

Ohio Police & Fire Pension Fund
MINUTES

Board of Trustees Retreat
March 1 & 2, 2018

Call to Order: The March 1, 2018 meeting was called to order at 9:30 am at the Joseph Le Meridien 620 North High Street, Columbus, OH 43215.

In Attendance:

Trustees:

Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, Patton, Wainscott, and J. Moore

Absent:

None

Staff:

Abankwah, Chiancone, Clark, Foley, Gallagher, Gatewood, Graham Hall, Harville Jewell, Jordan, Luke, Mayesky, McElroy, Miller, Proctor, Sparks, Robinson, Weston

Others Present:

Adam Hewit, Lobbyist; Michelle Davidson, Managing Director, TorreyCove's Capital Partners; Robert Besenhofer, Director Productivity, Conduent; Michael Madalena, Senior Consultant, GRS, Emily Madalena, Content and Research Consultant and GRS, Andrew Madalena, Systems Consultant, GRS; Jim Fries, Solution Architect, Aon and Mat Burkley, Client Manager, Aon; Rick Funston, and Matt Gertken

AGENDA ITEM 1:

Legislative Update: Mr. Adam Hewit discussed the following topics:

- Governmental Affairs
- Benchmarking

Ms. Mary Beth Foley, General Counsel reviewed Ms. Harville's memorandum regarding Salary Benchmarking and the salary benchmark list as requested by Trustee Patton.

The 30 retirants who have been impacted by the benchmarking provision. Although the overall impact may seem low, it is important to remember that this figure does not consider the value and cost savings that have been realized through changes in member behavior. The benchmarking provision was designed, in part, to create cost savings through avoidance measures, which is more of a gray area and less financially tangible, but is still an important action that has allowed OP&F to avoid having to incur the future costs of underfunded pension benefits.

Should the Board desire a change to the provision, the topic should be added to the legislative wish list for future consideration.

Trustee Patton identified six retirants from the list that he believes their spikes in their spikes were not caused by deliberate spiking and he would like for the Board of Trustees to reconsider these six benchmarking. Ms. Foley advised that the rule cannot be changed just for those six. Any changes would have to be made for the 30 members listed. (See Tab 1 Salary Benchmark Memorandum and list, dated March 1, 2018.)

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AGENDA ITEM 2:

TORREYCOVE: Michelle Davidson, Managing Director, TorreyCove Capital Partners, discussed Private Equity, outlining the risk and return characteristics of private markets compared to public markets and how it relates to OP&F Private Equity Program. (See Tab 2 TorreyCove 2018 Board Retreat presentation, dated March 1, 2018.)

- Part I: Where has the OP&F Private Equity Program been?
- Part II: Where is the OP&F Private Equity Program now?
- Part III: Where is the OP&F Private Equity Program heading?

AGENDA ITEM 3:

Health Care Transition Update:

A. Conduent Consultants -OP&F Health Care Spending Fund Projection of Solvency for Subsidy

Scenarios: Mr. Robert Besenhofer presented the overview of solvency projections scenarios for 15 year, 25 year or 30 year solvency. The subsidies set to principal of HCSF as of 1/2019 will not decrease, based upon the 1/2017 valuation results. (See Tab 3a Conduent - OP&F Health Care Spending Fund Projection of Solvency for Subsidy Scenarios, dated March 1, 2018.)

B. GRS Health & Welfare – Stipend Proposals for 2018 Calendar Year: Mr. Mike A. Madalena, Senior Consultant/Data Warehouse, Mr. Andrew Madalena, Systems Consultant, and Ms. Emily Madalena, Research Consultant, Madalena Consulting, LLC P discussed the premiums OP&F members could expect in the Medicare and non-Medicare marketplace. Along with the net premium costs that OP&F members could expect to pay after choosing a plan in the Ohio marketplace and utilizing their stipend. (See Tab 3b GRS - Stipend Proposals for 2018 Calendar Year, presentation dated March 1, 2018.)

C. Aon Retiree Health Solutions: Jim Fries, Solution Architect and Mat Burkley, Client Manager, outlined the project's implication status, their key accomplishments along with the upcoming activities milestones and deliverable items. (See Tab 3c Aon - OP&F Board Retreat presentation, dated March 1, 2018.)

After significant discussions from the board of trustees, Health Care vendors and OP&F's retiree groups in the audience the board asked staff to add some additional information and bring forth recommendations for consideration to be voted on at the next Health Care Committee/Board meeting.

AGENDA ITEM 4

BCA Research Presentation – Geopolitical Risks & Opportunities in 2018 and Beyond: Mr. Matt Gertken, Associated Editor & Geopolitical Strategist outlined the investment relevance of geopolitical. (See Tab 4 BCA Research Presentation – Geopolitical Risks & Opportunities in 2018 and beyond presentation, dated March 1, 2018.)

The meeting concluded at 7:17 p.m.

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Call to Order: The March 2, 2018 meeting was called to order at 9:00 am at the Joseph Le Meridien 620 North High Street, Columbus, OH 43215.

In Attendance:

Trustees:

Deighton, Desmond, Heller, Maloney Stifler, C. Moore, Patton, Wainscott, and J. Moore

Absent:

Montgomery

Staff:

Abankwah, Chiancone, Clark, Foley, Gallagher, Gatewood, Graham Hall, Harville Jewell, Jordan, Luke, Mayesky, McElroy, Miller, Proctor, Sparks, Robinson, Weston

Others Present:

Adam Hewit, Lobbyist and Rick Funston, Funston Advisory, LLP

Excuse Trustee- Mr. Desmond moved, and Mr. Patton seconded a motion to excuse Mr. Montgomery from today's meeting. The motion passed with a roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, C. Moore, Patton, Wainscott and J. Moore

Nays: None

Legislative Update - Mr. Adam Hewit briefed the Board of Trustees on the session schedule for this mid-term elections and identifying sponsors to propose legislation to increase the employers' contribution rate.

- Employers Contribution Rates
- Other legislative initiatives

AGENDA ITEM 5

Preparing for A fiduciary Performance Audit – Mr. Rick Funston, Managing Partner. Mr. Funston outlined the following: (See Preparing for A fiduciary Performance Audit presentation, dated March 2, 2018.)

A. Preparing for A fiduciary Performance Audit:

- ORSC Mandate
- Governance
- Legislative Framework
- Governance Leading Practices
- Fiduciary Audits

B. One of a Kind – A Practical Guide for 21st Century Public Pension Trustees - Mr. Funston also outlined A Practical Guide for 21st Century Public Pension Trustees. (See “One of a Kind – A Practical Guide for 21st Century Public Pension Trustees” presentation dated March 2, 2018.)

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ADJOURNMENT:

The Board adjourned at 12:00 pm.



John J. Gallagher, Jr.
Executive Director

Board Retreat Materials:

1. Salary Benchmark memorandum and attachment dated 3/1/2018;
2. TorreyCove Capital Partners, presentation dated 3/1/2018;
3. Conduent – Health Care Spending Fund Projection of Solvency for Subsidy Scenarios presentation, dated 3/1/2018;
4. GRS OP&F Stipend Proposals for 2018 Calendar Year presentation, dated 3/1/2018; and
5. Aon OP&F Board Retreat, presentation, dated 3/1/2018;
6. BCA Research Presentation – Geopolitical Risks & Opportunities in 2018 and beyond presentation;
7. Preparing for A Fiduciary Performance Audit presentation, dated 3/2/2018 and One of a Kind- a Practical Guide for 21st Century Public Pension Trustees presentations – Funston Advisory.