

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

**Minutes
January 13, 2022**

The meeting was called to order by Chairman Carfagna at approximately 10:01 a.m. in Room 313, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting members

Rick Carfagna, Chair
Hearcel Craig
Brigid Kelly
Phil Plummer
Dr. Anthony Podojil

Non-voting members

Karen Carraher, PERS
Charles Carter, Attorney General
Chris Collins, SERS
Mary Beth Foley, OP&F
William Neville, STRS
Carl Roark, HPRS

Absent

Jay Hottinger, Excused
Lora Miller, Excused
Kirk Schuring, Vice Chair, Excused

Staff

Jeff Bernard
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:01 a.m.

Chairman Carfagna moved to the minutes of the October 14, 2021, ORSC meeting. Without objection the minutes were approved.

Chairman Carfagna moved to the 2021 ORSC Health Care Memorandum of Understanding (MOU). The Chairman reviewed the purpose of the MOU and asked if there were any questions. There were no questions. Senator Craig moved to approve the 2021 ORSC MOU and the motion was seconded by Chairman Carfagna. A roll call vote was taken and the motion was approved 5-0.

Chairman Carfagna moved to the ORSC Audit. Director Rhodes discussed the audit and the Director's response. There were no questions.

Chairman Carfagna moved to the PERS and HPRS FY2022 budgets. The Chairman reminded the members that the ORSC does not vote on the budgets and cannot change or amend the budgets of the retirement system, though the ORSC does review and provide oversight of those budgets. Jenny Starr, PERS CFO, reviewed the PERS budget. Chairman Carfagna noted the staff attrition through the use of technology and asked about the 3% merit increase. Director Carraher noted that it was not an across the board pay increase and was instead a merit based increase that averaged to 3%. There were no further questions.

Chairman Carfagna moved to the FY2022 HPRS budget. Director Roark reviewed the budget. There were no questions.

Chairman Carfagna moved to the PERS 2016-2020 5-Year Experience Study. Director Carraher reviewed the 5-Year Experience Study. Chairman Carfagna asked about the fact that COVID-19 experiences were largely excluded from the study; he asked how these facts will be incorporated into PERS planning. Director Carraher remarked that those changes are looked at in every valuation to note trends, and if they began to see COVID-19 related trends, they would be included in their assumptions and planning. There were no further questions.

Chairman Carfagna moved to the OP&F 2020 Actuarial Valuation.

Representative Kelly left at 10:25 am.

Director Foley reviewed the 2020 Valuation. There were no questions.

Chairman Carfagna moved to the STRS Performance Bases Incentive (PBI) update.

Representative Kelly returned at 10:28 am.

Director Neville reviewed the STRS PBI program and update to the policy. Chairman Carfagna asked about the carried interest changes and asked if that was a new part of the PBI program. Director Neville noted that this was new language in the policy itself but it was not a change to the actual program—those expenses had always been included in determining any incentives.

Representative Kelly asked about the PBI and the COLA suspension and the fact that PBIs were provided and COLA were not; what would STRS's response to that be? Director Neville noted that PBI payments last year were \$6-7 million, where if those services were done on Wall Street rather than internally it would cost over \$117 million. Representative Kelly noted that there were retirees trying to pay their bills each month and it was difficult to digest when you have the other retirement systems paying out COLAs.

Chairman Carfagna moved to the staff activities summary. Mr. Bernard highlighted from the staff activities report the progress on the four audits being conducted by the ORSC,

noting that he was pleased with the progress and work done so far and that he expected a spring to early summer completion.

Chairman Carfagna moved to rules. Mr. Bernard reviewed the rules, noting that they are consistent with the Revised Code and that he had no further comments.

Under new business, Chairman Carfagna created the Subcommittee to Establish an RFP and Review Responses for a Fiduciary Audit of HPRS. He appointed Senator Craig as Chairman, with Ms. Miller and Representative Plummer as voting members and Director Roark as a non-voting member.

The Chairman said that the next meeting is scheduled for February 10, 2022, or at the call of the Chair.

The meeting adjourned at approximately 10:37 a.m.

Date Approved

Rick Carfagna, Chair

Bethany Rhodes, Secretary

Kirk Schuring, Vice Chair