# **OPERS Report – September, 2022**

The OPERS Board of Trustees met on August 16, 2022. Highlights from the meeting include:

* The Board voted to certify candidates for the 2022 OPERS Board election. Three candidates are unopposed and will begin new board terms in January 2023. They are: Chris Mabe (State), Ken Thomas (Municipal) and Randy Desposito (College/University.) Two candidates running to represent the Retiree seat are Steve Toth and Ron Wilinski. OPERS has mailed ballots to qualified voters, who can vote for one of these candidates by mail, internet or telephone. The last day for votes to be received is September 30, 2022. Election results will be finalized on October 3, 2022.
* Lai Ye Woo, OPERS Senior Financial Analyst, presented information about the state division employer and member contribution rates for the period 7/1/23-7/30/25. Per the Ohio Revised Code, the Board certifies these rates by November 1 in each even-numbered year. The rates shown below (percentages of payroll) were approved as recommended in the annual actuarial valuation report for the year ended December 31, 2021.

Employer Rates Member Rates Total Rates

State (Non Law/Non Public Service) 14.00% 10.00% 24.00%

Law Enforcement 18.10% 13.00% 31.10%

Public Safety 18.10% 12.00% 30.10%

* After a presentation of recommended Board Governance Policy Manual changes by OPERS General Counsel, Eric Harrell, the Board decided not to vote on the changes until the next Board meeting.
* Every five years, the Board must review the administrative rules regarding the OPERS Board of Trustees. The Board voted to approve no changes to the rules which include: Organization; Election of Board Members; and the Board Travel and Expense Reimbursement Policy.
* NEPC, the OPERS Board Investment advisor, presented the investment performance review for the second quarter of 2022. The Defined Benefit Fund, with a market value of $93.77 billion, was down 9.0% (net of fees) for the quarter, and down 7.4% over the past year. The Health Care 115 Fund, with a market value of $11.9 billion, was down 12.0% (net of fees) for the quarter and over the past year. Defined Contribution Fund assets fell from $2.50 billion at the beginning of the year to $2.08 billion at the end of the second quarter.
* NEPC provided the Board with education about private debt investments. “Private debt is a source of investment capital provided by institutions and high net worth individuals for the purposes of acquiring interests in companies and/or products.” The Board is considering whether to include private debt in the investment portfolio in future years.
* Gabriel, Roeder, Smith & Company (GRS), OPERS Actuarial consultant, provided Retiree Health Actuarial Valuation and Projection results as of December 31, 2021 to the Board. Assuming an annual investment return of 4%, the Health Care Fund will be solvent until 2051 unless another source of funding is found. Based on actuarial assumptions, “it will take 2% of payroll to fund the present retiree health plan beyond 2051.”
* OPERS’ staff provided a report of accomplishments and an update on initiatives from the Board strategic planning sessions.

Submitted by Darian Torrance