



## Minutes

### Retirement Board Meeting

Board Room, 1900 Polaris Parkway, Suite 201, Columbus, Ohio 43240

Thursday, February 21, 2019 – Immediately following Investment Committee meeting

**Present:** Captain Cory Davies, *Chair*; Lieutenant Andre Swinerton, *Vice-Chair*; Major (ret.) JP Allen; Major (ret.) Darryl Anderson; Kenneth Boyer; Sergeant Jeremy Mendenhall; Trooper Brice Nihiser; Colonel Paul Pride; Captain (ret.) Lester Reel; Staff Lieutenant Matthew Them

**Absent:** Joseph Thomas

**Quorum?** Yes

**Others Present:** Mark Atkeson, *Executive Director*; Brian Fike, *Finance Director*; Holly Carr, *Executive Assistant*; Doris Blosser & Renee Young, *Benefits Specialist*; Charmaine Carter, *System Accountant*; Mary Therese Bridge, *Assistant Attorney General*; Bethany Rhodes, *ORSC*; Grant Guyuron & Adam Blake, *Clearstead*; Capt. Carl Roark; Lt. Col. Richard Fambro; Tpr. (ret.) Mike Meyers; Col. (ret.) Tom Rice; Maj. (ret.) Robert Booker; Lt. Col. (ret.) Gil Jones; Capt. (ret.) Brenda Collins; Col. (ret.) Richard Collins; Lt. Col. (ret.) Rob Hartsell

### Proceedings:

#### Call to Order

- At 11:08 a.m., Chair Davies called the meeting to order and the roll was called.
- Mike Press, *Chief Investment Officer*; Mita Drazilov, *GRS Consulting*; and Brian Murphy, *GRS Consulting*; joined via phone.
- Chair Davies led the room in the Pledge of Allegiance.
- Chair Davies observed a moment of silence for Trooper Alison Holmgren.
- **Motion: To approve the minutes of the December 20, 2018 meeting, (motion by Swinerton; second by Pride; motion carried unanimously.)**

#### Actuarial Update

- Mita Drazilov and Brian Murphy from GRS Consulting joined via phone to present the Actuarial Assumptions Review.
- Drazilov reviewed the report, noting the current assumptions and the decline in capital market expectations.
- GRS recommended a reduction from 7.75% to 7.25% in the investment return assumption beginning with the December 31, 2018 valuation.

- Based upon the results of GRS's analysis, its preferred investment return assumption would be 6.50%, based upon a price inflation assumption of 2.50%. No changes to the current wage inflation assumption were recommended.
- Also included as an assumption change is the adoption of the MP-2018 mortality improvement scale. This change reduces the effect of the change in the investment return assumption.
- Drazilov stated if the return assumption of 7.25% is adopted, although it may be necessary to lower the investment return assumption further prior to the next experience study, they are not leaning toward that at this point.
- At 11:42 a.m. GRS concluded their phone presentation and discussion.
- Discussion ensued among the board regarding the information presented by GRS.
- **Motion: To adopt the following actuarial assumptions' changes: decrease the investment rate of return from 7.75% to 7.25%, decrease price inflation from 2.75% to 2.50%, and utilize the MP-2018 mortality improvement scale instead of the 2015 scale, (motion by Davies; second by Anderson; motion carried unanimously.)**
- At 11:58 a.m. Chair Davies declared a break for lunch.
- Chair Davies reconvened the meeting at 12:36 p.m.

#### **Administration Committee**

- They gave a brief update on topics discussed at the committee meeting including no change amendments for OAC 5505-7-08 and 5505-9-01, which were up for five-year-review.
- **Motion: To approve the no change amendments to Ohio Administrative Code 5505-7-08 and 5505-9-01 as presented, (motion by Them; second by Pride; motion carried unanimously.)**
- Atkeson presented the final draft of the Strategic Plan, and advised no changes were suggested or made to the draft presented at the previous meeting.
- **Motion: To approve the Strategic Plan as presented, (motion by Them; second by Swinerton; motion carried unanimously.)**
- Atkeson reported the 2019 Administrative Budget had been reviewed by the ORSC at the December meeting.

#### **2019 HPRS Board Elections**

- Carr presented draft documents for board approval for the 2019 employee board member election: Notice of Election – Employee, Candidacy Form – Employee Member 2019, and the Voting Instructions letter.
- **Motion: To approve the election announcement, candidacy form, and voting letter for the 2019 employee election, as presented by staff, (motion by Them; second by Reel; motion carried unanimously.)**
- Davies appointed Mendenhall, Doris Blosser, and Holly Carr to the ballot counting committee.

#### **Health, Wellness, & Disability Committee**

- Anderson reported there had not been a meeting since November and there was nothing to report from the committee.

### Health Care Funding Committee

- Anderson reported there had not been a meeting since November due to the committee waiting to receive the actuarial assumption review from GRS.
- There will be an April meeting to discuss the solvency of the health care fund and how to extend it.

### Special Funding Committee

- They stated the committee had met several times to discuss finalizing the funding policy.
- The purpose of the policy is to set guidelines for setting COLA, employee contribution rate, and the health care fund allocation.
- They reviewed the draft policy with the board, instructing any changes or feedback to be given to Atkeson. Once feedback is received the updated policy will be presented to the board.

### Audit Committee

- Reel stated there was nothing to report from the committee.

### Investment Committee

- Davies gave a brief update on topics discussed at the committee meeting; including two policies that were approved in December, but were updated with the new asset allocation, transition plan, and performance benchmarks.
- **Motion: To approve the Investment Policy Statement as presented by staff, (motion by Davies; second by Them; motion carried unanimously.)**
- **Motion: To approve the Annual Investment Plan as presented by staff, (motion by Davies; second by Swinerton; motion carried unanimously.)**
- Davies reported the committee was moving forward with hiring two new managers.

### Travel and Education

- None at this time

### Administrative Report

- Atkeson presented the summary report of active and retired members, and the retirement and beneficiary report.
- **Motion: To approve retirement applications and survivor pensions as submitted by staff, (motion by Pride; second by Boyer; motion carried unanimously.)**
- Atkeson gave an update on the Ohio Retirement Study Council; no meetings have been held since the last board meeting.
- Atkeson reminded board members to file their ethics disclosure forms for 2018 by the May 15, 2019 deadline.

### Comments

- Atkeson thanked staff for all of their efforts and hard work throughout 2018.
- Davies commented how much he appreciated staffs' diligence on updating the Strategic Plan and Funding Policy, and increasing communication throughout the membership.

**Adjournment**

- At 1:17 p.m., Davies declared the meeting adjourned.

**Next Meeting**

- The next regular meeting of the board is scheduled for April 19, 2019, immediately following the Investment Committee meeting.

*Minutes submitted by Holly Carr, Executive Assistant*

**Signature on File**

Approved by Cory Davies, *Chair*

**April 18, 2019**

Date

To review any referenced documents, please contact Holly Carr, 614-430-3555 (direct), [hcarr@ohprs.org](mailto:hcarr@ohprs.org).