

**Ohio Police & Fire Pension Fund
MINUTES**

**Board of Trustees
140 East Town Street, Columbus, Ohio
August 28, 2019**

Call to Order: The meeting was called to order at 1:39 p.m. Chairman Desmond asked for a moment of silence for our members who have passed in the last month.

In attendance:

Trustees Present:

Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Trustees Absent:

Mr. Heller

AGENDA ITEM 1:

Excuse Mr. Heller

Ms. Maloney Stifler moved, and Mr. Charles Moore seconded a motion to excuse Mr. Heller from the August 2019 Board meeting. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

AGENDA ITEM 2:

Approval of the June 2019 Board Minutes

Mr. Wainscott moved, and Mr. Miller seconded, a motion that the Board of Trustees approves the June 2019 Board minutes. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

AGENDA ITEM 3:

Executive Director's Report

Talking Points for the Executive Director, 08/28/2019

PORTFOLIO UPDATE

- As of 8/26: \$15.52 billion
- End of July value: \$15.87 billion
- End of June value: \$15.86 billion

SEPTEMBER HEALTH CARE MEETINGS

- Aon will be hosting a series of health care meetings around the state next month, similar to last year
- The sessions will be split between Medicare retirees and pre-65 retirees in order to help differentiate information intended for each group

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- You may RSVP to the meetings on the Aon website, again, similar to the process in place last year

HEALTH CARE INFORMATION

- Please keep up to date on the changes to the health care plan for 2020, as several changes have been made that will hopefully give our pre-65 retirees additional choices
- Changes were in the summer newsletter and will be listed again in the fall edition

AGENDA ITEM 4: INVESTMENT COMMITTEE/BOARD TALKING POINTS

Ms. Maloney Stifler read the Investment Committee/Board talking points:

Items discussed or reviewed:

- Mr. Hall commented on the June and July month-end portfolio values, significant cash movements and year-to-date investment performance.
- Townsend presented the Real Assets and Real Estate Performance Review for periods ended March 31, 2019.
- Wilshire Associates presented the Investment Performance Report for periods ended June 30, 2019.
- Staff discussed the 2018 Private Investments Audit Report.

Motions Approved:

- The Board approved Townsend's recommended actions to rebalance exposures within the Strategic and Tactical Real Estate portfolios.
- The Board approved staff and Townsend's recommendation to commit up to \$80 million to Brookfield Infrastructure Fund IV.
- The Board approved staff's investment manager rating recommendations for Macquarie Investment Management, Harvest Capital Advisors, Salient Partners, Tortoise Capital Advisors and the MacKay Shields Opportunistic mandate.
- The Board approved staff's rating recommendations for OP&F's private markets managers.

AGENDA ITEM 5 – DISABILITY COMMITTEE TALKING POINTS AND MOTIONS

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

Items discussed or reviewed:

- Staff reviewed the first half 2019 Disability Exam Satisfaction Survey results with the DEP panel.
- Ms. Harville presented the Disability Experience Report for the 2nd Quarter 2019.

Motions approved:

- The Committee voted to approve the Disability Committee Minutes for June 18, 2019.

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Initial Determination Hearings

Mr. Montgomery moved and Mr. Britt 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 August 28, 2019. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

No Reconsideration Hearing

Appeal Hearings

Mr. Montgomery moved and Mr. Britt seconded a motion that the Board approves the recommendations for the appeal hearings for the two (2) members as identified in the appeals list presented to the Board on August 28, 2019. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

Death Benefit Fund Hearings

Mr. Montgomery moved and Mr. Corvi seconded a motion to make a determination for those requesting Death Fund benefits. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

Reporting Waivers

Mr. Montgomery moved and Mr. Corvi 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 August 28, 2019. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

AGENDA ITEM 6: BENEFIT COMMITTEE TALKING POINTS

Mr. Montgomery read the Benefit Committee talking points:

Items discussed or reviewed:

- Ms. Harville presented the DROP Experience Report for the 2nd Quarter 2019.

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- Mark Weaver and Matt Dole of Communications Counsel, Inc. discussed OP&F's social media presence and presented a member survey to be sent to Medicare and pre-Medicare members regarding health care benefits.

Motions approved:

- The Committee voted to approve the Benefits Committee minutes for June 18, 2019.
- The Committee voted to recommend that the Board approve conducting a survey of Medicare and pre-Medicare members.

Open Discussion:

There was none.

AGENDA ITEM 7: HEALTH CARE COMMITTEE/BOARD TALKING POINTS

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

Items discussed or reviewed:

- Mark Chandler, Mat Burkley and Andre Walton from Aon provided information on the changes for 2020 with the open HRA, discussed the issue resolution process and potentially adding Tricare as an eligible stipend expense. Also available was information about the final group transitioning on July 1, 2019.

Motions Approved:

- The Board voted to approve the Health Care Committee Minutes for May 22, 2019.
- The Committee voted and recommended that the Board approve the use of Stipend funds for premiums and expenses related to Tri-Care Benefits.

AGENDA ITEM 8: GOVERNMENTAL AFFAIRS & POLICY COMMITTEE TALKING POINTS

Mr. Wainscott read the GAPC talking points:

Items discussed or reviewed:

- The committee discussed the following "wish list" items:
- Amending 742.38 Disability statute, to permit the outsourcing of independent medical examinations for members who are applying for disability benefits. This is due to the increasing difficulty in finding independent physicians to perform these examinations;
- Seeking legislation to permanently stagger OP&F Trustees' term in office;
- The possibility of extending the DROP program to 10 years;
- The General Assembly's schedule for the remainder of 2019; and
- Federal Legislation Update: Senator Brown intends to introduce /Age 50 Medicare Buy-In for retired first responders sometime in September or October.

Motions Approved:

- The committee approved the 6/26/2019, Governmental Affairs and Policy Committee Minutes.

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- The committee authorizes OP&F's General Counsel to pursue the proposed changes to OP&F's disability statute along with OP&F's legislative consultant to have the proposal introduced in the 133rd General Assembly.

AGENDA ITEM 9: FINANCE COMMITTEE TALKING POINTS

Mr. Charles Moore read the Finance Committee talking points:

Items discussed or reviewed:

- The committee reviewed the 2nd Quarter Budget to Actual Report for 2019;
- The Status of Past Due Employers Report was presented to the Committee by Mr. Adkins with specific comments regarding Harrison City Fire and Police reporting issues.

Motions Approved:

- The Committee approved the May 22, 2019 Finance Committee minutes.

Open Discussion:

- Mr. Scott Miller informed the committee that the GASB 68 and GASB 75 reports were completed in June and were placed on the OP&F website.
- Mr. Montgomery suggested the Board, using its discretionary authority to set the DROP interest rate, consider setting a "floor" on the interest rate to retain member accounts after the completion of the DROP period. Mr. Montgomery and Mr. Desmond explained the history of the program and their desire to change the rate. Establishing a DROP interest floor at 2.0 to 2.5% would encourage members to leave their DROP funds on account with OP&F, rather than moving those accounts to the private sector. Staff was directed to discuss the proposal with the OP&F actuary and to review the legal authority to set separate rates for those actively participating in DROP and those who have completed their DROP period but have funds on account. The topic will be brought back for the September Board meeting.

AGENDA ITEM 10:

Other Business:

None.

AGENDA ITEM 11:

Address Audience

1. Gary Church, president of the Central Ohio Retired Firefighters, spoke with Aon representative about issues with a member. Mr. Church stated that he felt a lack of communication between Aon and eHealth, but that he did receive a resolution with the issue. Mr. Church also wanted to know how the stipends are paid and suggested that maybe the stipend should be paid on a monthly basis.

Chair Desmond responded that the Board discussed and decided on an annual stipend.

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2. Laura Hine spouse of Mark Hine, retired Cuyahoga Heights Police had several questions pertaining to health care:
- a) If a member signed up in 2019 but then chooses to drop this year, can they get back into plan in 2020?

Response: They would likely need a qualifying event, but more specifics are needed.
 - b) Aon's flier doesn't say anything about a second chance for those who opted out in 2019 to get the stipend in 2020.

Response: A specific letter is going out soon.
 - c) Why are people who opted out in 2019, not receiving mailing for 2020?

Response: Mailings going out soon.
 - d) Will stipend cover people who are out of town away from their network?

Response: If it is a covered expense, it is covered for travel. Call to verify, but likely yes.
 - e) What was the rationale for not allowing the stipend to be used for group plan premiums?

Response: IRS regulations.
 - f) Was the state coverage now available to Death Benefit recipients, looked into for general health care coverage?

Response: Yes.
 - g) A Member heard that the OAPFF and the NOFF have reached out to the Board with various ideas from their health care taskforce, with no response, is that true.

Response: The Board received the report, but have not reviewed completely yet.
 - h) Member had questions on Trustee Heller's role on the Board and his meeting attendance.

Response: Mr. Heller is a financial advisor as well as a legislative appointee and reports to the legislature.
3. Cindy Kish spouse of Robert Kish, retired City of Vermilion Police has been requesting to speak to an individual with Aon and was upset because she was told that they don't talk with people. Ms. Kish was able to obtain an appointment with Aon at the OP&F location.
4. Steve Dimonski, retired Garfield Heights Police, attended the Health Care meeting and felt that the Board was not taking the issues with Aon seriously. He stated that he was able to resolve his issues after speaking

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with an Aon manager, who is his current contact for any issues. Mr. Dimonski asked if the stipend for 2020 will be effective on Jan. 1. or will it be delayed?

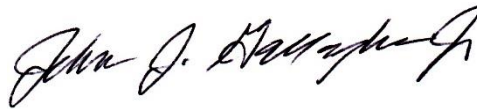
Response: Mr. Chandler stated that opening a call center at OP&F has resolved some of the previous problems and that the stipend will be effective for Jan. 1, 2020.

5. Chris Coultrip, retired City of Rossford Police, spoke with ORSC about OP&F's Fiduciary Audit and was told that it is three years overdue. She said she is concerned about private markets and Investment Fees. Mrs. Coultrip wants to see a paper trail.

AGENDA ITEM 13:

Adjournment

Chair Desmond announced that the retirees have a meeting immediately following today's Board meeting adjournment. The next board meeting will be held on **Wednesday, September 25, 2019 around 1:00 pm**. The meeting adjourned at 2:29 pm.



John J. Gallagher Jr.
Executive Director

Board materials provided:

1. Disability Committee Materials.
2. Benefits Committee Materials.
3. Governmental Affairs & Policy Materials.
4. Finance Committee Materials.
5. Investment Committee/Board Materials.
6. Health Care Committee/Board Materials.
7. FYI Section: Pending and Pre-Approved Trustee Travel; and 2nd Quarter 2019 Travel Expense Review.
8. Chart of Motion Practice: FYI.
9. Administration Appendix Materials.
10. Investment Appendix Materials.
11. Member Service Appendix Materials.
12. Executive Director Report Dated 8/28/2019.
13. Disability Motions: Initial Determination Hearings; No Reconsideration Hearing; Appeal Hearings; Death Benefit Fund Hearings; and Reporting Waivers.

Handouts: August 2019 Talking Points: Disability Committee, Benefits Committee, GAPC, Finance Committee, Investment Committee/Board and Health Care Committee/Board Talking Points.