



December 19, 2019 HPRS Board Meeting Highlights

In an effort to provide more timely information to our membership and since board minutes can't be approved and posted until the next board meeting, below are highlights from the December 19, 2019, HPRS board meeting.

Executive Director

Mark Atkeson attended his last official board meeting as executive director. The board thanked him for his service and commended him for the advances made to the system under his leadership.

The board welcomed Carl Roark as the incoming executive director who will officially begin his duties on January 6, 2020. Carl retired as a captain from the OSHP in October 2019 after more than 29 years of dedicated service. He has an extensive educational background holding a Bachelor of Science and Masters of Business Administration degrees from Franklin University. Carl is a graduate of the FBI National Academy and is in the final stages of completing his Ph.D. in Business Administration from Trident University. He also served on the HPRS Board of Trustees from 2007 – 2016. Carl's educational background coupled with his patrol experience which includes commanding the Fiscal Services Section makes him well suited for this position. He was chosen from a field of more than 200 applicants.

Board Approved 2020 Administrative Budget

The Ohio Retirement Study Council reviewed HPRS's administrative budget for 2020, and the board approved it on December 19th. The total budget is approximately \$2.1 million, which is an increase of 8.9% over 2019. The primary drivers of the overall increase are the projected five-year actuarial experience study and the projected ORSC actuarial audit. Because these expenses only occur in 2020, the 2021 budget should see a significant decrease. The budget includes, but is not limited to: salaries and wages; health care; office expenses; information technology; rent; and professional services such as banking, audit, actuarial, legal, and investment consulting services.

Internal Auditor Presents 2019 Report

Our internal auditor, Summit County Internal Audit Department, presented a virtually clean report on internal operations and practices of HPRS. This year, the auditors focused on internal practices and management controls such as: IT security, accuracy and application of benefits, and policies and procedures.

Auditors commended the board and staff for the improvements made to internal controls over the last several years.

Other Board Action

Actuary Brad Heinrichs from Foster and Foster gave a presentation about his firm and the services it provides. Foster and Foster is primarily focused on consulting and actuarial services for public pension plans.

Total Fund Update

Clearstead, HPRS's investment consultant, presented 2020 initiatives and reviewed the HPRS strategic asset allocation. Clearstead provided an update on a current real estate manager search as well as further planned commitments in 2020.

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. During the first 11 ½ months of 2019, year-to-date returns show an estimated gain of 16.8% through December 18th. HPRS assets stand at approximately \$925 million an increase of \$110 million since the beginning of the year.

Below is a snapshot of HPRS's portfolio as of December 17, 2019:

HPRS PORTFOLIO SNAPSHOT: 12/17/2019

	11/30/2019		Market Adjust. Est. 12/17/19			Interim Target	LT Strategic	
	\$ MM	%	Change	\$1,000s	%		Target	Range
Domestic Equity	\$280.9	30.8%	1.5%	\$285.0	30.8%	30.0%	30.0%	
Large/Mid Cap	\$245.5	26.9%	1.3%	\$248.7	26.9%	25.0%	25.0%	
Small	\$35.4	3.9%	2.5%	\$36.3	3.9%	5.0%	5.0%	
International Equity	\$160.7	17.6%	3.7%	\$166.6	18.0%	18.0%	18.0%	
Developed	\$126.4	13.8%	3.3%	\$130.6	14.1%	14.0%	14.0%	
Emerging Markets	\$34.3	3.8%	5.0%	\$36.0	3.9%	4.0%	4.0%	
Alternatives Investments	\$220.0	24.1%	0.7%	\$221.5	23.9%	25.0%	25.0%	
Absolute Return	\$97.8	10.7%	1.0%	\$98.8	10.7%	9.0%	7.0%	
Private Equity	\$89.7	9.8%	0.0%	\$89.7	9.7%	11.0%	13.0%	
Real Assets	\$32.5	3.6%	1.5%	\$33.0	3.6%	5.0%	5.0%	
Real Estate	\$66.6	7.3%	0.0%	\$66.6	7.2%	7.0%	7.0%	
Fixed Income	\$184.6	20.2%	0.5%	\$185.5	20.1%	20.0%	20.0%	
Core Fixed Income	\$79.4	8.7%	0.1%	\$79.5	8.6%	10.0%	10.0%	
Opportunistic	\$79.9	8.8%	1.0%	\$80.7	8.7%	8.0%	8.0%	
Cash	\$25.3	2.8%	0.1%	\$25.3	2.7%	2.0%	2.0%	
Total Pension	\$912.8	100.0%	1.4%	\$925.1	100.0%	100.0%	100.0%	

Estimated Year-to-Date Return (including the above est.): **16.8%**



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Retirement and Survivor Benefit Transactions since October 2019 Board Meeting

The HPRS board approved one active member retirement application for age and service, four retirements from DROP, and two survivor benefits.

Upcoming Events

- **Ham and Bean Luncheons**
Second Wednesday of each month 12:00 noon. RSVP Lori Pallante at 614-387-6081
- **Retiree CCW Qualification**
January 8, 2020, at 1:00PM at the Academy
- **2020 33rd Annual Retirees' Association Snowbird Reunion**
March 5-7, 2020, at the Marriott Hotel in Lake Mary, FL. Details forthcoming.

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

Future Meeting Dates

The next scheduled committee meetings occur on January 15, 2020, beginning at 1:00PM for the Health, Wellness, & Disability (HW&D) Committee. Committee meetings for Administration, HW&D, and Health Care Funding are scheduled for February 19, 2020, beginning at 1:00PM.

The committee meetings for Audit and Investment are scheduled for February 20, 2020, beginning at 9:00AM.

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

The board meeting will follow the Investment Committee meeting on February 20, 2020.

If you have questions about HPRS, board meetings, or individual retirement questions, please contact Executive Director Mark Atkeson at 614-430-3557 until January 3, 2020, and Executive Director Carl Roark after that date at the same number.