

**Ohio Police & Fire Pension Fund
MINUTES**

**Board of Trustees
140 East Town Street, Columbus, Ohio
January 25, 2017**

Call to Order: The meeting was called to order at 1:02 p.m. Chair Montgomery asked for a moment of silence for Cleveland Police Officer, Steven Fahey who died in the line of duty and for those members who have passed in the last month.

In attendance:

Trustees Present:

Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery

Trustees Absent:

Heller

AGENDA ITEM 1:

Excuse Mr. Heller

Mr. Roulston moved, and Mr. Desmond seconded a motion to excuse Mr. Heller from the January 2017 Board meeting. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery

Nays: None

AGENDA ITEM 2:

Approval of December 2016 Minutes

Mr. Patton moved, and Mr. Deighton seconded, a motion that the Board of Trustees approves the December 2016 Board minutes. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery

Nays: None

AGENDA ITEM 3:

Executive Director's Report

Talking Points for the Executive Director 1/25/2017

PORTFOLIO UPDATE

- As of 1/24: \$14.6 billion
- End of December value: \$14.5 billion (high for the year)
- End of November value: \$14.4 billion

CAFR AWARD

- The Government Finance Officers Association has again presented OP&F with the Certificate of Achievement in Financial Reporting for our Comprehensive Annual Financial Report published last year.
- OP&F has received the award in 24 of the past 25 years

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ANNIVERSARY

- In January 1967 – 50 years ago – OP&F sent out its first benefit checks

AGENDA ITEM 4 – INVESTMENT COMMITTEE/BOARD

Ms. Maloney Stifler read the Investment Committee/Board Talking Points

Items discussed or reviewed:

- Mr. Hall commented on the December 2016 year-end portfolio value, significant cash movements and 2016 investment performance.
- Townsend presented the 3rd Qtr. Real Estate Performance Review.
- Townsend discussed the Real Assets Investment Policy Framework in preparation for creating the new policy.
- Mr. Luke presented the Private Markets Review covering the history, policy compliance, performance and current state of OP&F's Private Markets program.

Motions Approved:

- The Board approved Staff's and TorreyCove's recommendation to commit up to \$24 million to Marlin Equity V and up to \$6 million to Marlin Heritage II
- Mr. Luke, TorreyCove and Wilshire presented, and the Board approved, the 2017 Private Markets Investment Plan, which targets aggregate capital commitments of \$175 million to the private markets asset class for the period of January 26, 2017 through January 31, 2018, subject to market conditions.
- The Board approved the investment manager guidelines for the Prudential Levered Core Bond mandate as recommended by Staff and Wilshire.

AGENDA ITEM 5 – DISABILITY COMMITTEE

Mr. Desmond read the Disability Committee talking points and motions:

Items discussed or reviewed:

- Ms. Harville presented the 4th Quarter Disability Experience Report.

Motions approved:

- The Committee reviewed the Annual Mandatory Disability Experience Report by Employer for 2016. The Committee voted unanimously to recommend the Board to submit the report to the appropriate legislative branches by the March 1, 2017 due date.
- The Committee recommended the Board approve the two (2) death benefit fund cases. The Committee recommended the Board approve fourteen (14) initial determination hearings. Two (2) initial determination hearings were denied and one (1) was postponed for additional information. The Committee recommended the one (1) reconsideration stay the same.

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Initial Determination Hearings

Mr. Desmond moved and Mr. Deighton seconded a motion that the Board approves the Committee recommendations for the initial determination of disability for the seventeen (17) members as identified in the initial determination hearings list presented to the Board on January 25, 2017. The motion passed with the roll call vote as follows:

Ayes: Deighton, Maloney Stifler, Montgomery, Moore, Patton, Roulston, Wainscott and Desmond
Nays: None

Reconsiderations

Mr. Desmond moved and Mr. Moore seconded a motion that the board makes a determination for those members requesting reconsideration. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

Appeal Hearings

Mr. Desmond moved and Mr. Patton seconded a motion that the Board approves the recommendations for the appeal hearings for the Six (6) members as identified in the appeals list presented to the Board on January 25, 2017. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

Death Benefit Fund Hearings

Mr. Desmond moved and Mr. Wainscott seconded a motion, that the Board makes a determination for those members requesting the Death Fund Benefit. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

Reporting Waivers

Mr. Desmond moved and Mr. Patton seconded a motion that the Board waives the mandatory medical evaluation and filing of annual earnings statements for future years for the members identified in the disability reporting waivers list presented to the Board on January 25, 2017. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

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2016 Annual Disability Experience Report by Employer – 2017 01 001 DC

Mr. Desmond moved and Ms. Maloney Stifler seconded a motion that the Board approve the 2016 Employer Disability Experience Report, in the form presented to the Board on January 25, 2017, and authorizes staff to forward the report to the appropriate public officials, in accordance with Section 742.381 of the Ohio Revised Code. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

AGENDA ITEM 6 – HEALTH CARE COMMITTEE/BOARD

Mr. Deighton read the Health Care Committee/Board talking points:

Items discussed or reviewed:

Health Care Plan Update

- Ms. Harville informed the Committee that the 2017 plan year is underway. Concerns about the prescription drug plan seem to be the primary concern expressed by callers. Quarterly statistical information about calls received will be provided in the future.
- Ms. Harville informed the Committee that GRS Consulting is compiling information for the March Board Retreat regarding the Medicare marketplace.

Open Discussion

- There was much discussion about the future direction of OP&F's health care plan.
- Mr. Deighton requested that information regarding the upcoming AARP premium increase be included in the next member newsletter.

Motions approved:

- None

AGENDA ITEM 7 - BENEFIT COMMITTEE

Mr. Wainscott read the Benefit Committee talking points and motion:

Items discussed or reviewed:

- Ms. Harville presented the 4th Quarter 2016 DROP Experience Report.

Motions approved:

- The Committee voted unanimously to refer to the full Board for approval of Administrative Rule 742-3-08, with changes as proposed.

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Administrative Rule 5-Year Review – 2017 01 001 BC

Mr. Wainscott moved, and Mr. Moore seconded a motion that the Board approves the Administrative Rules as amended in staff's memorandum dated January 24, 2017, and authorizes the required filing of the Rules with the proper agencies. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

AGENDA ITEM 8 – ADMINISTRATION/AUDIT COMMITTEE

Mr. Wainscott read the Administration/Audit Committee talking points and motions:

Items discussed:

- Ms. Gatewood updated the committee on the Business & Technology Solutions' activities as of 1/24/2017.
- Ms. Sparks presented the annual 2017 Audit Plan and the 2016 Audit Report due to ORSC.

Motions Approved:

The committee approved the following motions:

- 2017 Annual Audit Plan;
- 2016 Annual Audit Report; and
- The amended Governmental Affairs & Policy Committee Charter.

2017 Annual Audit Plan – 2017 01 001 AAC

Mr. Wainscott moved and Mr. Desmond seconded a motion that the Board of Trustees approves the CY 2016 Annual Audit Plan in the form submitted to the Board of Trustees on January 19, 2016. . The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

2016 Annual Audit Report for Ohio Retirement Study Council – 2017 01 002 AAC

Mr. Wainscott moved and Ms. Maloney Stifler seconded a motion that the Board of Trustees approves the 2016 Annual Audit Report in the form submitted to the Board of Trustees on January 24, 2017. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

Governmental Affairs & Policy Committee Charter – 2017 01 001 GAPC

Mr. Wainscott moved and Ms. Maloney Stifler seconded a motion that the Board of Trustees approves the Governmental Affairs & Policy Committee Charter as amended in the Administration/Audit Committee on January 24, 2017. The motion passed with the roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Moore, Patton, Roulston, Wainscott and Montgomery
Nays: None

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AGENDA ITEM 9:

Governmental Affairs & Policy Committee

Mr. Moore read the GAPC Talking Points:

Items discussed:

Mr. Adam Hewitt, OP&F Legislative Agent updated the committee on the following items:

- 132nd General Assembly
- New member educational opportunities
- New standing committees
- Calendar
- ORSC Appointments

Ms. Foley gave an overview of the implementations of HB 520/Service transfer credit, effective as of 4/6/2017.

AGENDA ITEM 10:

Other Business:

Mr. Gallagher announced the upcoming March 2nd Board Retreat. One of the topics will be a continuation of the Healthcare discussion.

Mr Gallagher congratulated the Investment team on a 10% investment return for the year. He stated that he is very appreciative of the hard work that was put in for this achievement.

AGENDA ITEM 11:

Address Audience

None

AGENDA ITEM 12:

Adjournment

Chair Montgomery announced that the retirees will meet immediately following today's Board meeting adjournment. The next board meeting will be held on **Wednesday, February 22, 2017 around 1:00 p.m.** The meeting adjourned at 1:19 pm.



John J. Gallagher Jr.
Executive Director

Board materials provided:

1. Disability Committee Materials.
2. Benefit Committee Materials
3. Administration/Audit Committee Materials.
4. Health Care Committee/Board Materials.
5. Governmental Affairs & Policy Committee Materials
6. Investment Committee/Board Materials.

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7. General Counsel Materials.
 8. FYI Section: Pending and Pre-approved Trustee Travel; 2017 Board Education Opportunities and 2017 Mileage Rate Approved by IRS.
 9. Chart of Motion Practice: FYI.
 10. Administration Appendix Materials: January Board Notice; December Investment Committee/Board Minutes; and December BOT Meeting Minutes.
 11. Investment Appendix Materials.
 12. Member Service Appendix Materials.
 13. Executive Director Report Dated 1/25/2017.
 14. Disability Motions: Initial Determination Hearings; Reconsideration Hearing; Appeal Hearings; Death Fund Benefit Hearings; Reporting Waivers and 2016 Annual Disability Experience Report by Employer.
 15. Benefit Motion: 5-Year Administrative Rule Review.
 16. Administration/Audit Motions: 2017 Annual Audit Plan; 2016 Annual Audit Report for ORSC and Governmental Affairs & Policy Committee Charter.
- Handouts:** January 2017 Disability Committee; Administration/Audit Committee; Benefits Committee; Health Care Committee/Board; Governmental Affairs & Policy Committee and Investment Committee/Board Talking Points and Investment Monthly Portfolio Valuation Update 123116.