

**Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, Ohio 43215**

**Minutes
December 11, 2025**

The meeting was called to order by Chairman Bird at approximately 10:00 a.m. in Room 116, the Ohio Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting Members

Adam Bird, Chairman
Willis Blackshear
Lora Miller
Phil Plummer
Anthony Podojil
Gary Scherer

Non-voting Members

Marla Bump, STRS
Karen Carraher, PERS
Jacob Erwin, Attorney General
Mary Beth Foley, OP&F
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Bill Blessing, Unexcused
Sean Brennan, Excused
Mark Romanchuk, Vice Chairman, Excused

Staff

Jeff Bernard
Ryan Hennigan
Bethany Rhodes

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

Chairman Bird moved to the November 13, 2025, ORSC meeting minutes. Without objection, the minutes were approved.

Chairman Bird moved to the 2024 OP&F Actuarial Valuation. Director Foley presented the valuation along with the 2024 OP&F Health Care Solvency Valuation. After the presentation, Chairman Bird asked if the average retirement age was trending upward or downward. Director Foley replied that it has trended upward for a while but has leveled off to 54.2 for police officers and 55 for firefighters. There were no further questions.

Chairman Bird moved to the OP&F Annual Adequacy of Contribution Rates Report. Linda Bournival, from PTA/KMS/Bolton, presented the report. After the presentation, Representative Plummer asked how the increase in police officers and firefighters will impact OP&F. Ms. Bournival replied that an increase in employees increases employee

and employer contributions from payroll, and that is an important and helpful thing. She added that payroll growth in 2024 contributed to the success of the system.

Mr. Scherer asked when OP&F could change their assumed rate of return (ARR). Ms. Bournival replied that the January 2027 valuation would incorporate any recommended experience study changes, and that the experience study would be done in 2026.

Director Foley stated that the next actuarial study is 2027, but the OP&F Board closely monitors the ARR. She added that the recent RVK Investment Performance Report stated that OP&F exceeded their ARR in the 1, 3, 5, and 10-year period.

Mr. Scherer asked how OP&F's amortization period would be affected if their market returns were not actuarially smoothed. Ms. Bournival replied that the market value of assets (MVA) as of January 2025 is lower than the actuarial value of assets (AVA), so OP&F would not meet the 30-year statutory requirement. She added that historical results are part of setting the ARR, but future projections are also incorporated into assumptions.

Chairman Bird asked what the declining line on page six of the presentation represents. Ms. Bournival replied that the line represents a consistently declining amortization period year-over-year, like a typical mortgage. Chairman Bird asked if the line reflects what is typical in other state pension systems across the nation. Ms. Bournival replied that many other states have variable contribution rates that fluctuate each year so that amortization periods decrease year-over-year. In other states with fixed rates like Ohio, the amortization period moves instead of the contribution rate. Chairman Bird asked what the average ARR is across the country. Ms. Bournival replied that the average is 6.91%, but that there has been some discussion for those with rates below 7% to raise their ARR to 7%. Chairman Bird asked how an ARR of 7% would affect OP&F's amortization period. Ms. Bournival replied that it would adversely affect the amortization period. She added that a 100 basis-point (bps) swing affects liabilities by about 10-11%. Chairman Bird asked how much OP&F's amortization would increase. Ms. Bournival replied that she would have to follow up at a later time.

Dr. Podojil asked if there is a reconciliation between PTA/KMS/Bolton's 2026 projections and Cavanaugh Macdonald's 2026 projections. Ms. Bournival replied that when calculating their assumptions, they do not consider demographic changes, but rather they use their calculations and extrapolate the liability into the future. She added that they look at their predictions from last year and try to determine why they were off and where they were correct in order to make an assumption for the next year. Dr. Podojil asked to confirm that demographic changes are not being used to make future projections. Ms. Bournival replied that that was correct. She added that things like the

increase in payroll from last year would not have been included, but that typical factors like market return are included.

Director Foley stated that OP&F's estimated return for 2025 as of November 28th was 16.52%. She added that returns are expected to be well above 7.5% at the end of December.

Mr. Scherer asked how common the 30-year amortization period requirement is across the country. Ms. Bournival replied that fixed rate plans exist, but they are not the most popular model. She added that in non-fixed rate plans, the funding period is known, and the contributions are calculated to meet it, putting more risk on the employers. Mr. Scherer asked if in non-fixed rate systems, any of the liability in reducing the amortization period is shared between employers and employees. Ms. Bournival replied that there are some systems that have gainsharing, meaning when assets do well an additional cost-of-living adjustment (COLA) may be provided or employer rates may come down, but in bad experiences, the contribution rates increase. She added that in traditional defined benefit programs, all of the gains and losses get rolled into the employer contributions. Mr. Scherer asked if it was correct that there were not any non-fixed rate plans that have liability sharing between employers and employees. Ms. Bournival replied that the plans can modify their funding policy to allow gains and losses to be amortized over differing periods. She added that employers want to mitigate the volatility in contribution rates in non-fixed rate plans and that actuarial smoothing is part of that goal.

Chairman Bird asked if there was an average amortization period required by law across the country. Ms. Bournival replied that 30 years is common and started with the Governmental Accounting Standards Board (GASB). She added that rolling and closed amortization periods differ among systems, but in rolling amortization periods, the unfunded liability never gets paid off. Chairman Bird asked how OP&F's average return for the last 5-10 years affects their amortization period. Ms. Bournival replied that those returns roll into OP&F's market value, but currently, the MVA is still lower than the AVA because the losses in 2022 are still being smoothed into the returns. She added that there have been two years of gains since 2022, but those gains have to be treated the same as losses in terms of actuarial smoothing.

Director Foley commented that the gains OP&F has experienced recently must also be smoothed. She added that to Mr. Scherer's last line of questioning, she would recommend House Bill 280 and its companion Senate bill, which allows actuarial funding for OP&F along with a collar to mitigate liability for employers. She noted that roughly 70% of plans use some sort of actuarial funding, and OP&F is the only Ohio system that is required to have an annual adequacy of contribution rates report because they have disparate rates between police officers and firefighters. She stated that the

issue of disparate rates has been compounded over 40 years, and OP&F has more ground to make up.

Chairman Bird moved to the 2025 ORSC Staff Activities Report. Mr. Bernard presented the report. There was no discussion.

Chairman Bird asked if there was any old or new business to be brought before the Council. Dr. Podojil took a moment of personal privilege to recognize Greg Nickell from STRS for his service and responsiveness to constituent needs to congratulate him on his upcoming retirement.

Chairman Bird thanked Mr. Nickell for his service.

Ms. Bump thanked Mr. Nickell for his service and thanked the ORSC for taking the time to recognize him.

Chairman Bird wished Ms. Miller a happy birthday.

Chairman Bird stated that the next ORSC meeting was scheduled for Thursday, January 8, 2026, subject to the call of the Chair.

The meeting adjourned at approximately 10:35 a.m.

Date Approved

Adam Bird, Chair

Bethany Rhodes, Secretary

Mark Romanchuk, Vice-Chairman