

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

**Minutes  
September 8, 2015**

The meeting was called to order by Chairman Beagle at approximately 10:03 a.m. in room 121, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

**Voting members**

Bill Beagle  
Edna Brown  
Jay Hottinger  
Dan Ramos  
Lora Miller

**Non-voting members**

Mark Atkeson  
Karen Carraher  
John Gallagher  
Lisa Morris  
Mike Nehf  
Kari Hertel

**Absent**

Ron Amstutz  
Kirk Schuring  
Seth Morgan

**Staff**

Bethany Rhodes  
Jeff Bernard  
Ashley Wilson

There was not a quorum present, so Chairman Beagle moved to the PERS actuarial audit presentation.

Kari Hertel entered the meeting at approximately 10:06 a.m.

William "Flick" Fornia (PTA) and Linda Bournival (KMS) presented their report to the Council. Mr. Fornia explained that the bottom line of the report is that the calculations made by PERS's actuary, Gabriel Roeder Smith (GRS), were a very close match to those made by PTA/KMS. However, Mr. Fornia mentioned that PTA/KMS could not exactly duplicate the process by which GRS reached their numbers because GRS would not provide certain test life calculations and methodology.

Chairman Beagle asked if there was anything proprietary about the GRS actuarial process that would cause GRS to not provide such commonly provided information. Mr. Fornia responded that GRS uses its own software to process the information rather than software from an independent vendor. GRS protects this software and the methodology and calculations as propriety information. Chairman Beagle also asked if there were any minor issues that could actually have a large impact on actuarial numbers, as he assumed that certain minor errors could have a significant effect over time. Mr. Fornia gave examples of mortality and retirement assumptions that, though small, could greatly affect the pension system over the longer term. It is for this exact reason that this type of look-back and back testing review is so important. Director Carraher also noted that PERS has a process for annually reviewing the gains-losses portion of the valuation to refine its assumptions in preparation for the five-year experience study.

Rep. Ramos asked how the payroll growth assumption was affected due to the downsizing of government and public positions over a fairly long period of time. Mr. Fornia explained that the actuarial world does not allow for population growth as an assumption in reference to pensions, but actual population reductions over several years would affect the numbers. Mr. Fornia recommended an adjustment if there was evidence of an actual decline in membership.

Chairman Beagle asked if there were any further questions. There were none.

The Chairman made appointments to the following subcommittees:

**Internal Policy Review Subcommittee:** Sen. Hottinger (Chair), Rep. Schuring, Rep. Ramos, and Ms. Miller.

**Advisory Subcommittee:** Chairman Beagle (Chair), Rep. Schuring, and Ms. Miller.

The Chairman also created the following subcommittees and made the following appointments:

**Subcommittee to Establish RFP and Review Responses to RFP for OP&F Actuarial Audit:** Rep. Schuring (Chair), Sen. Hottinger, Sen. Brown, and Ms. Miller with Director Gallagher as a non-voting member.

**Subcommittee to Establish RFP and Review Responses to RFP for SERS Fiduciary Audit:** Rep. Ramos (Chair), Chairman Beagle, and Ms. Miller with Director Morris as a non-voting member.

Chairman Beagle asked Director Carraher to present the PERS Health Care Report. Director Carraher reviewed the report and answered questions from the Council. Rep. Ramos asked if there was a "default" health care plan for those that are unable to make decisions for themselves, for instance due to the rapid rise of those with Alzheimer's. Director Carraher explained that PERS has a process in place that would not allow anyone to be left behind when members choose a new plan. Director Carraher said she was confident that PERS would know 1) who did not chose a plan, and 2) the reason for that lack of selection, whether it be because they have spousal coverage or another reason.

Sen. Hottinger left the meeting at approximately 10:45 a.m.

The Chairman asked Director Gallagher to present the OP&F Health Care Report. Director Gallagher reviewed the report, and there were no questions from the Council.

Chairman Beagle asked Director Atkeson to present the HPRS Health Care Report. Director Atkeson recognized HPRS Finance Director Mike Press, and Mr. Press reviewed the report. There were no questions from the Council.

Sen. Brown entered the meeting at approximately 10:58 a.m.

The Chairman asked Director Nehf to present the STRS Disability Report. Director Nehf reviewed the report, and there were no questions from the Council.

SERS Director of Member Services John Grumney presented the SERS Disability Report. Chairman Beagle noted that the data for both STRS and SERS indicates a very steady trend in the numbers rather than a sudden increase. There were no questions from the Council.

The Chairman asked Director Nehf to present the STRS Travel Policy. Director Nehf reviewed the policy, and there were no questions from the Council.

The Chairman asked for a review of the rules submitted to ORSC for this month. Jeff Bernard said that all rules submitted to ORSC for this month were in compliance with the Ohio Revised Code.

Director Rhodes pointed out material at the back of the Members' packets for their information.

The next meeting is tentatively scheduled for October 8, 2015, at 10:00 a.m.

The meeting adjourned at approximately 11:04 a.m.

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Date approved

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Bill Beagle, Chair

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Secretary

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Kirk Schuring, Vice Chair