



**SERS Retirement Board
Compensation Committee
Meeting Agenda
Thursday, December 19, 2024
7:30 A.M**

To Join Zoom Meeting:

<https://ohsers.zoom.us/j/99636375770?pwd=9XUo9Jr7Vkc7Rrhq3HuLQOn6UaUMSm.1>

Meeting ID: 996 3637 5770 Password: 12345

To join by phone, dial: (301) 715-8592 and enter the meeting ID: **996 3637 5770** and password: **12345** when prompted.

1. Roll Call
2. Approval of **September 19, 2024**, Compensation Committee Meeting Minutes (R)
3. SERS Board Member Travel Handbook Considerations Discussion
4. Executive session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee (R)
5. Recess *(to reconvene after Technology Committee Meeting)*
6. CBIZ Compensation Presentation – **1:30pm**
7. Adjournment (R)

SCHOOL EMPLOYEES RETIREMENT SYSTEM

COMPENSATION COMMITTEE

December 19, 2024

_____ A.M.

Roll Call:

Daniel Wilson - Chair	_____
Jeffrey DeLeone	_____
James Haller	_____
Catherine Moss	_____
Aimee Russell	_____

Guests in Attendance:

APPROVAL OF MINUTES OF THE COMPENSATION COMMITTEE MEETING

_____ moved and _____ seconded the motion to approve the minutes of the Compensation Committee meeting held on September 19, 2024.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
Catherine Moss	_____	_____	_____
Aimee Russell	_____	_____	_____
Daniel Wilson	_____	_____	_____

School Employees Retirement System		COMPENSATION COMMITTEE MEETING MINUTES	
Preparer	Vatina Gray	Meeting Date:	September 19, 2024
Committee Chair	Daniel Wilson	Committee roll call was as follows: Present: James Haller, Catherine Moss, Aimee Russell, and Daniel Wilson. Absent: Jeffrey DeLeone. Also in Attendance: Lisa Reid, representative from the Ohio Attorney General's Office. Also in attendance was SERS Staff: Richard Stensrud, Joe Marotta, and Vatina Gray.	
Agenda	1. Roll Call 2. Approval of July 18, 2024 Compensation Committee Minutes (R) 3. Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee (R) 4. Adjournment		
Discussion	<p>The SERS Compensation Committee meeting began in open session at 7:30 a.m.</p> <p><u>ROLL CALL</u></p> <p>The SERS Compensation Committee roll call was as follows: James Haller, Catherine Moss, Aimee Russell, and Daniel Wilson. Absent: Jeffrey DeLeone.</p> <p><u>APPROVAL OF MINUTES</u></p> <p>James Haller moved and Aimee Russell seconded the motion to approve the minutes of the Compensation Committee meeting held on July 18, 2024. Upon roll call the vote was as follows: Yea: James Haller, Catherine Moss, Aimee Russell, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.</p> <p><u>EXECUTIVE SESION</u></p> <p>James Haller moved and Aimee Russell seconded the motion that the Committee convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee.</p> <p>The committee convened in executive session at 7:32 a.m.</p> <p>The committee returned to open session at 8:03 a.m.</p> <p><u>ADJOURNMENT</u></p> <p>Daniel Wilson moved to adjourn the meeting at 8:04 a.m.</p>		

	Action Items	Assigned Person	Due Date
Action Items	n/a	n/a	

Memo

To: SERS Compensation Committee
From: Richard Stensrud
CC: Karen Roggenkamp, Joe Marotta, Marni Hall
Date: December 11, 2024
Re: SERS Board Travel Discussion

As you know, SERS' Travel Handbook provides guidelines for travel-related expenses and reimbursement for both the Board and Staff. Given recent changes in travel industry practices, and the reference parameters used for measuring reimbursement, it would be advisable to consider whether any changes should be made to existing Travel Handbook provisions, and to assure that the provisions are clearly expressed so that travelers understand their application. With respect to provisions that apply to the Board, it is also advisable that those provisions be endorsed by the Board.

Accordingly, with those objectives in mind, the Board Chair has requested that the Compensation Committee review and consider Board-applicable provisions in the Travel Handbook and make recommendations for their potential endorsement by the Board. The attached table of potential Board-applicable travel provisions is being provided to assist the Compensation Committee in this exercise. The table identifies the travel expense topic; provides an explanation for the change under consideration and the reasons why; and notes how the provision will be applied to Staff travel. After the Committee determines whether and/or how those provisions should be applied to Board Member travel, we will return with proposed language reflecting that position for consideration by the full Board.

In assessing whether and how such provisions should be applied to Board Member travel, the Committee may want to consider the following principles:

- Consistent with fiduciary responsibilities, business travel should be undertaken in a cost-conscious manner.
- SERS should support addressing ongoing business needs, as well as Board Member education and training, through reasonable travel parameters and reasonable travel expense reimbursement.
- SERS should approach travel parameters and travel cost reimbursement in a transparent and accountable manner, with the goal of maintaining the trust and confidence of SERS' membership and stakeholders.

I hope this information is helpful.

SERS Review of our Travel Handbook

Travel Expense Topic	Description	SERS Staff	Board
Daily Meal Per Diem - partial travel days	Travel policy was revised to reimburse up to the daily GSA per diem for the city traveled. The GSA per diem is broken down by meal	For partial travel days, staff are reimbursed for the meals incurred while traveling, not to exceed the GSA limit for those meals	
Daily Meal Per Diem - meal provided at meeting or conference	Travel policy was revised to reimburse up to the daily GSA per diem for the city traveled. The GSA per diem is broken down by meal	Staff are reimbursed for the meals incurred while traveling, not to exceed the GSA limit for those meals. If a meal is provided at a conference, that meal is excluded from the daily GSA per diem	
Meals and Lodging for partial days	The travel handbook does not address travel limits for nearby work or conference events. For out of state events, the handbook allows for a travel day before and after the event.	SERS is considering adding clarity to the handbook that nearby (within Ohio) meetings/conferences that end mid day do not allow for overnight accommodations or additional meals following the end of the event.	
Airfare - extra fees	Airfare should seek the lowest price based on coach, main cabin, or economy class. The handbook does not clearly address extra fees to reserves seats or board early.	SERS is considering updating the handbook to allow for fees to reserve seats and board early to ensure the traveler the ability of finding open overhead bins.	
Airfare - timing of purchase	Currently, the handbook requires the purchase of a ticket between 21-60 days prior to the trip.	Research shows this practice does not guarantee the lowest price. SERS is considering updating the language to allow flexibility in the timing of the purchase	

Travel Expense Topic	Description	SERS Staff	Board
Airfare - time of flight	Currently, the travel handbook does not address adjusting the time of flight to lower costs	SERS is considering adding language that staff are expecting to be flexible in their travel times when significant savings could be achieved by modifying flight times by a few hours. However, staff are not expected to depart before 6 am or arrive later than midnight.	
Airport parking	SERS handbook recommends remote airport lots with main garage parking limited to a couple days.	SERS is considering revising the policy to limit the daily rate for coverage main garage . If staff prefer the covered parking, they can share in the cost.	
Airbnb or VRBO instead of hotel	SERS handbook does not address the use of Airbnb or VRBO for room rentals during business or conference travel	SERS is considering excluding these rentals as permissible options due to the risk of losing deposits during cancelation.	
In-State travel	The SERS handbook requires the use of a SERS fleet vehicle for in-state travel	SERS is considering revising the handbook to make the use of SERS fleet optional. The traveler would have the option to be reimbursed for mileage on a person vehicle.	
Phone calls	The SERS handbook allows for the reimbursement of a limit of personal phone calls a day	With the common use of mobile devices, this item is antiquated and no longer needed. SERS is considering the removal of this expense item from the handbook	
Phone calls - International	While international travel is rare, the handbook is silent as to what is reimbursed for international phone calls	SERS is considering adding that daily international plans are reimbursable. Many plans charge \$10 per day for international use.	

Travel Expense Topic	Description	SERS Staff	Board
Tipping	The SERS handbook limits meal tipping to 20% and taxi tipping to 15%.	SERS is considering making all tips 20% for ease of administration. Having two tip limits is confusing to the traveler	

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Compensation Committee convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee.

Upon roll call, the vote was as follows:

ROLL CALL

	YEA	NAY	ABSTAIN
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
Catherine Moss	_____	_____	_____
Aimee Russell	_____	_____	_____
Daniel Wilson	_____	_____	_____

CONVENE IN EXECUTIVE SESSION AT _____ A.M./P.M.

RETURN TO OPEN SESSION AT _____ A.M. / P.M.

RECESS TO
RECONVENE AT
1:30P.M.
AFTER THE
TECHNOLOGY
COMMITTEE
MEETING

Memo

To: Retirement Board
From: Richard Stensrud
CC: Karen Roggenkamp, Joe Marotta, Michelle Miller
Marni Hall
Date: December 11, 2024
Re: CBIZ Compensation Committee Presentation

You will recall that as part of our compensation engagement with CBIZ, they provide us with annual recommendations for salary structure and salary budget adjustments. As described below, both matters are addressed annually in the normal course of business and are important for maintaining the compensation structure and objectives established in the compensation study. Similar to what was done last year, CBIZ will provide preliminary information on these topics to the Compensation Committee at the December meeting and will present an official recommendation, with updated information, to the full Board in February.

The salary structure (i.e., the salary ranges for all employees) is annually reviewed and adjusted based on the changes to the labor market salary data for the markets against which SERS' positions are benchmarked (public sector or private sector, depending on the position). This is important because it helps assure that SERS' salary ranges remain aligned with the salaries for comparable positions, and in so doing, helps assure that the salary ranges allow SERS to attract and retain the quality of employees that will enable SERS to continue to be successful at our mission. The annual adjustment also reduces the potential for having to make larger adjustments when market-competitive pay is assessed every three to five years in the full compensation study.

A few things to note about the salary structure adjustment:

- The salary range adjustment is the same for all positions.
- Changes to salary ranges does not mean that employees receive a salary increase in the amount of the change – it is simply the salary range that is changed.

Adjusting the salary budget annually to match market trends for annual salary growth is important and a best practice because it assures that wages remain competitive in the relevant markets and that larger salary increases are not required when the next compensation study is performed. As you will recall, annual merit increases are the primary source of salary growth for most SERS employees. Salary growth can also come via a promotion; be based on expanded job duties; for an equity adjustment to keep the employee appropriately placed in her/his salary range; or because the employee is below the minimum of her/his salary range. SERS employees do not receive automatic step increases or cost of living adjustments.

Please note that the CBIZ recommendations will be based on objective market data but ultimately the salary structure and salary budget adjustments will be determined by the Board.

Joe Rice of CBIZ will present the attached information on these topics in a Compensation Committee session Thursday afternoon, following completion of the regular Board Meeting and the Technology Committee meeting. The session is expected to start at approximately 1:30 pm.



Annual Compensation Guidance

School Employees Retirement System of Ohio



Agenda

Labor market trends

CBIZ survey results

Salary planning guidance

HR Metrics

Next Steps

Answer your questions

Labor Market Trends



Highlights

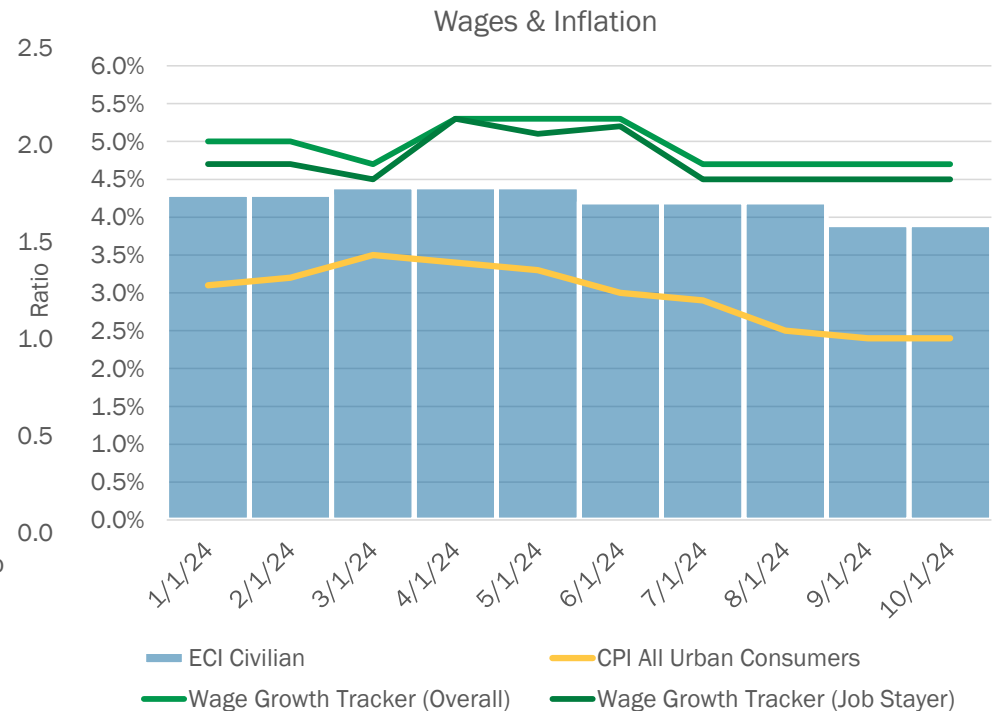
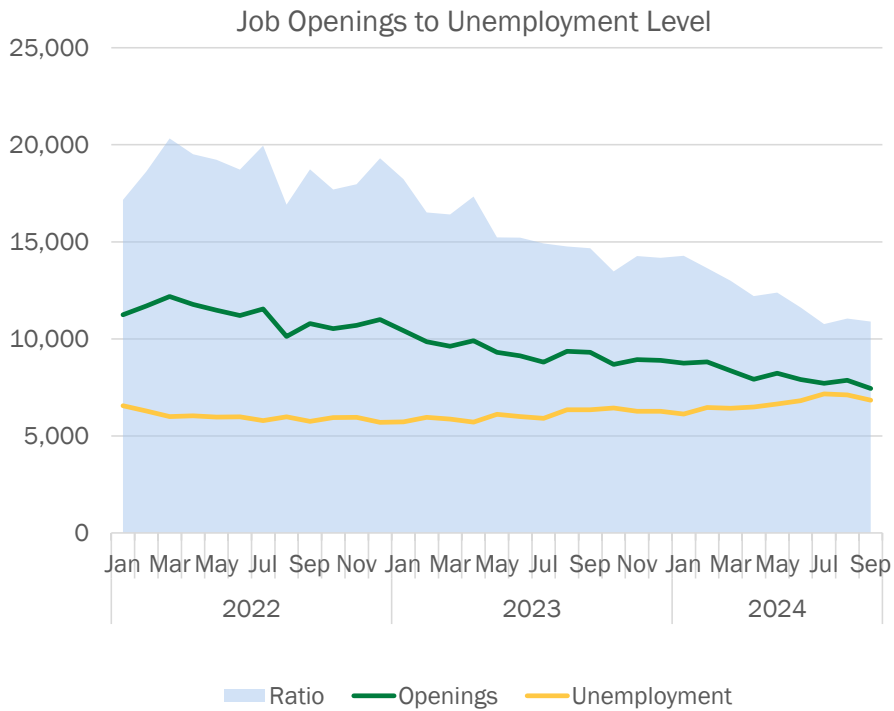
Seeing a multiyear cooling of wage growth, still historically high

Labor market dynamics point to continued cooling

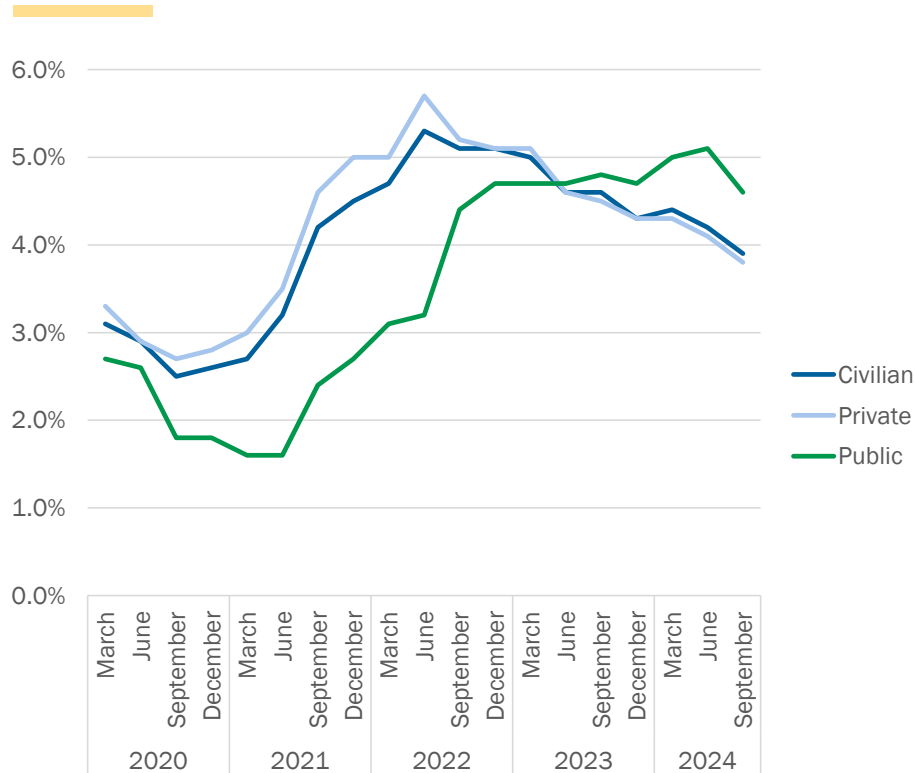
Public sector wage growth continue to surpass private

Columbus market continues to see development, employer growth, and job gains

Openings & Wages



Employment Cost Index Detail



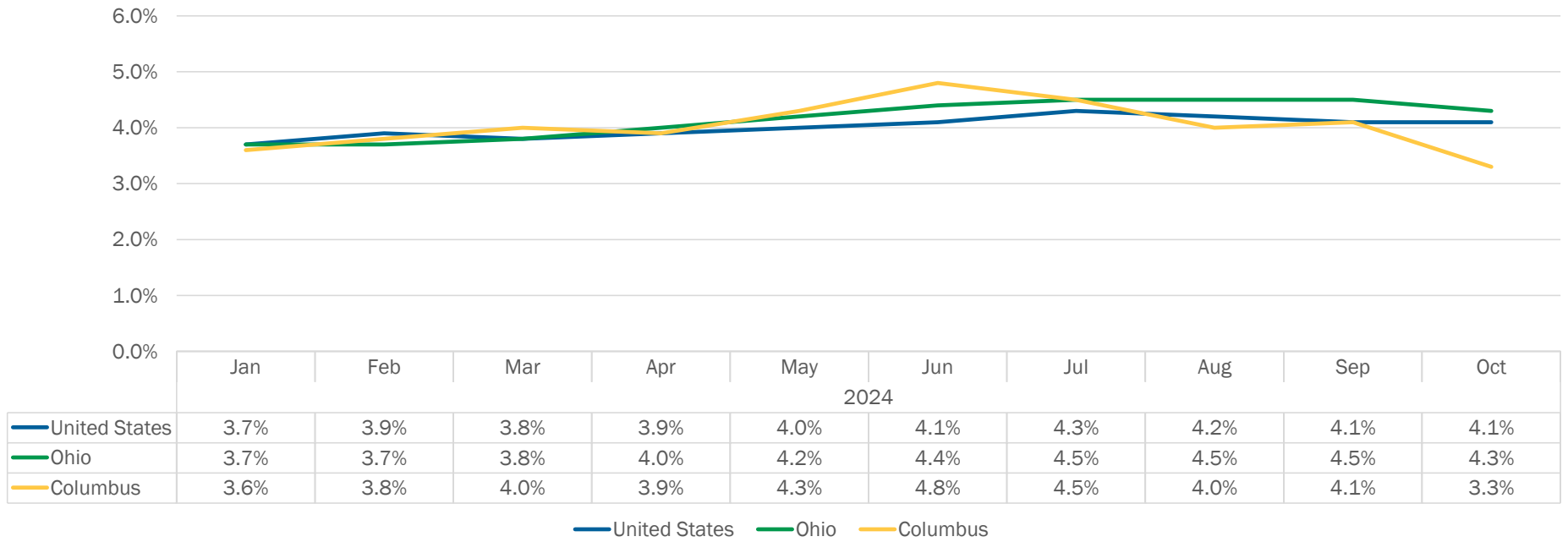
The public sector was late in responding to wage pressures

Public sector has been growing wages faster than the private sector for over a year

Unemployment



Unemployment Rate



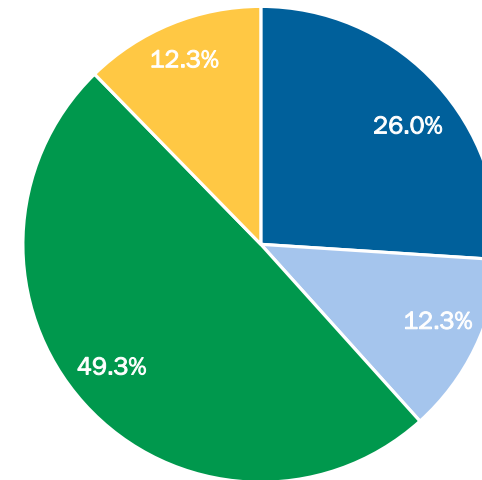
CBIZ Survey Results

Recruitment & Retention Trends



Almost half of respondents (49.3%) indicated they are having no problems attracting and recruiting skilled staff, up from 38% of respondents to NCPERS 2023 Public Pension Compensation Survey.

Ability to Attract and Retain Skilled Staff

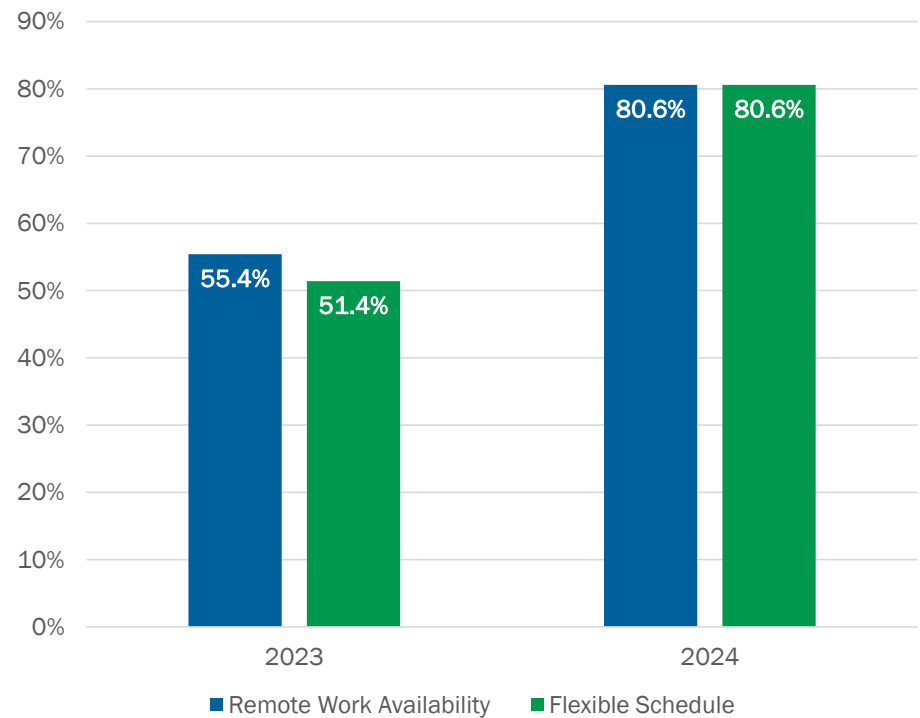


- Starting to Become a Problem
- Significant Problem
- No Problem
- Expect to Become a Problem Soon

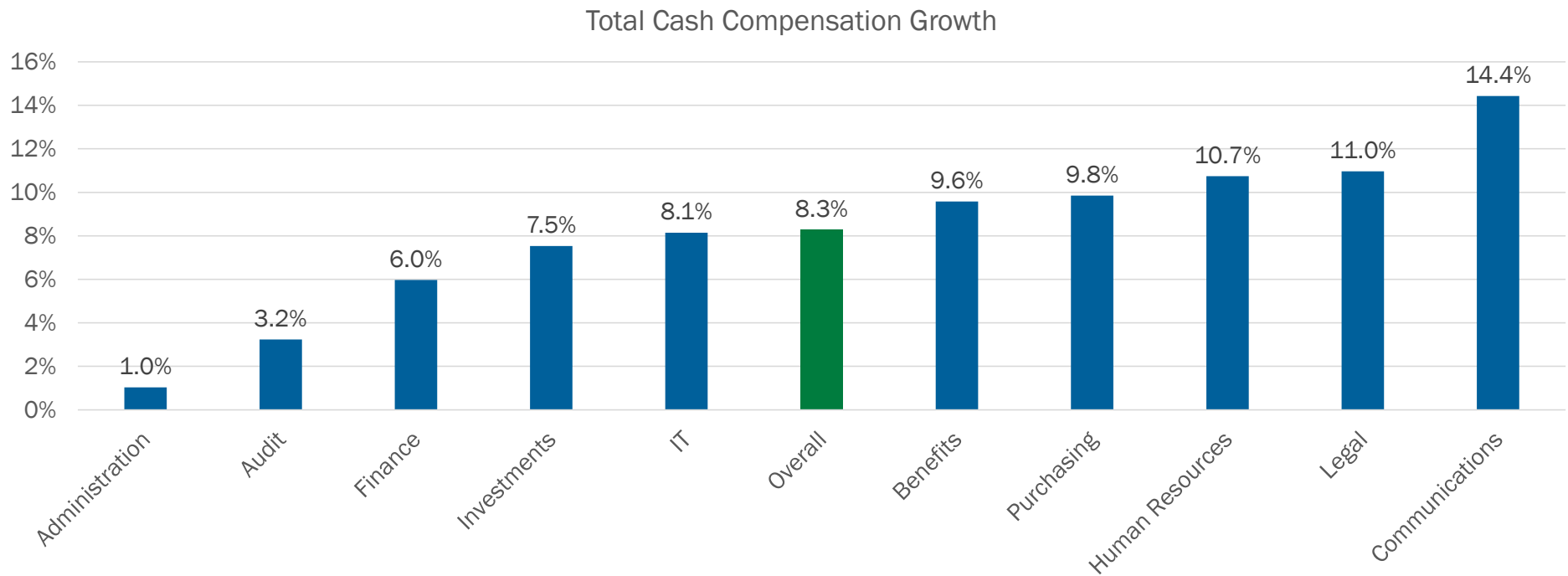
Flexible & Remote Work Trends



Remote work and flexible schedules increases over previous year
Median # of in-office days: 3

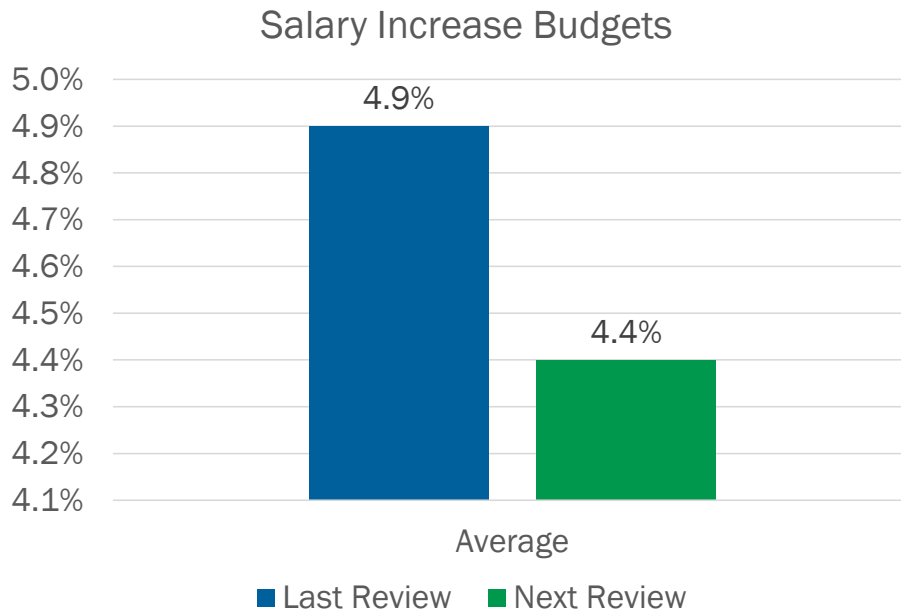


Compensation Growth by Function



Salary Increase Trends

SALARY INCREASE BUDGET - AVERAGE



NOTES

Ohio System Peers 2025 projections

- OPERS – 4.5% merit budget
- OP&F – TBD

SERS

- 2023
 - 4.5% merit increase
 - 5.7% overall salary (adjustments, promotions, and an additional FTE)
- 2024
 - 4.0% merit budget
 - 5.2% overall salary (adjustments, promotions, and an additional FTE)

Salary Planning Guidance



CBIZ 2024 Guidance

3.2% Structure Update

- Adjusts range minimums and maximums
- Tied to ECI and Salary Budget Survey
- Broad Measure of Wage movement

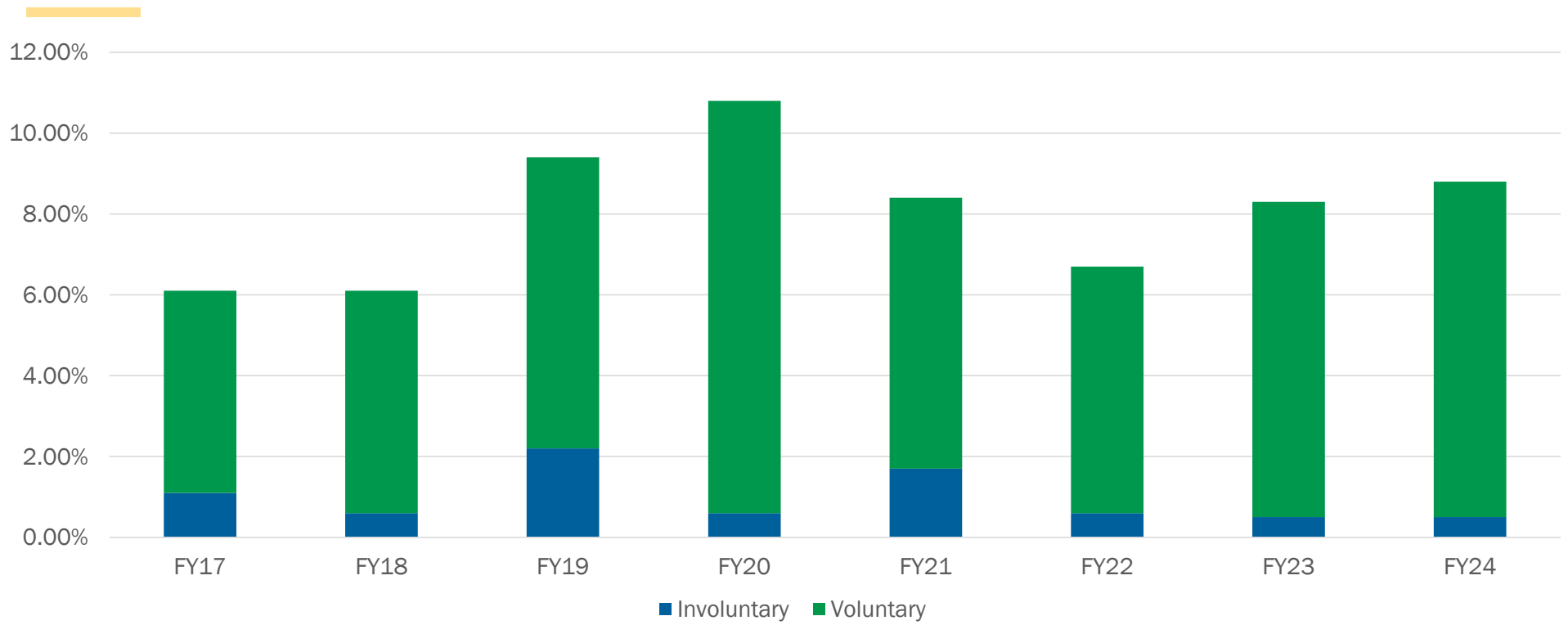
4.6% Salary Increase Budget

- Establishes the salary increase pool
- Advances employee through internal/market range
- Avoid/alleviate pay compression
- Based on typical update-increase spreads

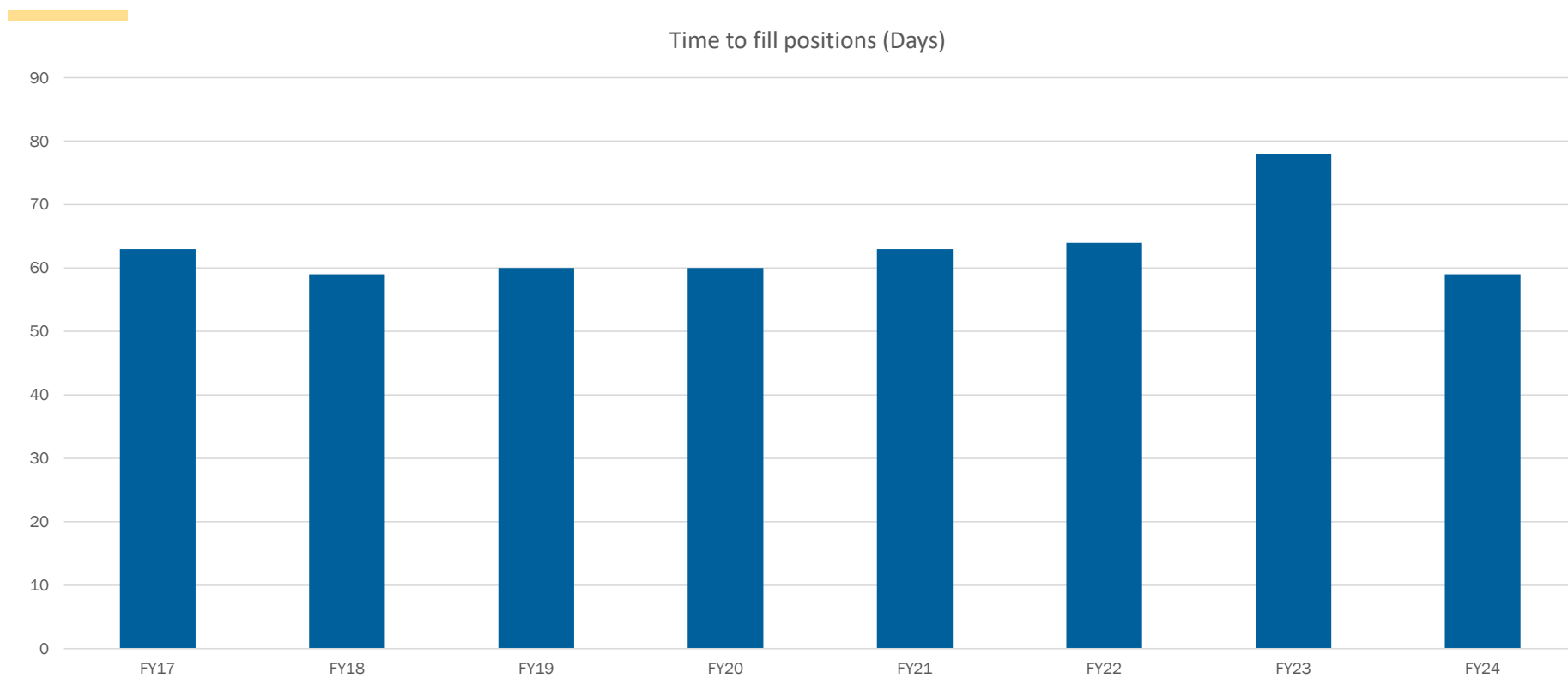
HR Metrics



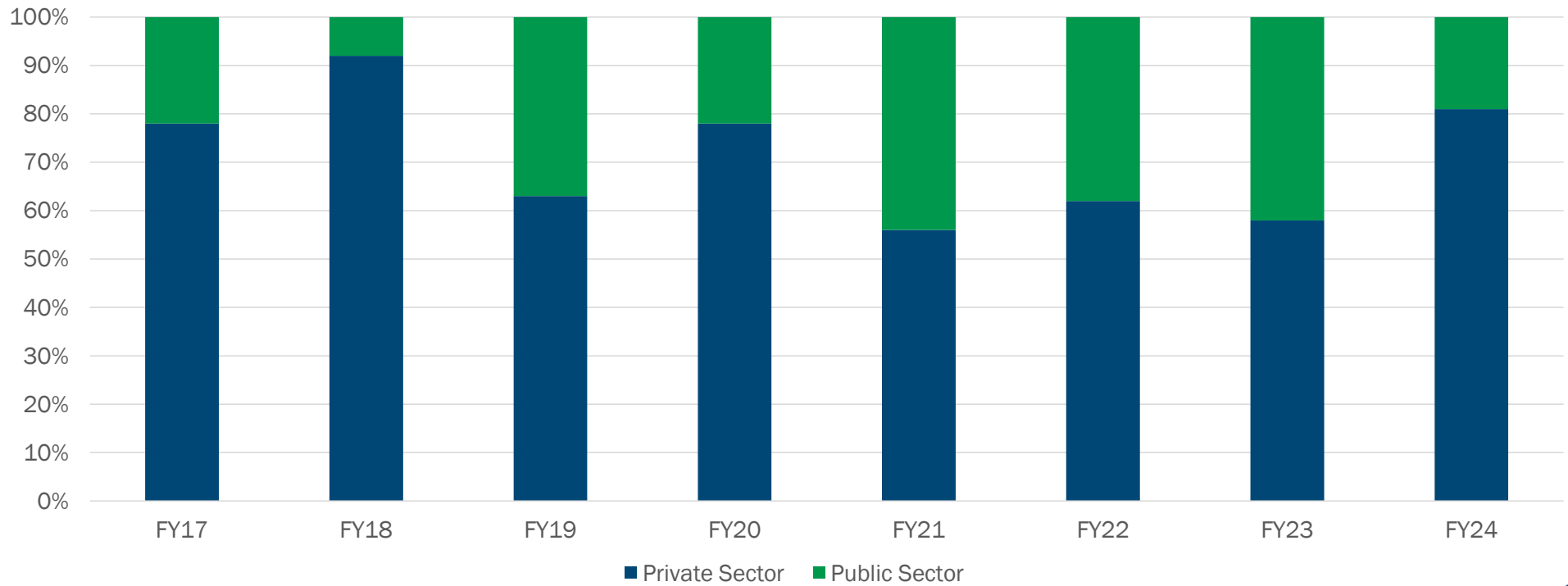
Turnover



Time to Fill Positions (Days)



Employee Sourcing



Next Steps

Revisit salary planning recommendations in person at February Board Meeting



QUESTIONS?

Joe Rice

Managing Director, Compensation Consulting

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ADJOURNMENT

_____ moved that the Compensation Committee adjourn to meet on _____
or the next compensation committee meeting.

The meeting adjourned at _____ a.m.

Daniel Wilson, Compensation Committee Chair