



## April 22, 2021 HPRS Board Meeting Highlights

The Highlights correspondence is aimed at providing timely information to our membership about HPRS meetings, since board minutes cannot be approved and posted until after the next board meeting. Below are the highlights from the April 22, 2021, HPRS Board meeting.

### **DROP Interest Rate Proposal would establish a Minimum of 2%**

Executive Director Roark presented a proposal to the board that involves a change to the way that DROP interest is credited to the participant's account. In summary, the proposal provides for establishing a minimum DROP interest rate of 2%, and a maximum of 5%, using the same index that is in place to establish the rate for when it is between 2% and 5%. The board directed for the change to be pursued as proposed, with a vote on the exact change to take place at the next board meeting.

### **Trustee Election**

There are three trustee positions up for election:

On July 31, 2021, the terms of Sergeant Jeremy Mendenhall and Trooper Brice Nihiser as employee-member trustees of the retirement board will end and the term of Sergeant (retired) Michael Kasler as a retiree-member trustee will end. Pursuant to Ohio Administrative Code 5505-9-01, an election will be held to fill these seats for the next four-year term, from August 1, 2021 through July 31, 2025. Active employees, including DROP members, vote in the employee-member election and retired members vote in the retiree-member election. Eligibility shall be determined on the first Monday in April of the election year. If you retire after this date, you will still vote in the employee election. There will be no election if only two Candidacy Forms are received for the employee-member election, and only one Candidacy Form is received for the retiree-member election.

Information will be distributed via Virtual Roll Call for active members the beginning of May. Information will be mailed the beginning of May for retired members. The deadline for receipt of Candidacy Forms is May 28, 2021.

### **Health Care Funding Committee Update**

The projected 2022 premiums for health care, based solely on the HPRS Cost-Sharing Policy, were discussed. The Medicare Exchange contract with Willis Towers Watson is nearly complete and the plan design phase is underway. Please refer to the monthly newsletter for Medicare Exchange updates. You are encouraged to attend these meetings to gain a better understanding of the challenges the board faces with providing health care benefits.

## Total Fund Update

One of the most important responsibilities of the board is making investment decisions. Investment returns are critical to the viability of our system, as they provide for more than 2/3 of the benefits paid. The board spends a considerable amount of time working with its investment consultant planning, researching, and discussing ways to enhance our portfolio. The portfolio has bounced back nicely from the market turmoil earlier this year. Year-to-date returns show an estimated gain of 5.0% as of April 20<sup>th</sup>. HPRS assets are currently at approximately \$1,050 billion.

Below is a snapshot of HPRS's portfolio as of April 20, 2021:

### HPRS PORTFOLIO SNAPSHOT: 4/20/2021

	3/31/2021		Market Adjust. Est. 4/20/21		Interim Target	LT Strategic		Change \$1,000s	Allocation with Changes	
	\$ MM	%	Change	\$1,000s		Target	Range		\$ MM	%
<b>Public Equity</b>	<b>\$544.7</b>	<b>53.0%</b>	<b>3.4%</b>	<b>\$563.4</b>	<b>51.0%</b>	<b>51.0%</b>			<b>\$563.4</b>	<b>53.7%</b>
Global Equity	\$232.7	22.6%	3.5%	\$240.8	24.0%	24.0%			\$240.8	22.9%
Domestic Equity	\$242.7	23.6%	3.7%	\$251.7	21.0%	21.0%			\$251.7	24.0%
International Equity (EM, SC)	\$69.3	6.7%	2.3%	\$70.9	6.0%	6.0%			\$70.9	6.8%
<b>Alternatives Investments</b>	<b>\$239.0</b>	<b>23.2%</b>	<b>0.5%</b>	<b>\$240.1</b>	<b>23.0%</b>	<b>23.0%</b>		<b>\$0.0</b>	<b>\$240.1</b>	<b>22.9%</b>
Absolute Return	\$95.5	9.3%	1.0%	\$96.5	8.0%	6.0%			\$96.5	9.2%
Private Equity	\$116.5	11.3%	0.0%	\$116.5	11.0%	13.0%			\$116.5	11.1%
Real Assets	\$27.0	2.6%	0.5%	\$27.1	4.0%	4.0%			\$27.1	2.6%
<b>Real Estate</b>	<b>\$66.6</b>	<b>6.5%</b>	<b>0.0%</b>	<b>\$66.6</b>	<b>8.0%</b>	<b>8.0%</b>			<b>\$66.6</b>	<b>6.3%</b>
<b>Fixed Income</b>	<b>\$178.2</b>	<b>17.3%</b>	<b>0.8%</b>	<b>\$179.6</b>	<b>18.0%</b>	<b>18.0%</b>		<b>\$0.0</b>	<b>\$179.6</b>	<b>17.1%</b>
Core Fixed Income	\$66.9	6.5%	0.9%	\$67.5	6.0%	6.0%			\$67.5	6.4%
Opportunistic	\$81.8	8.0%	1.0%	\$82.6	9.0%	9.0%			\$82.6	7.9%
Cash	\$29.5	2.9%	0.0%	\$29.5	3.0%	3.0%			\$29.5	2.8%
<b>Total Pension</b>	<b>\$1,028.5</b>	<b>100.0%</b>	<b>2.1%</b>	<b>\$1,049.7</b>	<b>100.0%</b>	<b>100.0%</b>		<b>\$0.0</b>	<b>\$1,049.7</b>	<b>100.0%</b>

Estimated Year-to-Date Return (including the above est.): **5.0%**



1100 Superior Avenue East • Suite 700 • Cleveland, Ohio 44114 • 216.621.1090 • clearstead.com

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## Retirement Applications and Survivor Benefits

Since the February 2021 board meeting, the HPRS board approved one active member retirement application for age and service, one deferred retirement application, two retirements from DROP, and three survivor benefits

## Upcoming Events

***To protect the health and wellness of all OSP employees current and retired, the Patrol has temporarily postponed all Division planned retiree events.***

For a complete list of upcoming events and information, check the HPRS website at [www.ohprs.org](http://www.ohprs.org).

## Future Meeting Dates

On Wednesday, May 19, 2021, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Health Care Funding Committee and the Investment Committee.

On Wednesday, June 16, 2021, committee meetings will start at 1300 hours, starting with the Administration Committee, followed by the Health, Wellness, & Disability Committee, and then the Health Care Funding Committee.

On Thursday, June 17, 2021, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and the Board meeting.

Some committee meetings may be canceled from time to time. Please check the HPRS website at [www.ohprs.org](http://www.ohprs.org) for the most current meeting dates and times.

**If you have questions about HPRS, board meetings, or individual retirement questions, please contact Executive Director Carl Roark at 614.430.3557.**