



Date: December 9, 2014

To: **OSURA Executive Board Members/Historian/Representatives**

Donald B. Cooper
Don M. Dell
Sally E. Dellinger
Howard L. Gauthier
Raimund E. Goerler
Michele B. Hobbs

Richard M. Hill
Fern E. Hunt
Daniel L. Jensen
Donald W. Larson
Shirley McCoy
Sally W. Morgan

Ivan I. Mueller
Gerald H. Newsom
Hallan C. Noltimier
Marie T. Taris
Nancy S. Wardwell

From: Hallan C. Noltimier, President

**OSURA Executive Board Meeting
Tuesday, December 9, 2014 from 9:00 to 11:00 AM
Northwood and High Building, Room 100
2231 North High St.**

A G E N D A

- | | | | |
|------|-------------------------------|-------|--|
| 9:00 | Call to Order and Personals | 9:48 | Representatives' Report |
| 9:03 | Meeting Minutes – Sweeney | | Bucks for Charity – Dell |
| 9:08 | President's Comments – Newsom | | Campus Campaign – Sweeney |
| 9:13 | Treasurer's Report - Jensen | | FCBC – Mueller |
| 9:23 | Office Report – Lantz | | Legislative Update – Hill |
| 9:28 | Committee Reports | | OCHER/ORTA/HPA – Wardwell,
Gauthier |
| | Benefits – Taris | | OPERS – Hobbs |
| | Fall Conference – Taris | | STRS – Hill/Gauthier |
| | Bylaws – Taris | | |
| | Communications – Wardwell | | |
| | Finance – Gauthier | 10:08 | New Business |
| | Friendship – Dellinger | | |
| | Membership – Larson | 11:00 | Adjournment |

Please contact Gerald Newsom at Newsom.1@osu.edu or gnewsom@astronomy.ohio-state.edu if you are not able to attend.

Next meeting: January 13, 2014

Cc: Anne Nagy, Michele Bondurant, Pam Doseck, Bob Hessenauer

The Ohio State University Retirees Association
(OSURA)

EXECUTIVE BOARD MINUTES

Tuesday, November 12, 2014, 9:00 a.m. - 11:00 a.m.
Community Room, Northwood-High Building
2231 North High Street, Columbus, Ohio 43201

Members:	Don M. Dell	Sally E. Dellinger	Howard L. Gauthier
	Raimund E. Goerler	Richard M. Hill	Fern E. Hunt
	Daniel L. Jensen*	Donald W. Larson	Shirley F. McCoy
	Sally W. Morgan	Ivan I. Mueller	Gerald H. Newsom
	Hallan C. Noltimier	Thomas L. Sweeney	Marie T. Taris
	Nancy S. Wardwell		

Representatives & Other Committee Chairs:	Odette Blum*	Mary Anne Herbst*	Michele B. Hobbs
	Alabelle B. Zghoul*		
OSU-HR Office:	Michele R. Bondurant	Diana L. Lantz	
Guests:			

* not present

Chair: Hallan C. Noltimier, President

- 1. Call to Order** – 9:06 a.m. **Personals** – Jed Dertinger deceased.
Tom Ridenour resting at home.
- 2. Minutes of October 14, 2014** (Thomas L. Sweeney) The minutes were approved as corrected.
- 3. President's Comments** (Hallan C. Noltimier) Hal noted that he will be away in December and that Gerald Newsom had agreed to chair the December meeting. Hal will prepare the agenda for the meeting.
- 4. Treasurer's Report** (C. Thomas Ridenour) By written report, Tom informed the Board that as of October 31, 2014, the total of the fund balances was \$260,869, of which \$142,493 was the life membership fund, and on September 30, 2014 the market value of the Endowment fund was \$140,230. As of October 31, 2014, the total expenditures from the OSU HR allocation was \$8,293.26 and from OSURA funds was \$20,557.76.

See Tom's detailed written report for complete details.

In Tom's absence, Howard Gauthier said that Tom had stated to him that the Association continues in very good fiscal shape and we are meeting all of our financial goals. Howard noted that, due to Tom's resignation from office of Treasurer, Tom is ready to hand over the OSURA check book and the financial files to his successor.
- 5. Office Report** (Michele R. Bondurant and Diana L. Lantz) Diana reported that the activities of the office continue apace. The Directory is currently with the designer. The budget for the OSU HR allocation has been approved.

Diana distributed copies of a new OSURA brochure, a brief introductory piece giving background and contact information. It is hoped that, among other uses, it will be

distributed by departmental and other local HR units to OSU employees nearing retirement.

6. **Committee Reports**

Benefits (Marie T. Taris) Marie referred the Board to her written report (see the meeting packet for her report) for details and noted that many of the items of committee business would be discussed later in the Board meeting.

Marie noted that more committee members are being sought to replace the natural turnover on the committee. At present, there is a need for someone to work with Michele Bondurant on discounts for OSU retirees. Nancy Wardwell agreed to undertake that activity on a temporary basis until a replacement is found. There is also a need for a person to undertake committee work on eldercare, senior living, etc.

Rachael Turner is taking the lead on the Annual Conference which will be held on September 16, 2015 at the Fawcett Center. The first meeting for the planning group will be at the Kingsdale MCL on November 20, 2014 from 9:00 to 11:00 a.m.

Bylaws (Marie T. Taris) No report.

Communications (Nancy S. Wardwell) Nancy reported that she had no information of late on the analysis of the OSURA website. Diana said that she would try to have all information on this sent to Nancy.

Finance (Howard L. Gauthier) Howard reported that the Committee was active over the past month discussing matters relating to the need for a new treasurer.

After discussion with a variety of sources, and the alerting of the Board at its meeting of October 14, 2014 to the prompt need for bookkeeping assistance, the Committee contacted John Gerlach & Company seeking a proposal for handling many of the bookkeeping aspects of OSURA. A letter proposal was submitted by Gerlach and was approved by the Committee. President Noltmier signed the letter proposal on behalf of OSURA. (A copy of the signed agreement is appended to these minutes.)

A Board member asked if this was a matter that should be formally approved by the Board. It was noted that since the agreement had already been signed and that the matter was one that required immediate action there was no reason for approval by the Board at this point. There seemed to be no dissent from this point and there seemed to be general approval of the notion that some bookkeeping help was required and that the Finance Committee and the President were to be commended for prompt action on a matter that clearly called for prompt action.

The details of the financially related activities that will be carried out by the OSURA office, by the Treasurer, and by John Gerlach & Company remain under discussion. The Committee was scheduled to meet immediately after the Board meeting to work on these details.

Friendship Committee (Sally E. Dellinger) Sally noted that the Committee continues its normal business. The Committee will next meet on December 1, 2014.

Membership (Donald W. Larson) Don reported that paid membership is up by 72 over last year for a total of 3,216.

See further details, including current membership numbers, in Don's report in the Meeting Packet.

Programming Committee No report.

Volunteer Task Force (vacant) Rai noted that a recent meeting was chaired by Ellen Leppert. The consensus of those attending was that OSURA should let the new OSU volunteer effort take the lead. We will be supportive of the new OSU office's activities. It was thought that we do not need to continue the Task Force, but that we do need to have a liaison person to facilitate transmitting volunteer needs and opportunities to our membership. Ellen Leppert will be approached to see if she will agree to be the liaison.

7. Representatives' Reports

Bucks for Charity (Don M. Dell) Don reported that the third of three communications to retirees has been sent.

Campus Campaign (Thomas L. Sweeney) Tom reported that a short request for donations will be in the December Newsletter and that additional short requests will be in subsequent Newsletters through at least April.

FCBC (Ivan I. Mueller) Ivan reported that the Committee seems to be concentrating on salaries and other benefits for faculty. They are trying to meet with the OSU President, with no success so far. The November meeting of the Committee was cancelled, with the next meeting set for December.

Legislative Update (Richard M. Hill) Given the lull in legislative activity because of the elections, Dick reported on a few related items: Included were: wellness programs that creep from volunteer programs to mandatory programs; the effect of Ebola; the increase in life expectancy; and the large peak in Ohio's birth numbers that occurred during the baby boomer years and its implications for Ohio's pension systems.

See Dick's notes in the Meeting Packet for his written report.

OCHER /HPA (Nancy S. Wardwell, Howard L. Gauthier, and Richard M. Hill) Nancy reported that the next OCHER meeting will be on November 18, 2014. Leaders from PERI, STRS, and OPERS will be on hand for discussions.

Dick and Howard commented on current HPA activities and concerns. The problem of joint retirements, where a soon-to-be retiree has service time in more than one Ohio retirement system, will perhaps be solved by inserting language in must-pass legislation. The new composition of the Ohio Retirement Study Commission is awaited with great interest.

The new GASB rules would place the approximately \$25 billion in unfunded liabilities now on STRS's books onto the accounts of the various school districts and universities. This amounts to approximately \$125,000 per active teacher, a number that has led to a fear on the part of the school boards and universities that their bond ratings would decline and that community enthusiasm for tax support would be damaged.

There may be some question about the STRS eligibility of some charter school teachers, depending on the details of their employment.

The various potential changes in the STRS pension system that might alleviate its financial problems continue to be reviewed by HPA. Clearly, changes in the COLA have the greatest effect.

Despite problems with STRS finances, other states, such as Illinois and California, may have more serious problems.

OPERS (Michele B. Hobbs) Michele reported that the OPERS Board continues to seek a legislative fix for the joint retirement problem.

See Michele's written report in the Meeting Packet for details.

SCBS and USAC (Vacant) Hal noted that a replacement for Jed Dertinger is needed for this assignment. He asked for the suggestions of the Executive Board.

STRS (Richard M. Hill and Howard L. Gauthier) Dick reported that STRS assets were \$73.4 billion as of September 30, 2014. The 2014 fiscal year ended with an increase in net assets to \$75.4 billion and an increase in the Health Care Fund to \$3.6 billion,

See Dick's notes in the Meeting Packet for his written report.

Tax Seminar (Hallan C. Noltimier) Hal reported that the Tax Seminar would be held on Friday January 16, 2015 at the Brice Eck Center, 3880 Reed Rd., Upper Arlington from 1 to 3 p.m.

Meeting with OSU President Drake (Hallan C. Noltimier) Hal is continuing to work on arranging this meeting. He indicated that he might ask the President and the Provost to attend an OSURA Board meeting.

OSURA Bookkeeping (Howard L. Gauthier) See the Finance Committee section of these minutes for details.

8. **Old Business** There was no Old Business.

9. **New Business / Add-on Items**

Elections to Vacant Offices (Hallan C. Noltimier) Hal noted that the office of Vice President and President-Elect is now vacant due to the untimely death of James E. Dertinger, and that the office of Treasurer is now vacant due to the resignation of C. Thomas Ridenour, for health reasons, effective today. He noted that under Article IV, Section 1(e) of the Association bylaws, it is the responsibility of the Board to elect successors.

Hal nominated Gerald H. Newsom to serve the remaining term of office as Vice President and President-Elect. There were no further nominations and he was elected unanimously. He will serve the remainder of Jed Dertinger's unexpired term: as Vice President and President-Elect until June 30, 2015, as President from July 1, 2015 to June 30, 2016, and as Immediate Past President from July 1, 2016 to June 30, 2017.

Hal nominated Daniel L. Jensen to serve the remaining term of office as Treasurer. There were no further nominations and he was elected unanimously. He will serve the remainder of C. Thomas Ridenour's unexpired term: as Treasurer until June 30, 2015.

Hal will send a letter to Tom expressing the gratitude of OSURA for his long and outstanding service.

Marie observed that the election of Jerry Newsom resulted in a vacancy as Member at Large for a term ending June 30, 2016. Hal asked that Board members send nominations to him for this opening.

Revision of the Operating Manual (Marie T. Taris) Marie pointed out that recent changes to the Association bylaws require modifications to the Operating Manual. Diana said that she would send a digital copy to Board members so that the various pages can be modified for submission to the Board for its approval.

Chair for the Special Interest Groups (SIG) Coordinating Committee (Marie T. Taris) Marie noted that the bylaw change approved by the membership at the Annual Meeting created a new committee, the SIG Coordinating Committee. With the support of the Board, President Noltmier appointed Shirley F. McCoy as chair of the Committee.

10. *Next Regular Board Meeting*

Tuesday, December 9, 2014, 9:00 a.m. - 11:00 a.m.
Community Room, Northwood-High Building
2231 North High Street, Columbus, Ohio 43201

11. *Adjournment* – The meeting was adjourned at 11:06 a.m.

Thomas L. Sweeney, Secretary
November 30, 2014

Appendix

Letter Agreement with John Gerlach & Company re: Bookkeeping
October, 2014

John Gerlach

Certified Public Accountants

& Company, LLP

Mr. Howard Gauthier
Chairman
OSURA Finance Committee

October 14, 2014

Dear Mr. Gauthier:

Consistent with our meeting last Friday, I formally propose to provide the following accounting services to OSURA:

- Monthly financial statements reflecting current month, prior year month, year to date, prior year to date and budget
- We will prepare accounts payable invoices and present to your representative for signatures
- We will prepare monthly bank reconciliations
- We will prepare annual 1099's
- We will make bank deposits ie: we will physically stop by the OSURA office to pick up checks and deposit checks at your bank.

Our monthly fee for these services will be \$500.00. We can begin this engagement immediately or a date that works for you.

If you agree to the terms above please sign and return to me.

Sincerely,



TJ Conger, Partner
John Gerlach & Company LLP

Confirmed on behalf of the addressee:

Howard C. Bellinier
Name
OSURA President

October 13, 2014
Date

O.S.U.R.A. Treasurer's Report as of November 30, 2014

		2014-15	2014-15	2013-14
		Budget	PE Nov 30	PE Nov 30
Revenue:				
Dues		17,000	17,160	16,145
Investment income		1,500	1,525	1,661
Fall Conference		8,000	8,720	7,470
Annual Meeting				2,670
Advertising/Sponsors				
Newsletter		6,000	2,500	2,500
Fall Conference		9,000	14,045	8,610
Endowment fund		5,000	0	0
Endowment fund trf		0	0	0
Life membership fund		0	0	0
Travel transfer		4,500	2,796	14,553
Total Revenues		\$51,000	\$46,746	\$53,609
Expenditures:				
Administrative		6,800	1,437	879
Annual meeting		0	0	5,336
Fall Conference		13,000	19,055	16,078
Communications		5,000	0	0
Special programs		3,700	(34)	213
Committee expenses		350	0	225
Strategic Initiatives		15,000	0	0
Total Expenditures		\$43,850	\$20,457	\$22,731
Fund Balances:				
Operating			109,724	80,577
Travel			700	2,527
Big 10 Meeting Reserve			4,000	3,000
Life			142,493	129,456
Total Fund Balances			\$256,917	\$215,560
Cash and equivalents			19,917	32,200
CD's/Maturity/Rate				
07/29/15 - .400%			40,000	
07/02/15 - 3.60%			10,000	
10/09/15 - 3.20%			8,000	
11/17/16 - 3.25%			15,000	
06/30/16 - 3.65%			10,000	
10/31/16 - 2.00%			10,000	
11/16/16 - 2.00%			13,000	
04/03/17 - 1.05%			13,000	
09/12/17 - 1.60%			10,000	
06/29/18 - 2.00%			15,000	
07/10/18 - 1.75%			16,000	
10/25/16 - 1.98%			25,000	
10/25/19 - 2.00%			15,000	
11/29/19 - 1.80%			22,000	
07/02/20 - 2.35%			15,000	
Total CD's at cost			237,000	184,000
Deferred Items			-	(640)
Fund Balances (as above)			\$256,917	\$215,560
Endowment Funds:				
Market Value			31-Oct-14	30-Jun-14
Principal			140,230	136,533
Current			136,098	132,308
			5,609	236
Memo - Emergency Fund			266	266

OSURA: Travel and Life Membership Activity
November 30, 2014

TRAVEL ACTIVITY	RECEIPTS:		DISBURSEMENTS:		NET	
	2014	2015	2014	2015		
Cincinnati	5,836.00	(852.00)	3,768.60	141.18	874.22	*
Schedel Gardens	2,620.00	120.00	825.00	1,676.76	238.24	*
Waynesville	2,593.50	598.50	700.00	1,952.82	539.18	*
Maysville, KY	2,043.00	(2,043.00)	100.00	(100.00)	0.00	*
Canton Museum	540.00	2,220.00	100.00	2,344.31	315.69	*
Lebanon, OH	62.00	3,534.00	700.00	2,209.26	686.74	*
Wright- Pat Museum		2,350.00	100.00	2,032.24	217.76	*
Portsmouth		1,080.00		1,155.52	(75.52)	*
Innovations - Ballet Met		617.50		617.50	0.00	*
ProMusica		392.00		392.00	0.00	*
New York City		25,628.00		25,497.00	131.00	o
Vaud Villities		960.00		700.00	260.00	o
La Comedia		3,162.00	100.00	2,752.52	309.48	o
TOTALS	13,494.50	37,767.00	6,393.60	41,371.11	3,496.79	
Completed *	\$2,796.31			Travel Fund	\$700.48	
	1986-95*	1996-2004	2005-09	2010-12	2013-15	TOTALS
	\$5/\$8	\$90	\$135	\$170	\$230	
Number paid	425	385	365	127	112	1,414
Deceased/Removed	252	43	14	1	0	310
% Deceased/Removed	60.00%	11.17%	3.84%	0.79%	0.00%	21.92%
AMOUNT PAID	\$27,056	\$34,650	\$49,275	\$21,590	\$ 25,990	\$ 158,561
Transferred:						
Operating Fund	(30,426)	(2,272)				(32,698)
Interest earned	8,557	2,816			5,257	16,630
FUND BALANCE	\$5,187	\$35,194	\$49,275	\$21,590	\$ 31,247	\$ 142,493

**O.S.U.R.A.: Operating Fund Revenues and Expenditures
FY 2015 and 2014**

Fiscal Year>>		2014-15	2014-15	2013-14
	Code	Budget	PE Nov 30	PE Nov 30
Revenue:				
Dues	001	17,000	17,160.00	16,145.00
Life membership trf.	003		0.00	0.00
Investment Income	010	1,500	1,525.08	1,660.72
Travel trf.	015	4,500	2,796.31	14,552.81
Annual meeting			0.00	2,670.00
Fall Conference	008	8,000	8,720.00	7,470.00
Advertising/Sponsors:			0.00	
Newsletter	006	6,000	2,500.00	2,500.00
Fall conference	007	9,000	14,045.00	8,610.00
Endowment	019	5,000	0.00	0.00
Total Revenue		61,000	46,746.39	53,608.63
Expenditures:				
Administrative:				
Postage	201	0	0.00	0.00
Faculty Club dues	205	800	268.00	264.00
Meeting room rental	210		0.00	0.00
Other meeting expenses	211	400	0.00	0.00
Survey	213	2,500	0.00	0.00
Big 10 meeting travel	220	2,000	1,068.92	125.00
Recognition gifts/awards	230	400	0.00	389.10
OCHER dues	250	100	100.00	100.00
Stationery and supplies	275	0	0.00	0.00
Equipment	298	500	0.00	0.00
Bank charges/other	299	100	0.00	1.26
Total Administrative		6,800	1,438.92	879.36
Special Events:				
Annual Meeting:				
Banquet charges	310		0.00	4,371.76
Room rental	311		0.00	714.00
Entertainment	315		0.00	250.00
Parking/other	399		0.00	0.00
Net Annual Meeting		0	-	5,335.76
Fall Conference:				
Facility charges	410	5,500	5,155.00	4,980.15
Meals	411	6,500	10,971.40	10,383.60
Tours	414		1,110.00	
Supplies/other	415	1,000	1,818.12	714.74
Net Coping With Change		13,000	18,064.52	16,078.49
Communications:				
Directory printing	501		0.00	0.00
Directory layout	505		0.00	0.00
Directory postage/other	506		0.00	0.00
HR Office	510	5,000	0.00	0.00
Other	520		0.00	0.00
Total Communications		5,000	0.00	0.00
Programs:				
Holiday programs	600	600	0.00	0.00
Summer picnic	610	600	0.00	0.00
Tax Seminar	630	250	0.00	0.00
Big 10 Conference - net		1,000	0.00	0.00
Estate Planning	635	250	0.00	0.00
Turtulia Breakfast	651	200	0.00	0.00
Lunch Bunch	652	100	0.00	0.00
Dinner Series	654	700	(34.45)	212.61
Total Program		3,700	(34.45)	212.61
Friendship:				
Printing	701	0	0.00	0.00
Other	702		0.00	0.00
Total Friendship		0	0.00	0.00
Benefits Committee	810	100	0.00	0.00
Membership Committee	830	50	0.00	0.00
Travel Committee	840	200	0.00	224.61
Cultural Affairs Comm.	850	0	0.00	0.00
Total Committees		350	0.00	224.61
Strategic initiatives Res.		15,000		
Total Expenditures		43,850	20,456.99	22,730.83

O.S.U.R.A. Fund Equities
November 30, 2015 and 2014

Fiscal Year		2013-14	2014-15	2013-14
		Budget	Nov 30	Nov 30
Operating Fund:				
Total Revenues	22,700	51,000	46,746.39	53,608.53
Total Expenditures	22,335	43,850	20,456.99	22,730.83
Revenue Over (Under)	365.00	7,150	26,289.40	30,877.70
Beginning Equity	22,324	83,435	83,434.61	49,699.14
Available	22,689	90,585	109,724.01	80,576.84
Transfer to Life				
Transfer to Endowment				
Big Ten Meeting Reserve	1,000	(1,000)		
Ending Equity	\$21,689	89,585	\$109,724.01	\$80,576.84
Big Ten Meeting Reserve			4,000.00	3,000.00
Travel Fund			700.48	2,527.00
Life Membership Equity			142,493.18	129,456.00
Total Fund Equities - End of period			256,917.67	215,559.84
Checking (5/3 #283709611)			19,917.67	25,495.28
Money Market @ Fidelity Investments				6,704.45
CD (FID First Nat'l Amer 07/02/15 - 3.60%)			10,000.00	
CD (Fid Santander Bk 07/29/15 - .400%)			40,000.00	
CD (FID Newbury 10/09/15 - 3.20%)			8,000.00	
CD (FID Flushing Savings 11/17/15 - 3.25%)			15,000.00	
CD (FID CommerceWest 06/30/16 - 3.65%)			10,000.00	
CD (FID Flushing Savings 10/31/16 - 2.00%)			10,000.00	
CD (FID CIT Utah 11/16/16 - 2.00%)			13,000.00	
CD (FID Ally, Utah 04/03/17 - 1.05%)			13,000.00	
CD (FID Discover 09/12/17 - 1.60%)			10,000.00	
CD (FID GE Capital 06/29/18 - 2.00%)			15,000.00	
CD (FID Discover 07/10/18 - 1.75%)			16,000.00	
CD (Fifth Third Bk. 09/26/19 - 1.98%)			25,000.00	
CD (FID Bank Grove OK 10/25/19 - 2.00%)			15,000.00	
CD (FID Goldman Sachs 11/29/19 - 1.80%)			22,000.00	
CD (FID Goldman Sachs 07/02/2020 - 2.35%)			15,000.00	
Other Prior years				184,000.00
TOTAL INVESTMENTS			237,000.00	184,000.00
Deferred Items - net			-	(639.89)
Total (as above)			256,917.67	215,559.84
EMERGENCY FUND:				
Endowment				
Prior year carry forward			265.57	265.57
Special Gifts				
Disbursements				
Available			265.57	265.57
ENDOWMENT:				
			Oct 31	June 30
Market Value			140,230	136,533
Principal			136,098	132,308
Current Use			5,609	57

Benefits Committee Report for the Executive Board December 2014

Notes from the Benefits Committee Meeting of 12-2-14 prepared by Marie Taris, chairperson

We welcomed new members to the Benefits Committee, Meg Teaford, who recently retired from the School of Health and Rehabilitative Sciences and Jerry Newsom, who is in the role of ex officio by virtue of his election to the Vice President/President-elect of OSURA

The committee acknowledged with sadness the passing of Tom Ridenour, OSURA's long-serving Treasurer

The Committee heard the following reports:

FCBC – Committee has not met so there was no report.

SCBS – We continued to discuss the vacant position of representative to SCBS.

OPERS – Report will be given at the Executive board meeting so it will not be repeated here.

STRS/HPA - Report will be given at the Executive board meeting so it will not be repeated here.

Legislative Update. Report will be given at the Executive board meeting so it will not be repeated here.

PERI —The meeting of Chapter 94 at Upper Arlington library on 11-6-14 heard presentations from two health care educators from OPERS discussing the health care changes that OPERS will be implementing , especially the coming of the Health Care Connector which will assist Medicare recipients with obtaining health insurance on the open market beginning with the 2016 calendar year.

Elder Care - Our new member, Meg Teaford, has agreed to be responsible for bringing forth information about this topic to the committee.

OCHER – In the meeting is of 11-18-14 reports were heard from Bill Winegarner , the Administrator of PERI, and Marla Bump, the Governmental Affairs officer for STRS.

OSURA Discounts – Nancy Wardwell has agreed to be the contact to HR for advocating for securing discounts for OSURA members. Her predecessor in this role, Jed Dertinger, was effective in heightening an awareness of the interest of OSURA in continued expansion of discounts, such that we can heavily rely on HR (Michele Bondurant) to include retirees in all discussions with vendors about new discounts for OSU.

Financial Issues Update – Doug Jones sent his report addressing two topics: 1. He offered a commentary on the near-to-midterm overall outlook for the U.S. economy. He suggested that the consensus view of economists is that the trajectory of growth will be sustained into 2015 and beyond, and indeed should accelerate. We've now passed virtually all the 2008-2009 good levels of the economy, and the October dip is seen to have been a temporary and perhaps needed correction; and 2. Relevant research findings include: The Employee Benefit Research Institute released a study that

found that only 25% of workers 55 and older felt “they were doing a good job preparing for their retirement phase.” Recall that 10,000 baby boomers per day retire, hence about 3.65 million annually. And that the Social Security Administration and American Society of Actuaries now estimate that by 2029 there is a 38% chance for upper middle income couples (for one or both) to live thirty years beyond retirement: the current number is about 26.

Annual Meeting/Fall Conference – The first planning meeting, held on November 20, was chaired by Rachel Turner. With the date and the location of the conference already set (September 16, 2015 at the Fawcett Center), this meeting addressed ideas for speakers. The committee established the fee for the conference to be the same as in 2014 (\$25). The next planning meeting is scheduled for Thursday, January 15, 2015 at the MCI cafeteria in Kingsdale Center 9:00 to 11:00.

403(b)/457 update – Hal Moellering provided some background especially for the new members of the committee about the prior work of this committee to encourage the Office of Human Resources to provide to faculty and staff more information about vendors offering these products. Goal was to increase the transparency of the fees associated with the current vendors. The committee also urged HR to encourage more low cost vendors to offer products at OSU. Hal shared that recently passed legislation in Ohio provides more latitude for institutions of higher education in the state to limit the vendors that may sell on their campuses. Waiting to hear how OSU will respond to that legislation.

Tax Seminar – Is set for January 16, 2015.

Next Benefits Committee Meeting - will be Tuesday, January 6, 2015

Monthly Report of the Finance Committee
December 9, 2014

At its meeting on November 12, 2014, the Finance Committee took the following actions.

The Committee approved the following bookkeeping procedures set forth in the agreement with John Gerlach & Co.

For Deposits:

1. Checks come in to Diana
2. Diana makes a log of all checks
3. Checks and a copy of the log are picked up by John Gerlach & Co.
4. Copy of the log is sent to the Treasurer

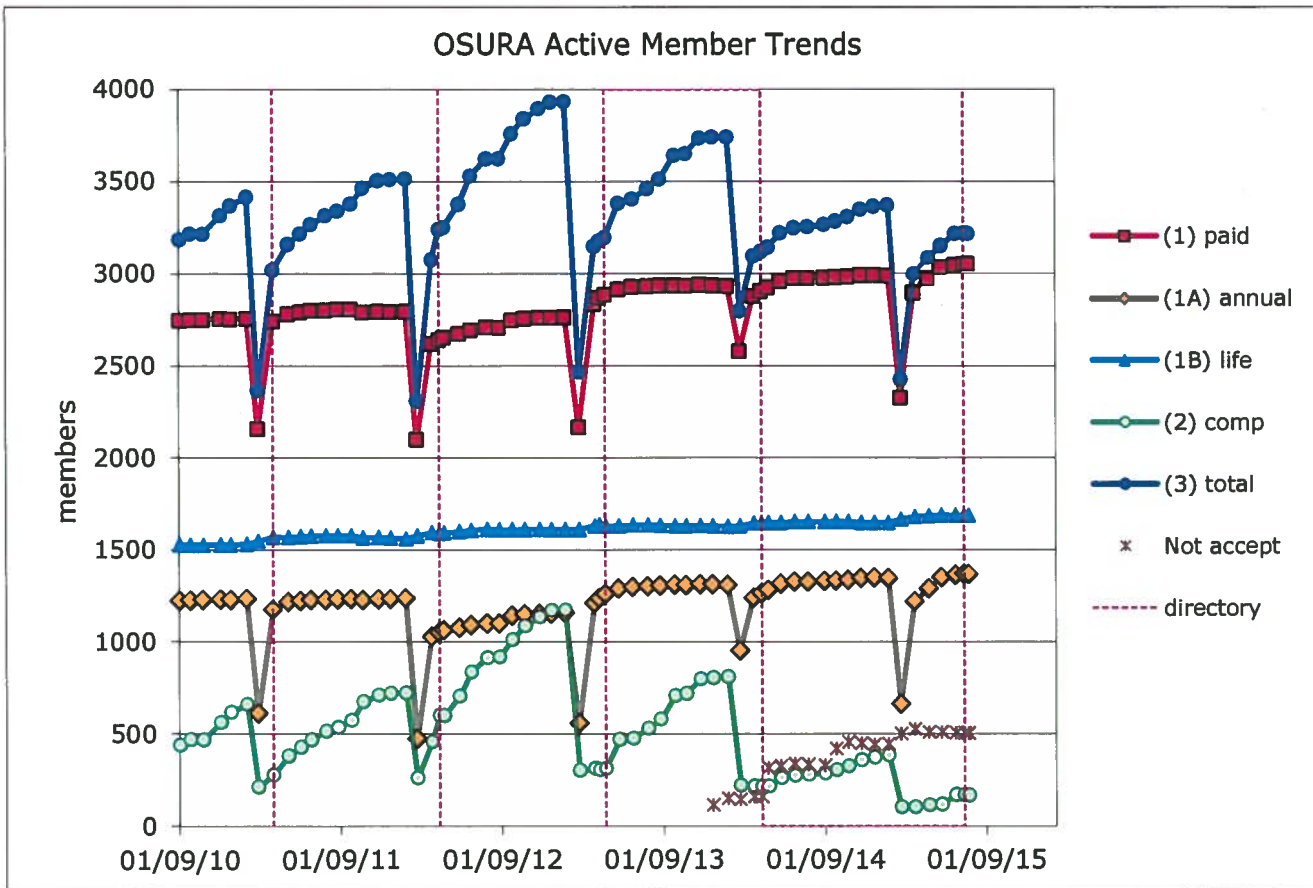
For accounts payable:

1. The Treasurer approves payment and an invoice is sent to John Gerlach & Co.
2. John Gerlach & Co. creates checks for the amount approved by the Treasurer.
3. The Treasurer signs all checks. This may be done electronically.

The Committee suggested the following rewrite of the duties of the Treasurer as stated in the Operating Manual.

1. The Treasurer oversees and manages financial transactions and the financial records of OSURA including:
 - a. Payment of all bills approved by program/committee chairs and the OSURA Vice-President.
 - b. Deposit of receipts and invoices.
 - c. Review of reconciliation of bank accounts
 - d. The Endowment Fund

2. Maintains current authorized signature cards. Authorized signatories are the President, Vice-President and Treasurer.
3. Submits monthly financial reports to the Finance Committee and the Executive Board of OSURA and an annual report at the Annual Meeting.
4. Makes recommendations to the Finance Committee on the investment of OSURA funds.
5. Serves as an ex-officio member of the Finance Committee.
6. Maintains historical records as required by the record retention schedule and the OSURA Historian.



Monthly Number of OSURA Members by Category
(through December 1, 2014)

paid = annual + life
total = paid + comp

Number of Members at Significant Times:

	(1) paid	(1A) annual	(1B) life	(2) comp	(3) total	not accept
06/06/11	2794	1236	1558	719	3513	annual maximum (2.9% increase)
08/22/11	2639	1051	1588	599	3238	directory
06/01/12	2763	1155	1608	1170	3933	annual maximum (12.0% increase)
08/31/12	2885	1258	1627	310	3195	directory
05/01/13	2937	1309	1628	802	3739	annual maximum (4.9% Decrease)
08/19/13	2904	1261	1643	214	3118	directory
06/02/14	2988	1343	1645	383	3371	443 annual maximum (9.8% decrease)
11/21/14	3051	1366	1685	166	3217	502 directory
12/01/14	3051	1366	1685	165	3216	502 current month
11/02/14	3047	1361	1686	169	3216	504 comparison with last month
	4	5	-1	-4	0	-2
12/02/13	2975	1324	1651	278	3253	332 comparison with last year
	76	42	34	-113	-37	170

Note: Membership categories are the same as those used in the "Analysis" at the back of the Membership Directory.

MEMBERSHIP REPORT**DATE: 12/1/2014**

Membership Category	# of Memberships***	# of Spouses/Partners of Retirees	Total # of Members in This Category
1. Paid Membership	1981	1070	3051
A. Annual	883	483	1366
B. Life	1098	587	1685
2. Complimentary Membership	111	54	165
3. Total (1 + 2)	2092	1124	3216
4. Associate Memberships*	25	9	34
A. Annual*	21	6	27
B. Life*	4	3	7
5. Dual Spouse Memberships*	117	117	234
A. Annual*	35	35	70
B. Life*	80	80	160
C. Complimentary Memberships**	2	2	4
6. Membership Not Accepted Membership	N/A	N/A	502

* Included in Paid Memberships.

** Included in Complimentary Memberships.

*** Some memberships are spouses/partners of deceased retirees.

1. Patient EHR Files - *Should Physicians Be Collecting More Social and Behavioral Data ?*

["Modern Healthcare"](#) (11/14, Conn, Subscription Publication) reports that an Institute of Medicine panel recommends in a new, 317-page [report](#) titled "Capturing Social and Behavioral Domains and Measures in Electronic Heal Records, Phase 2," that "physicians should collect more information about patients' behavior and social environment in their" EHRs. Specifically, the report "recommends that providers use their EHRs to capture patients' census tract information (to estimate their median income and for geo-coded mapping), as well as information about their financial resource strain and levels of physical activity and stress." In addition, the panel recommended in the report that "EHRs and their users gather information about patients' educational status; whether they are experiencing depression; their social connections and sense of social isolation; and whether or not they're subjected to violence by a partner in an intimate relationship."

2. Health Care Data Breaches - *More Than 30 Million Patient Records Compromised*

["The Washington Post"](#) (8/19, Millman) reports the healthcare data breach of 4.5 million patients at Community Health Systems demonstrated the "undeniable truth" that hackers value the kind of data maintained by health systems. Due to the "average maturity" of the healthcare security environment, healthcare data has become "increasingly targeted" and accounted for "43% of data breaches in 2013." The US Department of Health and Human Services' database of major breach reports has tracked 944 incidents affecting 30.1 million people before the CHS breach. Identity Theft Resource Center's chief executive Eva Velasquez sees the sudden jump in numbers due to "result of tougher reporting requirements" and sees "room for improvement despite the advances" made by the industry."

3. American Who Live With Purpose - *May Reduce Health Care Costs*

["HealthDay"](#) (11/4, Norton) reports the present study looked at over 7,000 Americans and "found that the higher people scored on a 'purpose in life' scale, the more likely they were to get various screening tests over the next six years," including cholesterol tests, colonoscopies, mammograms, Pap tests or prostate exams."

4. Hold Onto Your Gray Matter - *Marijuana Is Not a Harmless Drug*

"The [Los Angeles Times](#) (11/11) "Science Now" blog reports that [research](#) published in PNAS suggests that "compared with a person who never smoked marijuana, someone who uses marijuana regularly has, on average, less gray matter in his orbital frontal cortex, a region that is a key node in the brain's reward, motivation, decision-making and addictive behaviors network."

5. For The 131st Ohio General Assembly - *The ORSC "To Do List"*

[OVER]

ORSC "To Do List" For the 131st Ohio General Assembly

THE OHIO Retirement Study Council (ORSC) met on Nov. 5 and covered a number of topics. One prominent agenda item was a report from Council staff on outstanding issues and recommendations made over the years. Any of these items could provide the basis for legislation should any of the legislative members of ORSC decide to pursue them.

Some of the policy suggestions were drafted by an independent consultant working for the Council, while other potential changes have been raised by ORSC members in recent years. The list includes:

- ① ————— • Updating ORSC policy statements on pension framework
- ② ————— • Conducting a triennial alternative retirement plan mitigation rate study
- ③ ————— • Permitting, instead of requiring, systems to provide long-term care coverage
- ④ ————— • Adding a declining 30-year funding policy
- ⑤ ————— • Updating previous studies regarding the disparity between employer rates in the Ohio Police & Fire Pension Fund (OP&F)
- ⑥ ————— • Reviewing the adequacy of OP&F contribution rates
- ⑦ ————— • Removing the authority for the State Teachers Retirement Board to issue a 13th check
- ⑧ ————— • Discouraging reemployment with the same employer in the same position
- ⑨ ————— • The mitigating rate study that Council is expected to receive in December
- ⑩ ————— • Reviewing disability definitions in law enforcement divisions
- ⑪ ————— • Examining the relationship between custodial banks and pension funds
- ⑫ ————— • Asking the attorney general's office to review contracts issued by the Council for potential concerns, and
- ⑬ ————— • Eliminating a qualified manager report

Though slated for potential elimination, the Ohio Qualified Manager report was on the Council's agenda. OPERS Executive Director Karen Carraher presented the report on behalf of the systems and advised the Council that the amount of money the systems have placed with Ohio-based managers has increased since 2003. She said the systems currently have a total of \$9.7 billion with in-state managers, an increase from the \$8.7 billion several years ago. The increased placements, she noted, have resulted in a 16% increase in total fees paid to Ohio managers. It was noted that although the report is targeted for removal, the program itself is not.



OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

MEMORANDUM

DATE: November 10, 2014

TO: OPERS Retirement Board Members

FROM: Karen Carraher, Executive Director

RE: V. Discussion Items:
A. Strategic Planning Update

Purpose – To provide the Board with a summary of the progress on the 2014 OPERS strategic plan initiatives and preview the upcoming key 2015 strategic plan initiatives.

Background – Beginning in 2013, OPERS modified the approach to strategic planning, shifting from a static five-year strategic plan to a rolling three-year strategic plan. Additionally, the new format had stronger linkages between activities (referred to as strategies and projects) and the overall goals. These linkages included both long-term and short-term measures of key performance indicators.

OPERS staff shared the proposed 2015-2017 strategic plans and solicited Board input at the June strategic planning Board meeting. At that time, staff also gave a status report as to the progress on the current 2014-2016 strategic plan.

Staff regularly provides a quarterly update on the progress toward the current strategic plan initiatives. At this meeting, staff will provide a more detailed update on the final progress on the 2014 initiatives and review the upcoming 2015 key initiatives.

In June 2015, staff will present the next strategic plan 2016-2018 to the Board for input before finalization.



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MEMORANDUM

DATE: November 10, 2014
TO: OPERS Retirement Board Members
FROM: Julie Emch Becker, General Counsel
RE: **IV. Action Items:**
B. Designation of CIO

Action requested: _____ moved, _____ seconded, to designate Richard D. Shafer as chief investment officer for OPERS pursuant to Ohio Revised Code Section 145.094.

Background – Ohio Revised Code Section 145.094 requires the Board to designate a person who is a licensed state retirement system investment officer to be the chief investment officer for OPERS. The Board must notify the Ohio Division of Securities in writing of its designation within ten days of the Board's designation.

The chief investment officer is required to reasonably supervise the licensed state retirement system investment officers and other persons employed by the state retirement system with a view toward preventing violations of securities laws, rules and regulations. This duty of reasonable supervision includes the adoption, implementation, and enforcement of written policies and procedures reasonably designed to prevent persons employed by the retirement system from misusing material, nonpublic information in violation of those laws, rules, and regulations.

I recommend that the Board designate Richard D. Shafer, Acting Director-Investments, as the current chief investment officer for OPERS and direct me to notify the Ohio Division of Securities of its designation.

Main Points Overview Relating to Retiree Members: *

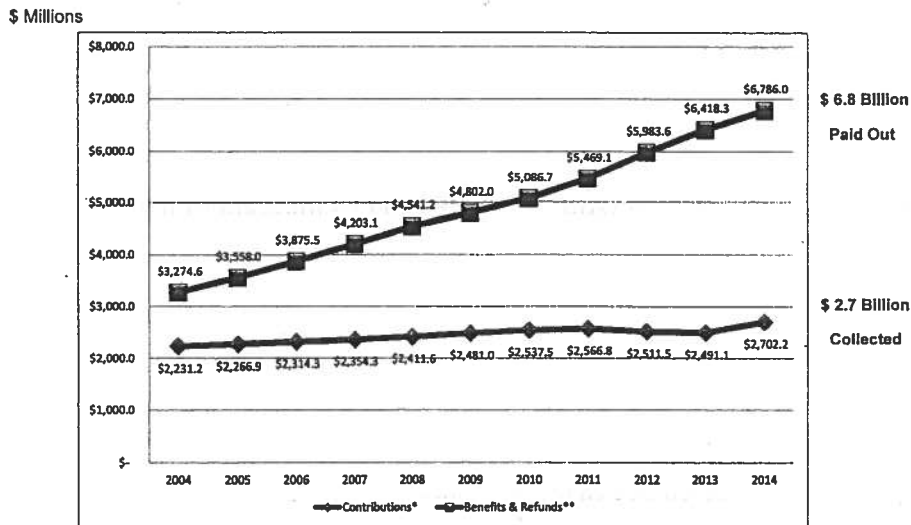
1. Investment (Overall Asset Mix) FY 2015 YTD: \$73.731 Billion, + 0.8% since June 30, 2014
2. What Is the Transitional Reinsurance Fee (TRF) ? - Cost to STRS Ohio = \$ 2,096,660.80

"The Affordable Care Act (ACA) requires establishment of a transitional reinsurance program between 2014 and 2016. This program helps stabilize premiums for coverage in individual state exchange marketplaces. The Transitional reinsurance Fee (TRF) is limited to enrollees in self-insured non-Medicare, Medicare Part B-only and COBRA plans. Plans consisting solely of prescription drug benefits, such as our Express Scripts plan, are not required to make TRF contributions. For 2014, the ACA required annual per capita contribution rate is \$ 63.

On Nov. 6, STRS Ohio completed its online reporting requirement, including the count of enrollees subject to the TRF, determining the amount STRS owes and selecting a specific payment date. Based on using the most cost effective of three allowed count methods, STRS Ohio's count was reported as 33,280.33 enrollees. The resulting 2014 TRF payment, set to be paid Jan. 8, 2015, was determined to be \$ 2,096,660.90 (33,280.33 x \$63)."

3. A Widening Gap - Increasing Dependence On Investment Returns.

Contributions vs. Disbursements



* Includes member and employer contributions, retirement incentive contributions, and contributions from other retirement systems
 ** Includes benefit payments, refunds and administrative expenses

4. Payroll Growth and Investment Asset Histories - 2004 - 2014

[OVER]

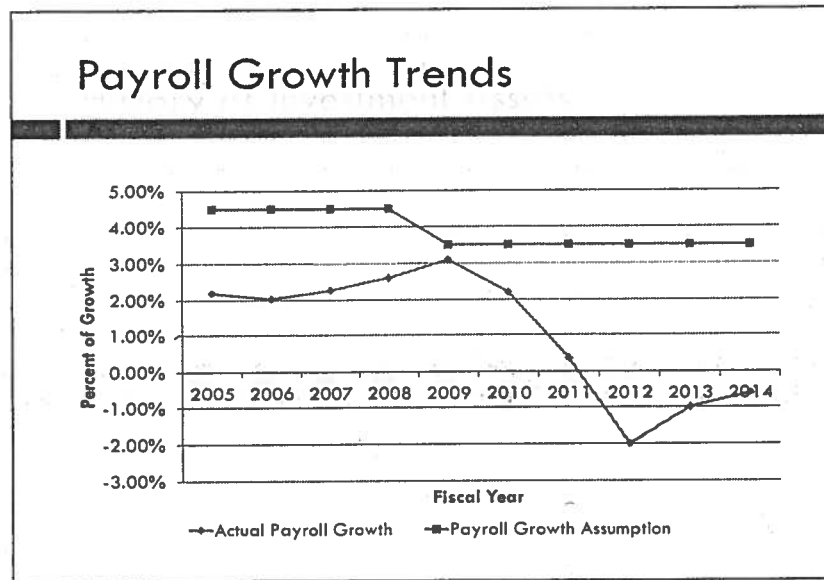
Next Regular Board Meeting: December 18, 2014. * From the STRS Executive Director's Report, and Other Sources (e.g., news-bounces@strsoh.org; Legislative News). Underline, bold, and/or italics have been added in some citations above.

Dick Hill / Member, OSURA Executive Board

STRS Fiscal Histories: 2004 - 2014

Payroll Growth

Total membership payroll declined for the third consecutive year in fiscal 2014. The decrease of 0.6% is well under the actuarial assumption of 3.5% growth. The total number of contributing members also decreased for the third year as a result of demographics and economic issues. Membership payroll consists of all contributing salaries including Alternative Retirement Plan participants, whose employers contribute 4.5% of salary toward amortization of the unfunded Defined Benefit Plan liability. The graph below shows the unfavorable trend for payroll growth over the past 10 years.



Investment Assets

Investment assets (excluding short-term investments) increased by 11.0% to \$74.3 billion at June 30, 2014, from \$67.0 billion at June 30, 2013. The system's peak fair value investment total was \$76.6 billion in fiscal 2007. A 10-year history of investment asset values follows.

