



Minutes

Retirement Board Meeting

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

Thursday, June 21, 2018 – Immediately following the adjournment of the Investment Committee meeting

Present: Staff Lieutenant Heidi Marshall, *Chair*; Major (ret.) Darryl L. Anderson, *Vice-Chair*; Major (ret.) JP Allen; Kenneth C. Boyer; Captain Cory D. Davies; Sergeant Jeremy Mendenhall; Captain (ret.) Lester Reel; Lieutenant Andre T. Swinerton; Staff Lieutenant Matthew L. Them; Joseph Thomas

Absent: Colonel Paul Pride

Quorum? Yes

Others Present: Mark Atkeson, *Executive Director*; Michael Press, *Finance Director*; Dennis Smith, *Chief Investment Officer*; Holly Carr, *Executive Assistant*; Doris Blosser & Renee Young, *Benefits Specialist*; Mary Therese Bridge, *Assistant Attorney General*; Grant Guyuron, *Hartland*; Col. (ret.) Tom Rice; Tpr. (ret.) Mike & Mary Meyers; Lt. Col. (ret.) Rob Hartsell; Cpt. (ret.) Don Slemmer; Col. (ret.) Richard Collins; Cpt. (ret.) Brenda Collins; S/Lt. (ret.) Virginia Fogt; Tpr. Jovito Cirilo

Proceedings:

Call to Order

- At 10:56 a.m., Chair Marshall called the meeting to order and the roll was called.
- Chair Marshall led the room in the Pledge of Allegiance.
- Mendenhall left the room at 10:57 a.m.
- **Motion: To approve the minutes of the April 19, 2018 meeting, (motion by Thomas; second by Reel; motion carried unanimously.)**

Preliminary Results of the December 31, 2017 Actuarial Valuation

- Mita Drazilov (via phone) reviewed the preliminary results of the December 31, 2017 actuarial valuation.
- Drazilov stated the report incorporated provisions from HB 362 which passed earlier this year. Drazilov advised the experience was overall favorable – with health care funding solvent through 2029 and the pension fund remaining below the 30 year funding amortization period.
- Drazilov added there would be significant challenges for the board if the health care fund is to remain solvent past 10-11 years.

- Drazilov discussed the employee contribution / COLA grid along with the maximum percentage of employer contribution available for the health care fund.
- Drazilov stated the difficulty GRS was having defending an investment assumption rate of 7.75% and that downward pressure on this rate may occur next year.
- Mendenhall returned at 11:22 a.m.
- Chair Marshall declared a break for lunch at 11:25 a.m.
- The board reconvened at 11:47 a.m.
- Discussion ensued on the actuarial valuation, including COLA, employee contribution rate, health care contribution rate, and the assumption rate going forward.
- Chair Marshall declared a break at 12:31 p.m.
- The board reconvened at 12:51 p.m.
- The board will make their final decision in August concerning the percentage of COLA and employee contribution rate for 2019.

Special Funding Committee

- Them briefed the board on the Special Funding Committee that was formed and met earlier this month. The committee will be made up of the chairs from the Investment Committee, the Administration Committee, and the Health Care Funding Committee.
- Them reported there are no motions currently from the committee.
- Moving the creation of the Funding Policy to this committee was discussed.

Administration Committee

- Them gave a brief update on topics discussed at the Administration Committee meeting, including two OAC reviews and moving the funding policy discussion to the Special Funding Committee.
- **Motion: To approve the proposed amendments to Ohio Administrative Code 5505-7-05 and 5505-7-10 as presented, (motion by Them; second by Reel; motion carried unanimously.)**
- **Motion: To go into executive session pursuant to Division (G)(1) of Section 121.22 of the Revised Code to consider employment of the executive director at 12:59 p.m. with no guests, (motion by Marshall; second by Reel; motion carried unanimously.)**
- Executive session concluded at 1:16 p.m.
- Chair Marshall declared a break at 1:16 p.m.
- The board reconvened at 1:22 p.m.

Health Care Funding Committee

- Anderson gave a brief update on topics discussed at the Health Care Funding Committee meeting, including a review of the health care fund. Implementation of the Cost Sharing Policy has had a positive effect on the fund.
- Anderson reviewed the Cost Sharing Policy and the 2019 health care premiums set in conjunction with the policy.
- Press discussed the proposed minor modifications to the Cost Sharing Policy which included adjusting the inflation rate used in the overall calculations.
- **Motion: To approve the amendments to the Cost Sharing Policy 8.10 as presented, (motion by Anderson; second by Allen; motion carried unanimously.)**

Audit Committee

- Reel deferred to Press for the committee update.
- Press reported that Schneider Downs was finishing the audit and were prepared to issue a clean opinion.
- The CAFR was presented to the Board.
- The committee reviewed the latest trustee expense reports and confirmed they were compliant with HPRS policies.

Health, Wellness, & Disability Committee

- Anderson gave a brief update on topics discussed at the Health, Wellness, & Disability Committee meeting and a change to OAC 5505-3-02.
- Smith reviewed the changes to OAC 5505-3-02 which were non-substantive.
- **Motion: To approve the proposed amendments to Ohio Administrative Code 5505-3-02 as presented, (motion by Anderson; second by Swinerton; motion carried unanimously.)**
- **Motion: To go into executive session to discuss medical records required to be kept confidential pursuant to Division (G)(5) of Section 121.22 of the Revised Code at 1:30 p.m., with Atkeson, Smith, Press, Carr, Blosser, Young, Tanner, and Bridge as guests, (motion by Anderson; second by Them; motion carried unanimously.)**
- At 2:15 p.m., Chair Marshall declared the executive session was concluded.
- **Motion: To approve an off-duty disability for Applicant #1 (XXXXX) contingent on compliance with a treatment plan recommended by the medical advisor, (motion by Marshall; second by Davies; yea – Marshall, Allen, Davies, Swinerton, Them, Thomas; nay – Anderson, Mendenhall, Reel; Boyer abstained; motion carried 6 - 3.)**
- **Motion: To waive Applicant #1 (XXXXX) from the disability review Independent Medical Evaluation and Annual Disability Review requirement, (motion by Marshall; second by Swinerton; motion carried unanimously.)**

2018 HPRS Board Special Election

- Marshall informed the board she would be resigning her seat effective Friday, June 22, 2018 at 5:00 p.m.
- Carr presented draft documents for Board approval for the 2018 special employee election: Notice of Election - Employee, Candidacy Form, and Voting Instructions Letter.
- **Motion: To approve the election announcement, candidacy form, and voting letter for the 2018 special employee election, as presented by staff, (motion by Marshall; second by Reel; motion carried unanimously.)**
- Marshall appointed Swinerton, Doris Blosser, and Holly Carr to the ballot counting committee.

Legislation

- none

Education and Travel

- Atkeson presented the following travel cost estimates:

- Mendenhall to attend the 64th Annual Employee Benefits Conference in New Orleans, LA, October 14 - 17, 2018, at an estimated cost of \$3,066.14.
- Them & Atkeson to attend the 2018 NCPERS Public Safety Annual Conference, at a cost TBD.
- **Motion: To approve all board travel as presented by staff, (motion by Anderson; second by Allen; motion carried unanimously.)**

General Counsel Update

- Smith gave an update on the Seabolt litigation. Seabolt made an appeal to the Ohio Supreme Court.
- Smith announced his last day with HPRS would be July 13, 2018. He thanked the board for the opportunity.

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 Marshall; second by Reel; motion carried unanimously.)**
- Atkeson gave an update on the Patsy Dunn case. The court hearing was Monday; Dunn pleaded guilty to a third degree felony and was ordered to pay restitution.

Comments

- Aon Hewitt will be presenting July 31, 2018. Everyone is encouraged to attend.
- The August Health, Wellness, & Disability Committee meeting has been moved to August 14, 2018 due to the Board Retreat being in Cleveland.
- The board and staff thanked Marshall and Smith and wished them good luck in their future endeavors.

Adjournment

- At 2:47 p.m., Marshall declared the meeting adjourned.

Next Meeting

- The next regular meeting of the board is scheduled for August 16 -17, 2018, at the Radisson Hotel, 651 Huron Street, Cleveland, OH 44115.

Minutes submitted by Holly Carr, Executive Assistant

Signature on File

7/31/2018

Approved by Darryl L. Anderson, Acting Chair

Date

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