

**Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, Ohio 43215**

**Minutes
September 20, 2018**

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

The following members attended the meeting:

Voting members

Edna Brown
Rick Carfagna
Lora Miller
Christopher Potts
Dan Ramos
Kirk Schuring, Chair
Steve Wilson, Vice-Chair

Non-voting members

Mark Atkeson
Karen Carraher
Scott Miller
Marla Bump
Laurel Johnson
Kari Hertel

Absent

Jay Hottinger, Excused
Angel Mumma, Excused

Staff

Bethany Rhodes
Ali Yogmour

With a quorum present, Chairman Schuring moved that the minutes of the previous meeting be approved. The minutes were approved without objection.

Chairman Schuring asked Ms. Yogmour to review the ORSC staff recommendation for House Bill 572 (PERS Service Credit). Ms. Yogmour gave the report and stated that ORSC staff recommend House Bill 572 for approval by the Council.

Senator Brown arrived at 10:03 a.m.

Vice-Chair Wilson moved to accept the staff recommendation for House Bill 572. Representative Ramos seconded the motion. The Council voted on the motion. A roll call vote was taken, and the motion passed 7-0.

Chairman Schuring asked Director Rhodes to give an overview of the OP&F Annual Adequacy Report Recommendation. Director Rhodes highlighted the impartial review of the disparate employer rates between police and fire in OP&F that are contained within

the OP&F Annual Adequacy Report. For this reason, Director Rhodes stated that ORSC staff recommend maintaining the statutory requirement to annually study the adequacy report. Vice-Chair Wilson moved to accept the recommendation. Representative Ramos seconded the motion. The Council voted on the motion. A roll call vote was taken, and the motion passed 7-0.

Chairman Schuring asked Mr. Scott Miller, OP&F Deputy Executive Director, to review the OP&F 2019 Budget. Mr. Miller gave a review of the proposed Administrative Operating, and 2019-2021 Capital Budgets for OP&F. Mr. Miller noted fiduciary and traditional audit increases for 2019. He also highlighted three upcoming trustee elections but noted that the budget increase for those elections would not be necessary if elections happened to be unopposed.

Ms. Hertel arrived at 10:08 a.m.

Mr. Miller further noted that some 2018 capital budget projects were moved to 2019, investment expenses had been consistent through the years, and changes for board member education and travel.

Chairman Schuring asked PERS Director Carraher to give an overview of the PERS Actuarial Valuation. Director Carraher first noted that PERS was actuarially and financially sound. She explained that all contributions are now going to the pension fund and none is currently being put into the healthcare fund. She noted active member increases and total salary increases. Director Carraher said that the board has been conducting meetings on the assumed rate of return and that their actuaries are recommending 6.5% to 7.2% as well as a decrease in assumptions for the healthcare fund from 6.5% to 6%.

Chairman Schuring asked HPRS Director Atkeson to review the HPRS Actuarial Valuation. Director Atkeson highlighted the plan changes as a result of House Bill 362. He also noted that healthcare solvency had been extended but that the board will continue to look at changes that need to be made to the healthcare program.

Vice-Chairman Wilson asked Director Atkeson what the funding ration was compared to last year. Director Atkeson responded that with assumption changes to the actuarial rate of return, HPRS had gone 66.9% to 67.2% in 2017.

Chairman Schuring asked Director Carraher to review the PERS Health Care Report. Director Carraher gave an overview of the report and noted that PERS was currently offering health care to over 200,000 participants. She said that the conversion for some to the health reimbursement arrangement (HRA) has been successful and the average HRA balance was about \$3,000. Director Carraher noted that in 2017, 1% of contributions was going towards the health care fund but that 0% of contributions were going towards the fund in 2018 so the fund is currently relying on investment returns. She also mentioned that PERS would begin looking at health care again and traveling the state to talk to members and consider future changes to the health care plan.

Chairman Schuring asked Mr. Scott Miller to review the OP&F Health Care Report. Mr. Miller gave an overview of the report and highlighted the transition to the new retiree healthcare plan scheduled to be implemented in 2019. He noted that a monthly stipend will be provide to eligible members. Mr. Miller also mentioned that there were ongoing sessions across the state and upcoming webinars available for healthcare participants. He noted that the solvency for the health care fund was at nine years prior to the change and it will now be 15 years.

Chairman Schuring asked Director Atkeson to provide the HPRS Health Care Report. Director Atkeson gave an overview of the health care report, noting the 2300 eligible retirees that are provided healthcare through HPRS. He highlighted the increased premiums and that there would be no reimbursement for Medicare B. He said the recent changes would extend the solvency to 2029. He noted that the board is continually monitoring the health care fund.

Chairman Schuring asked Director Carraher to give an overview of the PERS Travel Policy changes. Director Carraher gave an overview of the changes, which included the process for seeking mileage reimbursement, traveling from alternative cities, and the expense report submission requirement changes.

Chairman Schuring asked ORSC staff to provide the Rules report.

Ms. Yogmour said that the rule was in compliance with the Revised Code, and he had no other comments.

Chairman Schuring announced that the next meeting would be October 11, 2018, at 10:00 a.m. or at the call of the Chairman.

The meeting adjourned at approximately 10:27 a.m.

Date Approved

Kirk Schuring, Chair

Bethany Rhodes, Secretary

Steve Wilson, Vice Chair