

**Ohio Retirement Study Council  
30 East Broad Street, 2<sup>nd</sup> Floor  
Columbus, Ohio 43215**

**Minutes  
August 12, 2021**

The meeting was called to order by Chairman Carfagna at approximately 10:01 a.m. in Room 121, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

**Voting members**

Rick Carfagna, Chair  
Hearcel Craig  
Jay Hottinger  
Brigid Kelly  
Lora Miller  
Phil Plummer  
Dr. Anthony Podojil

**Non-voting members**

Karen Carraher, PERS  
Mary Beth Foley, OP&F  
Gary Russel, STRS  
Mike Press, HPRS  
Richard Stensrud, SERS

**Absent**

James Patterson, AG, 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 asked that the minutes of the previous meeting be approved. The minutes were approved without objection.

Chairman Carfagna moved to the report from the ORSC Subcommittee to Establish an RFP and Review Responses to the RFP for the HPRS Actuarial Audit. Chairman Carfagna reviewed the findings of the ORSC subcommittee and noted the recommendation of the subcommittee to award PTA/KMS with the HPRS Actuarial Audit. Chairman Carfagna reviewed the responses to the HPRS Actuarial Audit RFP from Baker Tilly, Bolton, Buck, Cheiron, and PTA/KMS. He thanked those submitting a response and stated that he felt the strongest response was from PTA/KMS. He asked

Director Rhodes if she had any comments. She said that staff agreed that PTA/KMS had the strongest proposal. She also made a technical note that the RFP stated that preference would be given to Fellows of the Society of Actuaries (FSAs), and the PTA/KMS proposal had 60% of the work being completed by FSAs, with the balance being completed by specified individuals. She noted that all work would be flowing through the FSAs.

Chairman Carfagna moved that the ORSC award PTA/KMS with the HPRS Actuarial Audit. Senator Hottinger seconded the motion. The motion was approved 6-0.

Chairman Carfagna moved to the report from the ORSC Subcommittee to Establish an RFP and Review Responses to the RFP for the OP&F Fiduciary Audit. He reviewed the findings of the ORSC subcommittee and noted the recommendation of the subcommittee to contract with Funston for the OP&F Fiduciary Audit. Chairman Carfagna reviewed the responses to the OP&F Fiduciary Audit RFP. He thanked Champion, Funston, and the Hackett Group for their responses. Chairman Carfagna noted that in his review he found Funston was the only respondent who adequately demonstrated that they could complete all portions of the project. He asked Director Rhodes for her comments. Director Rhodes said that staff agreed that Funston submitted the strongest response. She also noted that Funston stated that they could offer an optional Board and Executive Staff survey for an additional \$16,000. She stated that, because this was outside of the scope of the RFP and since OP&F already uses an assessment tool survey, that she would recommend that this not be included and the price be reduced by \$16,000 to \$663,800.

Chairman Carfagna moved that the ORSC award Funston with the OP&F Fiduciary Audit at the \$663,800 cost. Senator Hottinger seconded the motion.

*Representative Plummer arrived at 10:10 a.m.*

The motion was approved 7-0.

Chairman Carfagna moved to the report from the ORSC Subcommittee to Establish an RFP and Review Responses to the RFP for the STRS Actuarial Audit. He reviewed the findings of the ORSC subcommittee and noted the recommendation of the subcommittee to award PTA/KMS with the STRS Actuarial Audit. Chairman Carfagna reviewed the responses to the STRS Actuarial Audit RFP from Bolton, Buck, GRS, and PTA/KMS. He thanked those submitting a response and stated that he felt the strongest response was from PTA/KMS. He asked Director Rhodes if she had any comments. She said that staff agreed that PTA/KMS had the strongest proposal. She also made a technical note that the RFP stated that preference would be given to Fellows of the Society of Actuaries (FSAs), and the PTA/KMS proposal had 60% of the work being completed by FSAs, with the balance being completed by specified individuals. She noted that all work would be flowing through the FSAs.

Chairman Carfagna moved that the ORSC award PTA/KMS with the STRS Actuarial Audit. Senator Hottinger seconded the motion. The motion was approved 7-0.

Chairman Carfagna moved to the report from the ORSC Subcommittee to Establish an RFP and Review Responses to the RFP for the STRS Fiduciary Audit. He reviewed the findings of the ORSC subcommittee and noted the recommendation of the subcommittee to contract with Funston for the STRS Fiduciary Audit. Chairman Carfagna reviewed the responses to the STRS Fiduciary Audit RFP. He thanked Champion, Funston, and the Hackett Group for their responses. Chairman Carfagna noted that in his review he found Funston was the only respondent who adequately demonstrated that they could complete all portions of the project. He asked Director Rhodes for her comments. Director Rhodes said that staff agreed that Funston submitted the strongest response. She also noted that Funston stated that they could offer an optional Board and Executive Staff survey for an additional \$16,000. She stated that, because this was outside of the scope of the RFP and since STRS already uses this assessment tool survey, that she would recommend that this not be included and the price be reduced by \$16,000 to \$759,000. Representative Kelly asked STRS who does the assessment currently for STRS. Gary Russel stated that Ed Gaydos has conducted the assessment for STRS for the past 7-8 years.

Chairman Carfagna moved that the ORSC award Funston with the STRS Fiduciary Audit at the \$759,000 cost. Senator Hottinger seconded the motion. The motion was approved 7-0.

Chairman Carfagna moved to an update on H.B. 110, the biennial budget bill. Jeff Bernard reviewed the H.B. 110 memo, including the changes to the existing Post-Traumatic Stress Fund actuarial study added to the bill. Chairman Carfagna asked Director Foley if she had any updates on that study. Director Foley said that Mr. Bernard's description was correct and that they anticipate having the OP&F's report to the General Assembly in December. Lora Miller asked if there was any rationale as to why the ORSC's recommendations were not included in the final form of H.B. 110. Chairman Carfagna said he was not on the Conference Committee and didn't have any additional information. Lora Miller asked if there was any movement to achieve those recommendations in another bill or amendment. Representative Kelly noted that she had legislation relating to the broadcasting of retirement system meetings and was open to including these changes in that bill. Chairman Carfagna noted that broadcasting was widely successful and there was some appetite in the General Assembly for a feeling that remote meetings did work.

Chairman Carfagna moved to the staff analysis of H.B. 184. Mr. Bernard reviewed the staff analysis and recommendation. Chairman Carfagna outlined the disability process in OP&F and noted that future changes to the health care professionals authorized to conduct examinations under the bill made in OP&F rules would need to appear before both JCARR and ORSC and so would receive ORSC oversight. He also noted that the disability review committee at OP&F includes a medical advisor who is a physician and so these disabilities determinations and medical examinations would receive review by

a physician and that oversight remains. He agreed that he would like a more specified list but that there would remain plenty of oversight. He also noted that this would be consistent with changes that were made at HPRS, who are likewise a law enforcement retirement system and this would align those two regarding examinations of disability claims. Director Foley agreed that there are guardrails in place for disability reviews. The Chairman stated that he would talk with the Senate and OP&F about these recommendations but wouldn't necessarily adopt a motion to adopt those recommendations. Director Rhodes noted that the ORSC can accept the recommendation, amend it, or reject it, but that we did need action on the recommendation.

Chairman Carfagna noted that he did not know the likelihood of making the changes, but with that in mind, would motion that the staff recommendation be accepted. Senator Craig seconded the motion. The motion was approved 7-0.

Chairman Carfagna moved to the PERS Health Care Report. Director Carraher reviewed the report. Director Carraher noted that the pre-Medicare population is moving toward the exchange this fall and explained that process. Representative Kelly asked Director Carraher how members are being notified about the changes and the Director stated that letters that are highly personalized have been sent out, further elaborating that there has been roadshows to try to reach out to members. Senator Craig asked about feedback from members. Director Carraher noted that when a similar program was done with the Medicare population, there was a great deal of apprehension but that now those members have somewhere around a 95% satisfaction rate. She noted that it has been a quiet transition to this point and attributes that to the successful and positive roll-out of the Medicare program.

Chairman Carfagna moved to the OP&F Health Care Report. Director Foley reviewed the report and there were no questions.

Chairman Carfagna moved to the HPRS Health Care Report. Mike Press reviewed the report and there were no questions.

Chairman Carfagna moved to the SERS 5-Year Review. Director Stensrud reviewed the report and there were no questions.

Chairman Carfagna recognized the service of Angel Mumma, who is no longer a member of the ORSC, and thanked her for her service on the ORSC.

Under new business, Representative Kelly wanted to recognize the report regarding STRS ("The High Cost of Secrecy") and asked that the ORSC, if not today, respond in some way with information, noting that ORSC staff do create memos and issue briefs on a variety of topics and asked if there was some information that could be shared on this topic. Chairman Carfagna noted that he had reviewed that report and that he did not see any concrete list of recommendations in that report or data regarding the report's claims, but noted that the ORSC today had approved a number of audits that would

provide data on these topics. He noted that he had a staff memo on the topic of intergenerational equity that helps break down the situation at STRS. He asked that the memo be made available and highlighted the importance of the audits to review this information in aggregate. Gary Russel noted that at the STRS is scheduled to meet August 19<sup>th</sup> and review the report. Director Rhodes stated that staff could create an issue brief on the subject of intergenerational equity and normal cost. Chairman Carfagna said that would be a good idea to be available at the next meeting, and noted that each of the systems must stand on their own legs and have to balance their own funding and benefit requirements.

Chairman Carfagna said that the next meeting would be September 9, 2021, or at the call of the Chair.

The meeting adjourned at approximately 11:23 a.m.

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Date Approved

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Rick Carfagna, Chair

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Bethany Rhodes, Secretary

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Kirk Schuring, Vice Chair