

Meeting Minutes:
Highland County Retired Teachers Association
11-1-2021

Opening:

The November 1, 2021, General Meeting of the HCRTA, was held at the Pricetown Church of Christ. The meeting was attended by 63 members and invited guests, including representation from Highland County as well as several surrounding counties.

President Faust called the meeting to order at 12:00 pm and opened with welcoming remarks, recitation of the "Pledge of Allegiance" and the singing of "God Bless America". Following an invocation, attendees enjoyed a tasty meal catered by Mike Alering's All Seasons Catering of Leesburg, Ohio.

Program:

Following the meal, President Faust introduced guest speaker Gary Russell, Deputy Director of Member Benefits for Ohio STRS. Mr. Russell explained his position at STRS and the reason that only one STRS executive was present. The STRS executives felt it was redundant to have the top three administrators all attending the same local ORTA meeting. He spoke to his qualifications to answer any of the member benefit and pension fund questions we might ask.

During his presentation Mr. Russell discussed each of the topics included in the STRS Ohio Update, November 2021 Report (a pamphlet of the bullet points was provided and will be available on the HCRTA web site under the meeting recap article). Mr. Russell's presentation covered:

- Fun facts about STRS members,
- The STRS's need to balance the key interests [motivating desires] of its 3 main stakeholder subgroups (Active Members, Retired Members, Employers),
- Fiscal performance,
 - Funded ratio: Pension fund is currently 80% funded; Healthcare Fund is currently 174% funded
 - Investment returns
 - Upcoming Studies and next steps for STRS, and
 - STRS Health Care Benefits changes and premiums for 2022
- Questions from the audience included:
 - Why STRS is choosing the investment mix it chooses (mix of bonds and international funds)
 - Questions regarding the upcoming special audit by the state auditor, the question of fraud, and questions as to the extent to which STRS will cooperate with the state auditor
 - Why is the COLA not reinstated?
 - Funding scorecard: Risks VS Liability of dropping below 50 or 100% funded ratio
 - 2017 was at 50% risk of dropping below 50% funded. STRS has made adjustments, but the COLA remains a funding liability
 - To put a COLA back in place it would cost about \$14 billion (over the life of the COLA); about \$1 billion cost for one year
 - What are the criteria for Investment team salaries and bonuses?
 - Base salary plus incentives, bonuses are based on the investors 1 and 5 year returns
 - Benchmarks were recently revisited, but only adjusted for future years, not for the current year
 - STRS is about \$100 million to the good by self-investing
 - In order to keep employees, investor compensation must keep up with the market
 - 111 people currently work in the investment department and about 85 of these are eligible for incentive pay
 - Questions regarding the Panda Project Investment
 - PANDA is part of the alternative investments fund and is an inherently higher risk, but it is only in these higher risk portfolios that STRS stands a chance of higher returns
 - Questions regarding the differences between PERS and STRS

- Primary difference is demographics
- Questions regarding the composition of the STRS Board
 - 11 board members
 - 2 elected by STRS members
- Questions regarding breach of contract for COLA commitment
 - No comment: lawsuit is pending

Business Meeting:

Reports:

Doris Pulse reported scholarship donations of \$270 mailed in and \$137 collected at the meeting. The Monkey Beans Giving Tree Project donations included \$285 mail-in and \$46 at the meeting. Thirty-nine (39) local dues were collected along with 13 ORTA dues. Doris also reported that one of the CD's has been moved into the checking account to cover recent and increasing operating costs.

Secretary Kevin Black noted that the October Newsletter was sent to about 400 STRS benefit recipients residing in Highland County in addition to the usual HCRTA members. He also suggested that future mailings be sent without envelopes or return envelopes. Members were in favor of this cost saving change. President Faust declared both the Treasurer's Report and the August Meeting Minutes approved.

The Necrology Report was given by Leone Bihl. The following individuals were remembered in the report:

- David F. Raike (Greenfield Exempted Village Schools)
- Maralyn Thompson of Hillsboro (elementary teacher and GED tutor)
- James Runk (Lynchburg Clay School)
- Larry Maynard (Wilmington High School and Greenfield McClain)
- Leo Haycook (Leesburg)
- Shelly Boggs (Hillsboro City Schools)

In other reports, Scholarship Chair, Mary Black, reported that all three 2021 scholarship recipients are currently carrying straight "A" grade averages. Joyce Baker, Highland County Historical Society Christmas Tree Chairperson, mentioned that the Christmas trees are decorated and will be on display at the Highland House until the week of Christmas. Pat Gall, Pre-Retirement Chairperson, reported that this year the pre-retirement meeting would be held as a Zoom Meeting on November 16th at 5:00 PM for those anticipating retirement within 3-5 years, and on November 18th at 5:00 PM for teachers planning to retire within 1 or 2 years.

New Business:

New business included a plea for officer volunteers and approval of the existing officers for one more year. (Following the meeting J.C. Bihl volunteered and was appointed to the position of Vice-President).

An increase of HCRTA dues from \$5.00 annually to \$10.00 annually (effective for memberships paid after January 1, 2022) was moved by Joyce Baker, seconded by Susan Parker, and approved unanimously.

The next executive meeting will be held at 9:30 am on January 3, 2022, at the Hillsboro Frisch's. The next HCRTA General Meeting will be February 7, 2022, at 11:00 AM.

Mr. Faust reminded members of the Lion's Club Candy Store located between the Times Gazette offices and the old firehouse in Hillsboro.

Following discussion of future meeting program topics and service projects the meeting was adjourned.