



August 20, 2020 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 August 20, 2020, HPRS Board meeting.

Trustee Election

As a result of the election ballots counted on July 24, 2020, Staff Lieutenant Matthew Them was re-elected as an active member trustee and was sworn in during the August board meeting.

Election of Chair and Vice-Chair

Captain Cory Davies was re-elected as the board chair, and Staff Lieutenant Matthew Them was re-elected as the vice-chair.

Actuarial Update

Ohio Revised Code (ORC) 5505.121 requires HPRS to be able to amortize its unfunded actuarial accrued liabilities within a period of 30 years, and ORC 5505.12 requires an annual actuarial valuation of HPRS's pension assets, liabilities, and funding requirements. These statutes also require periodic reviews of the assumptions used in the annual valuations of our system.

Foster & Foster Actuaries and Consultants presented the December 31, 2019 actuarial valuation for HPRS. The assumption and benefit changes approved produced a 23.33-year amortization period and a funded ratio of 67.88% for the pension system. The health care fund is projected to remain solvent until 2030.

Employee contribution, COLA, and contribution to the health care fund will remain at 14%, 0%, and 0% respectively for 2021.

A DROP 5-year study will be conducted by Foster & Foster to examine the impact on HPRS, with an objective of determining if a minimum DROP interest rate can be established.

Health, Wellness, & Disability Committee Update

The HPRS board passed a motion to implement a health care incentive program for participation in the wellness programs offered to retirees, spouses, and surviving spouses enrolled in HPRS medical coverage and 40 years of age or older. The program will apply to all examinations completed on or after September 1, 2020. The incentive was set at \$100.00 per person, per completed examination process. In order to qualify for the award, all eligible tests must be completed.

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. The board spends a considerable amount of time working with its investment consultant planning, researching, and discussing ways to enhance our portfolio. The last several weeks have begun to see a slight recovery. Year-to-date returns show an estimated gain of 0.8% as of August 18th. HPRS assets are currently at approximately \$921 million.

Below is a snapshot of HPRS's portfolio as of August 18, 2020:

HPRS PORTFOLIO SNAPSHOT: 8/18/2020

	7/31/2020		Market Adjust. Est. 8/18/20			Interim Target	LT Strategic	
	\$ MM	%	Change	\$1,000s	%		Target	Range
Domestic Equity	\$293.0	32.5%	3.9%	\$304.4	33.0%	30.0%	30.0%	
Large/Mid Cap	\$259.5	28.8%	3.6%	\$268.8	29.2%	25.0%	25.0%	
Small	\$33.5	3.7%	6.0%	\$35.5	3.9%	5.0%	5.0%	
International Equity	\$167.6	18.6%	4.4%	\$174.9	19.0%	18.0%	18.0%	
Developed	\$129.5	14.4%	4.9%	\$135.8	14.7%	14.0%	14.0%	
Emerging Markets	\$38.1	4.2%	2.5%	\$39.1	4.2%	4.0%	4.0%	
Alternatives Investments	\$190.6	21.1%	0.5%	\$191.6	20.8%	25.0%	25.0%	
Absolute Return	\$72.4	8.0%	1.0%	\$73.1	7.9%	9.0%	7.0%	
Private Equity	\$94.3	10.5%	0.0%	\$94.3	10.2%	11.0%	13.0%	
Real Assets	\$23.9	2.7%	1.0%	\$24.1	2.6%	5.0%	5.0%	
Real Estate	\$67.3	7.5%	0.0%	\$67.3	7.3%	7.0%	7.0%	
Fixed Income	\$182.7	20.3%	0.1%	\$183.0	19.9%	20.0%	20.0%	
Core Fixed Income	\$69.5	7.7%	-0.4%	\$69.2	7.5%	10.0%	10.0%	
Opportunistic	\$77.3	8.6%	0.7%	\$77.8	8.5%	8.0%	8.0%	
Cash	\$35.9	4.0%	0.0%	\$35.9	3.9%	2.0%	2.0%	
Total Pension	\$901.2	100.0%	2.2%	\$921.1	100.0%	100.0%	100.0%	

Estimated Year-to-Date Return (including the above est.): **0.8%**



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1

Retirement Applications and Survivor Benefits

Since the June 2020 board meeting, the HPRS board approved two active member retirement applications for age and service, one deferred retirement application, ten retirements from DROP, and four 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.

Future Meeting Dates

On Wednesday, September 16, 2020, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Investment Committee.

On Wednesday, October 21, 2020, 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, October 22, 2020, 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 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.