 9.9%. The two best performing asset classes for the 5-years ending 2020 were stock – U.S. and Stock Emerging. • Net Value-Added by Staff – Net Value Added (NVA) is computed by subtracting the Policy Return (9.54%) from the Total Net Return (9.91%). OPERS’ NVA before internal costs over 5 years equals .41%. Five-year Internal Cost equaled .04%, resulting in the NVA of .37%. • Total OPERS Investments Cost vs. the Benchmark Cost – OPERS’ investment costs for 2020 were $447.5 million, or 43.3 basis points (bp), which was lower than its benchmark of 47.1 bp (cost savings of 3.8 bp). • Total Risk of the Investment Portfolio – OPERS’ asset risk was 11% for 2020, which is slightly above the U.S. public median of 10.7%. Investment Returns – 2021 – The OPERS Direct Benefit plan investments have received approximately 13.5% return as of mid-November 2021. The Health care fund, which is invested 100% in the public market, has received approximately 14% to date. Next year’s investment returns are expected to be a lot more challenging than this year. 2022 Employer Contribution Rate Allocation – OPERS Board voted to keep the current allocation of the employer contribution rate, approved last November for allocation of 2021 contributions, designates 14% to fund pension benefits and 0% to fund health care benefits. This allocation would be effective January 1, 2022 for the 2022 calendar year. Future health care allocation decisions will continue to be considered by the Board on an annual basis. The actuary recommends that the timing of the restoration of health care funding should be dependent on expected future investment returns and pension funding levels. The expectation is to resume funding health care only when pension funding improves to such a level that can withstand reasonably unfavorable market returns. 2021 Alternative Retirement Plans (ARP) Mitigating Rate Study - Gabriel, Roeder, Smith & Company (GRS) Actuarial Consulting firm recently completed a five-year experience study and the Board adopted the recommended changes to the actuarial valuation assumptions. The ARP mitigating rate is to be recalculated based on the current unfunded liability, which is determined based on the updated assumptions. GRS has completed this recalculation of the ARP mitigating rate to be paid to OPERS— 2.24% of pay (0.25 x 8.96%), a decrease of 0.20 from the current rate of 2.44%. Due to the operation of law, there is no action required by the OPERS Board to give effect to the new rate. OPERS Staff will submit the ARP mitigating rate report to the Department of Higher Education by December 31, 2021, as required by statute. The updated mitigating rate will take effect on July 1, 2022. (Note: STRS mitigating rate is currently 4.47%.) OPERS Defined Contribution Fund Annual Review – NEPC, independent investment advisor to OPERS, provided a summary update on the Defined Contribution (DC) Fund for 2021. The OPERS DC Fund has maintained a low cost structure. As of September 30, 2021, the weighted average investment expense for the DC Fund is 5 basis points. The OPERS plan is on the lower end of this spectrum and lower than the 36 basis point weighted average fund expense ratio in the 2020 Morningstar database. The current custom Target Date Funds will migrate to off-the shelf products managed by Blackrock in March of 2022. Health Care 2022 – Implementation Update – As of 11/14/21, 62% of the Pre-Medicare population has scheduled a phone, virtual or in-person appointment to discuss healthcare options. As of Nov. 8th, 34% of Pre-Medicare members have opted-in to receive the Healthcare Reimbursement Arrangement (HRA). Opting-in can be done online, and does not require calling Via Benefits. Members calling in to talk with Via Benefits representatives have experienced long hold times and lengthy calls. Via Benefits has also experienced staffing issues, which have impacted service. Voluntary overtime is being implemented to improve call service. In 2022, Ohio Health Care Insurance Carriers expanded their coverage areas significantly 95% of Ohio participants will have access to 3 or more carriers All but 6 counties will have access to 3 or more carriers. National weighted average rate increase is estimated to be approximately 4%. COVID-19 Claims Report – As of September 30, 2021, more than 20,000 OPERS plan participants filed 62,132 claims related to COVID-19. The plan paid a total of $26.9M in COVID-19 claims, while the members out of pocket expense was $1.3M. Dental and Vision Plan Administrator Contracts Expiring – Procurement Underway for Vision and Dental Plan Administrators. OPERS currently provides vision and dental coverage to approximately 160,000 benefit recipients and eligible dependents. Our current contracts with Aetna (vision) and MetLife (dental) will expire on December 31, 2022. OPERS is in the process of procuring vision and dental plan administrative services through the Request for Proposal (RFP) process with plan services scheduled to begin January 1, 2023. Lawsuit against Facebook (Meta) – Ohio is suing Facebook’s parent company, Meta, claiming the social media platform misled the public about the effects its products have on children. The lawsuit, filed November 12th on behalf of the Ohio Public Employees Retirement System (OPERS), is seeking more than $100 billion in damages. According to the lawsuit, OPERS manages assets worth approximately $125 billion on behalf of 1.1 million active members, retirees, and beneficiaries. The system “purchased shares of Facebook Class A common stock at artificially inflated prices” in 2021 and “suffered damages as a result of the violations of the federal securities laws alleged.” The lawsuit is against Facebook and three key executives – founder Mark Zuckerberg, Chief Financial Officer David Wehner and Vice President of Global Affairs Nick Clegg

**STRS** – Jerry Newsom reported the following:

As reported in the online *Dispatch* on 2 December and on the front page of the Sunday *Dispatch* on 5 December, the November meeting of the STRS Board was unlike any other in living memory. A surprise late addition to the agenda was an “Investment Proposal,” by Rudy Fichtenbaum and Wade Steen. Bob Stein, recently re-elected Board member who quickly resigned, participated remotely and supported the proposal, even though Fichtenbaum and Stein were opponents in the recent election to the Board. After a delay when a consultant requested its name be removed as a source of data in the presentation, the proposal was described. It was apparently the plan Steen outlined for the Dispatch last July, which would let STRS “reduce its investment fees, dramatically drop the required contribution rates, allow teachers to retire at younger ages and bring back the cost-of-living allowance.” Reaction to those words in July was that it sounded too good to be true, and except for Stein and Board members Fichtenbaum, Steen, and Yoel Mayerfeld, the plan received the same reception in November. Details were not available, but in outline the plan called for STRS to partner with a firm called QED to form a new organization called OhioAI. STRS would sell $65 billion of its assets (over 2/3 of STRS’ total assets) and the proceeds would be used to buy Treasuries. STRS would retain the right to collect the interest on the Treasuries but would then use the Treasuries as assets (collateral?) to buy stocks in an index fund. This would be done in partnership with QED, and STRS would collect fees from the partner. By collecting the interest, fees, and the expected gain on the stocks, STRS would have income of $4 billion every year above what the stocks alone would yield, essentially risk-free. Of course, nothing is totally risk free, and it was hinted that a very large partner (on the scale of Goldman-Sachs, but the identification could not be revealed) would guarantee it; if this partner failed, it would mean the whole economy failed, and it didn’t matter where your assets were since they’d be next to worthless anyway. To the proponents, who must understand details far better than I do, it was a once-in-a-lifetime chance to put STRS on a vastly stronger financial footing, but if details were revealed, then someone else might grab the opportunity before STRS could. We weren’t told who runs QED, but one Board member said it had no assets, no public business plan, and no track record. Some of the questioning sounded like a prosecutor cross-examining a witness, and there were occasional arguments over who had said what. Fichtenbaum proposed that the plan be tested with a much smaller sum, say $250 million, but most of the Board would need a lot more convincing before they would go along.

In New Business, Fichtenbaum offered a motion to have STRS, starting in January 2022, give retirees a 2% COLA for each of the next two years, and employee contributions would be reduced to 12% of salary for the same two years, provided the actuarial consultant agreed this would “not substantially impair the financial condition of the system.” The STRS Legal Department felt the motion likely violated the law, which apparently requires the consultant to issue its opinion before the Board could make these changes. Consultants have been saying recently that relief to active and retired teachers should wait for the asset-liability and other studies due out this spring. It was clear the motion could not pass, and the Board voted to table it, awaiting the studies due out in the Spring.

**FCBC** –Harold Moellering reported the following:

The FCBC Committee met on November 30, 2021 via ZOOM.  It is apparently more flexible and convenient to meet by ZOOM rather than in person.  Because it was at the end of the semester, several members could not participate, thereby resulting in the lack of a quorum.  However, discussion on several topics ensued:

* Faculty Club Proposal by Jeff White at their October meeting was well received.  Further discussion continued on possibilities for such a member opportunity.  It appears that FCBC will make a proposal to Faculty Council.
* There was a discussion of a "salary snapshot" of OSU salary data provided by the AAUP.  The first was of general faculty raises over the 2007 to 2021 time frame, and a second more detailed snapshot of the 2019-20 to 2020-21 year by faculty rank.  This resulted in a discussion of possible trends in the data.

The attention of the group was then directed towards developing questions to the Faculty Council for a discussion with President Johnson.  Two concepts which emerged were: salary market benchmarks, and what OSU id doing to better meet them, and questions on faculty retention.  These, and perhaps other questions, will be

The Travel Committee had our last trip of 2021 to La Comedia Dinner Theater with The Christmas Story last December 10. We had 42 people registered. Everyone had enjoyed both the show and the food. We are already planning for next year’s trips. Cultural Arts has started their events with the Ballet Met’s Nutcracker last December 11. CA is also planning events for next year. We will have our combined meeting on January 24, 2022.

**Website** - Karen Bruns

We are looking to update photos and a link to the Board.

Meeting adjourned at 11:30 AM.

Michele Hobbs, Secretary

NEXT Meeting is January 11, 2022 (by Zoom)