



April 18, 2024 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 18, 2024, HPRS Board meeting.

Trustee Election

There is one trustee position up for election:

On July 31, 2024, the term of Major Matthew Them as employee-member trustee of the retirement board will end. Pursuant to Ohio Administrative Code 5505-9-01, an election will be held to fill this seat for the next four-year term, from August 1, 2024 through July 31, 2028. Active employees, including DROP members, vote in the employee-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 one Candidacy Form is received.

Information will be distributed via Virtual Roll Call for active members the beginning of May. The deadline for receipt of Candidacy Forms is Friday, May 24, 2024.

Deferred Retirement Option Plan Actuarial Analysis

Pursuant to Section 5505.12(F) of the Ohio Revised Code, Foster and Foster Actuaries and Consultants completed a special actuarial analysis which includes the examination of the financial impact, if any, on the retirement system of offering the DROP to members. The report must be conducted no less than every five years.

Based on the relevant information, Foster & Foster Inc. believes that the existence of DROP in its current form is not expected to have a negative financial impact on OHPRS.

Funding Policy

The OHPRS Board adopted the updated Funding Policy to assist the System in meeting the objectives of funding the long-term costs of benefits promised to members over the course of members' careers in an equitable manner and by maintaining intergenerational equity through targeting a 100% funded ratio.

The policy was adopted with a reduction in the rate of member contributions only being granted if the funded ratio is determined as of the valuation is at least 85%.

Governance Manual

A governance manual facilitates effective management and provides a tool to educate trustees and stakeholders on fund operations. HPRS established the Governance Manual to document, and adhere to a set of practices that have a proven impact on performance and risk oversight.

The updated Governance Manual was approved by the board and will be posted to the website.

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. Although the final numbers are not complete, the latest report indicates a gain of 13.8% for 2023. Year-to-date returns show an estimated gain of 2.4% as of April 12 with overall asset totals equaling approximately \$1.089 billion.

Below is a snapshot of HPRS's portfolio as of April 12, 2024:

HPRS PORTFOLIO SNAPSHOT: 4/12/2024

	3/31/2024		Market Adjust. Est. 4/12/24			LT Strategic
	\$ MM	%	Change	\$1,000s	%	Target
Public Equity	\$514.7	46.7%	-2.4%	\$502.6	46.1%	48.0%
Global Equity	\$238.2	21.6%	-2.2%	\$232.9	21.4%	22.0%
Domestic Equity	\$235.3	21.3%	-2.7%	\$228.9	21.0%	20.0%
International Equity (EM, SC)	\$41.2	3.7%	-1.1%	\$40.7	3.7%	6.0%
Alternatives Investments	\$329.3	29.9%	0.0%	\$329.3	30.2%	25.0%
Absolute Return	\$57.0	5.2%	0.0%	\$57.0	5.2%	6.0%
Private Equity	\$218.9	19.8%	0.0%	\$218.9	20.1%	15.0%
Real Assets	\$53.4	4.8%	0.0%	\$53.4	4.9%	4.0%
Real Estate	\$82.7	7.5%	0.0%	\$82.7	7.6%	8.0%
Fixed Income	\$176.3	16.0%	-0.6%	\$175.3	16.1%	19.0%
Core Fixed Income	\$67.0	6.1%	-1.8%	\$65.8	6.0%	6.0%
Opportunistic	\$60.1	5.4%	0.2%	\$60.2	5.5%	9.0%
Cash	\$49.2	4.5%	0.1%	\$49.2	4.5%	4.0%
Total Pension	\$1,103.0	100.0%	-1.2%	\$1,089.8	100.0%	100.0%

Estimated Year-to-Date Return (including the above est.): **2.4%**

Disability Experience for 2023

There were 5 disability applications approved in 2023 as compared to 9 in 2022. The 2023 total keeps OHPRS in line with the ten-year average of 5.6 approved disabilities per year.

Retirement Applications and Survivor Benefits

For the period of February 1, 2024 through March 31, 2024, the HPRS board approved one active member retirement application for age and service, no deferred retirement applications, one retirement from DROP, and nine survivor benefits.

Upcoming Events

For a complete list of upcoming events and information, check the HPRS website at www.ohprs.org.

Future Meeting Dates

On Wednesday, May 15, 2024, the Health, Wellness, & Disability Committee meeting will start at 1300 hours.

On Thursday, June 20, 2024, all committee meetings will be held on this day with the first committee meeting starting at 0900 hours, the Board meeting will subsequently follow the last committee meeting.

Some committee meetings may be canceled from time to time. Please check the HPRS website at www.ohprs.org for the most current meeting dates and times.

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