

**Ohio Retirement Study Council  
30 East Broad Street, 2<sup>nd</sup> Floor  
Columbus, Ohio 43215**

**Minutes  
December 15, 2022**

The meeting was called to order by Chairman Plummer at approximately 10:00 a.m. in Room 121, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

**Voting members**

Adam Bird  
Hearcel Craig  
Mary Lightbody  
Lora Miller  
Ed Montgomery  
Phil Plummer, Chair  
Dr. Anthony Podojil

**Non-voting members**

Tony Bradshaw, HPRS  
Marla Bump, STRS  
Karen Carraher, PERS  
Charles Carter, Attorney General  
Chris Collins, SERS  
Mary Beth Foley, OP&F  
Carl Roark, HPRS

**Absent**

Jay Hottinger, excused  
Kirk Schuring, Vice Chair, excused

**Staff**

Jeff Bernard  
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:00 a.m.

Chairman Plummer moved to the September 8, 2022, ORSC minutes. Without objection, the minutes were approved.

Chairman Plummer asked Sen. Craig to review the recommendation from the Subcommittee to Establish an RFP & Review Responses to the RFP for HPRS Fiduciary Audit. Chair Plummer recognized Sen Craig to review the RFP. Sen. Craig stated that the subcommittee unanimously recommended Funston Advisory Services for the HPRS 10-Year Fiduciary Audit. Sen. Craig moved that Funston Advisory Services be contracted with to complete the audit at a cost of \$390,400, seconded by Chairman Plummer. A roll call vote was taken and the motion was approved 7-0.

Chairman Plummer moved to the HPRS 10-Year Actuarial Audit. William Fornia presented the actuarial audit, noting in particular that while PTA/KMS matched the numbers, they had two significant concerns on the COLA assumption and mortality assumption being used by the HPRS consulting actuary, Foster & Foster. Mr. Fornia expressed his concerns on the COLA and mortality assumptions, explaining that these may not be reasonable assumptions and that including a more accurate COLA assumption above 0% and an improving mortality assumption would result in HPRS being over 30 years.

Representative Lightbody mentioned that the mRNA vaccine may be able to effect six different types of cancer. Chairman Plummer asked Director Roark if he had any comments. Director Roark mentioned that there was a response from Foster & Foster on the actuarial assumptions and that they were in line with actuarial standards. He also detailed the HPRS funding policy regarding the difficult annual choice on member contributions and COLA grants. He said that HPRS will be doing a 5-Year Experience Study in light of the audit, which is earlier than anticipated, to fully investigate the issues raised by the audit.

*Director Roark left the meeting at 10:35 a.m.; Tony Bradshaw commenced representing HPRS.*

Chairman Plummer moved to the 2021 OP&F Annual Adequacy Report. William Fornia presented the 2021 OP&F Annual Adequacy Report. He mentioned that a draft report is available for 2022 and he looks forward to discussing that report with OP&F and the ORSC. Mr. Fornia reviewed the 2021 report.

Director Foley asked if the issues in the draft report were a modest difference of opinion. Mr. Fornia said no, it is not modest, but it was in the draft report for discussion. He noted that he expected the OP&F actuary would have a response when they read the report. Dr. Podojil asked the proportion of fire members to police members. Director Foley stated that it was approximately 56% police.

Mr. Montgomery asked if the next report will have more updated information. Mr. Fornia explained the lag of the reports and so they often have projections on where OP&F will be for next year's actuarial report. He said that the report would be presented once the outstanding issues are resolved. Mr. Montgomery asked that the concern is related to the OP&F health care? Mr. Fornia said no, it is related to the OPERS OPEB calculation having a volatile range and the OP&F actuary assuming the current year's low figure will continue into the future, but that he was not prepared to discuss and wanted the OP&F actuary to have an opportunity to review the draft report. Mr. Montgomery asked if that was an immaterial difference and Mr. Fornia said that, no, it could be quite large and could result in OP&F being over 30 years. There were no further questions.

Chairman Plummer moved to the OPERS Iran/Sudan Divestment Report. Director Carraher reviewed the report. There were no questions.

Chairman Plummer moved to the STRS Iran/Sudan Report. Marla Bump, STRS Government Relations, reviewed the report. There were no questions.

Chairman Plummer moved to the OP&F Iran/Sudan Report. Director Foley commented on looking forward to reviewing the annual adequacy report and reviewed the Iran/Sudan Report.

Chairman Plummer moved to the SERS Iran/Sudan Report. Chris Collins, SERS Government Relations, reviewed the report. There were no questions.

Chairman Plummer moved the HPRS Iran/Sudan Report. Tony Bradshaw, HPRS Operations Officer, reviewed the report. There were no questions.

Chairman Plummer moved the OPERS FY2023 Operating Budget. Director Carraher presented the budget, noting a 4% merit pool increase based on performance reviews and an increase in IT services. Representative Lightbody asked about the staff reductions and that the Director mentioned that they would be hiring some outside vendors for IT services. She asked if it would be more efficient to hire internally. Director Carraher noted that the external services are for an IT language that is not used internally and, in this case, it was more effective to have outside support. There were no further questions.

Chairman Plummer moved to the OP&F FY2023 Operating Budget. Director Foley presented the budget, noting the expense related to adoption of a new benefits IT system and a 6%-8% budgeted salary increase related to a recommendation from outside consultant. There were no questions.

Chairman Plummer moved the HPRS FY2023 Operating Budget. Tony Bradshaw presented the budget, noting particularly staff and salary changes and expected costs of the fiduciary audit. There were not questions.

Chairman Plummer moved to the OPERS 2021 Actuarial Valuation. Director Carraher presented the report, noting that the amortization period was at 16 years, but that all employer contributions are going to fund pension benefits noting that eventually OPERS will be looking to provide more support to the health care benefits. She noted that there are investment gains that will be smoothed in over the next few years and that the markets this year have been poor at about (-10%) and those resulted will be smoothed in as well. There were no questions.

Chairman Plummer moved to the OP&F 2021 Actuarial Valuation. Director Foley presented the report, noting that the report has an amortization period below 30 years. Director Foley noted that the disparity of employer contribution rates continues as highlighted in the adequacy report. She noted the poor returns and the pursuit of HB 512. There were no questions.

Chairman Plummer moved to the HPRS 2021 Actuarial Valuation. Tony Bradshaw reviewed the report. There were no questions.

Chairman Plummer moved to the 2017-2021 OP&F Experience Review.

*Representative Bird left at 11:14 a.m.*

Director Foley reviewed the 5-Year Experience Review, noting the decrease in the assumed rate of return to 7.5%. There were no questions.

*Representative Bird returned at 11:18 a.m.*

Chairman Plummer moved to the STRS FY2022 Disability Report. Marla Bump reviewed the report. Dr. Podojil asked about the "in process" number for disability applicants at 73. Ms. Bump said that the 73 is the number of in process applications at the end of the fiscal year. Dr. Podojil noted that he was looking at that number due to the stress of the working environment and that it was a positive sign that this was lower this year. There were no other questions. Ms. Bump expressed her gratitude to the Chairman for the work of the ORSC over the past year.

Chairman Plummer moved to the SERS FY2022 Disability Report. Chris Collins reviewed the report. There were no questions.

Representative Lightbody asked about the vacant staff position. Director Rhodes said there had been some challenges regarding hiring, but that the new staff member should be starting in the next few weeks.

The Chairman said that the next meeting is scheduled for January 12, 2023, or at the call of the Chair.

The meeting adjourned at approximately 11:22 a.m.

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Date Approved

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Phil Plummer, Chair

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Bethany Rhodes, Secretary

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Kirk Schuring, Vice Chair