



December 15, 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 December 15, 2022, HPRS Board meeting.

Administrative Budget

The Ohio Retirement Study Council reviewed HPRS's administrative budget for 2023, and the board approved it on December 15th. The total budget is approximately \$2.8 million, which is a 23.18% increase from 2022. The increase in the budget is largely attributed to the Fiduciary Performance Audit that is required by statute. 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 consultant services.

Internal Auditor Presented 2022 Report

Our internal auditor, Summit County Internal Audit Department, presented a clean report on internal controls of HPRS. This year the auditors focused on purchasing and expenditures, procurement card, and the Medicare health care transition. A small issue was noted regarding the health reimbursement arrangement (HRA), and actions were put in place to address the issue during the audit.

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 8.2% as of December 13th. HPRS assets are currently at approximately \$1.004 billion.

Below is a snapshot of HPRS's portfolio as of December 13, 2022:

HPRS PORTFOLIO SNAPSHOT: 12/13/2022

	10/31/2022		Market Adjust. Est. 12/13/22			LT Strategic	
	\$ MM	%	Change	\$1,000s	%	Target	Range
Public Equity	\$444.1	45.7%	6.4%	\$472.4	47.1%	50.0%	
Global Equity	\$188.7	19.4%	9.0%	\$205.7	20.5%	24.0%	
Domestic Equity	\$208.8	21.5%	3.2%	\$215.5	21.5%	20.0%	
International Equity (EM, SC)	\$46.6	4.8%	10.0%	\$51.3	5.1%	6.0%	
Alternatives Investments	\$303.5	31.2%	0.2%	\$304.2	30.3%	24.0%	
Absolute Return	\$69.8	7.2%	1.0%	\$70.5	7.0%	6.0%	
Private Equity	\$185.1	19.0%	0.0%	\$185.1	18.4%	14.0%	
Real Assets	\$48.6	5.0%	0.0%	\$48.6	4.8%	4.0%	
Real Estate	\$87.9	9.0%	0.0%	\$87.9	8.8%	8.0%	
Fixed Income	\$137.3	14.1%	1.3%	\$139.1	13.9%	18.0%	
Core Fixed Income	\$28.1	2.9%	5.0%	\$29.5	2.9%	6.0%	
Opportunistic	\$56.6	5.8%	0.5%	\$56.9	5.7%	9.0%	
Cash	\$52.6	5.4%	0.2%	\$52.7	5.3%	3.0%	
Total Pension	\$972.8	100.0%	3.2%	\$1,003.6	100.0%	100.0%	

Estimated Year-to-Date Return (including the above est.): **-8.2%**



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Retirement Applications and Survivor Benefits

Since the October 20, 2022 board meeting, the HPRS board approved three active member retirement applications for age and service, one deferred retirement application, thirteen DROP applications, four retirements from DROP, and five 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, January 18, 2023, the Health, Wellness, & Disability Committee meeting will start at 1300 hours.

On Wednesday, February 15, 2023, 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, February 16, 2023, 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.