



August 18, 2022 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 18, 2022, HPRS Board meeting.

Trustee Election

As a result of the 2022 election, Lieutenant Christian Niemeyer was officially re-elected as an employee-member trustee and Retired Major Darryl Anderson was officially re-elected as a retiree-member trustee, and both were sworn in during the August board meeting.

Also sworn in were Colonel Charles Jones and newly appointed Investment Expert Craig Warnimont.

Election of Chair and Vice-Chair

Captain Matthew Them was elected as the board chair, and retired Major Darryl Anderson was 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, 2021 final actuarial valuation for HPRS. The assumption and benefit changes approved produced a 24-year amortization period and a funded ratio of 72.5% for the pension system. The health care fund is projected to remain solvent until 2035.

Employee contribution will be reduced to 13% in 2023, and an allocation of \$3.89 million was made to the health care fund for 2022. Eligible retirees will receive a 3% Cost-of-Living Adjustment (COLA) in 2023.

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. Year-to-date returns show an estimated loss of 3.9% as of August 16th. HPRS assets are currently at approximately \$1,060 billion.

Below is a snapshot of HPRS's portfolio as of August 16, 2022:

HPRS PORTFOLIO SNAPSHOT: 8/16/2022

| | 6/30/2022 | | Market Adjust. Est. 8/16/22 | | | LT Strategic | |
|---------------------------------|----------------|---------------|-----------------------------|------------------|---------------|---------------|-------|
| | \$ MM | % | Change | \$1,000s | % | Target | Range |
| Public Equity | \$447.4 | 45.4% | 15.5% | \$517.0 | 48.8% | 50.0% | |
| Global Equity | \$195.8 | 19.9% | 11.5% | \$225.8 | 21.3% | 24.0% | |
| Domestic Equity | \$200.6 | 20.4% | 14.7% | \$237.6 | 22.4% | 20.0% | |
| International Equity (EM, SC) | \$51.0 | 5.2% | 5.0% | \$53.6 | 5.1% | 6.0% | |
| Alternatives Investments | \$300.3 | 30.5% | 0.6% | \$302.0 | 28.5% | 24.0% | |
| Absolute Return | \$83.9 | 8.5% | 2.0% | \$85.6 | 8.1% | 6.0% | |
| Private Equity | \$175.4 | 17.8% | 0.0% | \$175.4 | 16.5% | 14.0% | |
| Real Assets | \$41.0 | 4.2% | 0.0% | \$41.0 | 3.9% | 4.0% | |
| Real Estate | \$75.6 | 7.7% | 0.0% | \$75.6 | 7.1% | 8.0% | |
| Fixed Income | \$162.3 | 16.5% | 2.2% | \$165.8 | 15.6% | 18.0% | |
| Core Fixed Income | \$30.2 | 3.1% | 2.0% | \$30.8 | 2.9% | 6.0% | |
| Opportunistic | \$82.2 | 8.3% | 3.5% | \$85.1 | 8.0% | 9.0% | |
| Cash | \$49.9 | 5.1% | 0.1% | \$49.9 | 4.7% | 3.0% | |
| Total Pension | \$985.6 | 100.0% | 7.6% | \$1,060.4 | 100.0% | 100.0% | |

Estimated Year-to-Date Return (including the above est.): **-3.9%**



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Retirement Applications and Survivor Benefits

Since the June 16, 2022 board meeting, the HPRS board approved one active member retirement application for age and service, four deferred retirement applications, four DROP applications, nine retirements from DROP, and four 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, September 21, 2022, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee meeting, followed by the Health Care Funding Committee. On Wednesday, October 19, 2022, 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 20, 2022, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and 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 retirement, please contact Executive Director Carl Roark at 614.430.3557.