



## December 19, 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 December 19, 2024, HPRS Board meeting.

### **Administrative Budget**

The Ohio Retirement Study Council reviewed HPRS's administrative budget for 2025, and the board approved it on December 19<sup>th</sup>. The total budget is approximately \$2.6 million, which is a 4.21% increase from 2024. 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.

### **Special Committee on COLA**

HPRS Staff presented the Funding Policy with modifications, which included an Exceptional Basis COLA. The board directed HPRS Staff to incorporate the option for an Exceptional Basis COLA. The committee and staff continue to research alternatives to the way COLA is provided.

### **Internal Auditor Presented 2024 Risk Assessment Report**

Our internal auditor, Summit County Internal Audit Department, presented a risk assessment report, which focused on Fiduciary Audit Recommendations, Public Exposure, Financial Exposure, Compliance with Laws and Regulations, Employee Turnover, Complexity of Transactions, Existence of Policies and Procedures, Internal Audit Findings, and Financial Audit Findings.

### **Total Fund Update**

One of the most important responsibilities of the board is making investment decisions. Chief among these decisions is setting the asset allocation, which was changed slightly. Details can be found in the materials posted to our website.

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 gain of 10.7% as of December 17<sup>th</sup>. HPRS assets are currently at approximately \$1.157 billion.

Below is a snapshot of HPRS's portfolio as of December 17, 2024:

## HPRS PORTFOLIO SNAPSHOT: 12/17/2024

	10/31/2024		Market Adjust. Est. 12/17/24			Current Target	2025 Target	Pending Change		Allocation with Changes	
	\$ MM	%	Change	\$1,000s	%			\$1,000s		\$ MM	%
<b>Public Equity</b>	<b>\$525.6</b>	<b>46.5%</b>	<b>4.5%</b>	<b>\$549.3</b>	<b>47.5%</b>	<b>48.0%</b>	<b>45.0%</b>	<b>-\$25.0</b>		<b>\$524.3</b>	<b>45.3%</b>
Global Equity (Ind. SC)	\$271.6	24.0%	3.3%	\$280.6	24.2%	22.0%	23.0%	-\$20.0		\$260.6	22.5%
Domestic Equity	\$254.0	22.5%	5.8%	\$268.7	23.2%	20.0%	22.0%	-\$5.0		\$263.7	22.8%
<b>Alternatives Investments</b>	<b>\$325.9</b>	<b>28.8%</b>	<b>0.2%</b>	<b>\$326.4</b>	<b>28.2%</b>	<b>25.0%</b>	<b>30.0%</b>	<b>\$0.0</b>		<b>\$326.4</b>	<b>28.2%</b>
Absolute Return	\$54.8	4.8%	1.0%	\$55.3	4.8%	6.0%	5.0%			\$55.3	4.8%
Private Equity	\$222.3	19.6%	0.0%	\$222.3	19.2%	15.0%	20.0%			\$222.3	19.2%
Real Assets	\$48.8	4.3%	0.0%	\$48.8	4.2%	4.0%	5.0%			\$48.8	4.2%
<b>Real Estate</b>	<b>\$73.5</b>	<b>6.5%</b>	<b>0.0%</b>	<b>\$73.5</b>	<b>6.4%</b>	<b>8.0%</b>	<b>5.0%</b>			<b>\$73.5</b>	<b>6.4%</b>
<b>Fixed Income</b>	<b>\$206.4</b>	<b>18.2%</b>	<b>0.8%</b>	<b>\$208.1</b>	<b>18.0%</b>	<b>19.0%</b>	<b>20.0%</b>	<b>\$25.0</b>		<b>\$233.1</b>	<b>20.1%</b>
Core Fixed Income	\$67.7	6.0%	0.6%	\$68.1	5.9%	6.0%	8.0%	\$25.0		\$93.1	8.0%
Opportunistic	\$61.7	5.5%	1.5%	\$62.6	5.4%	9.0%	9.0%	\$8.0		\$70.6	6.1%
Cash	\$77.0	6.8%	0.5%	\$77.4	6.7%	4.0%	3.0%	-\$8.0		\$69.4	6.0%
<b>Total Pension</b>	<b>\$1,131.4</b>	<b>100.0%</b>	<b>2.3%</b>	<b>\$1,157.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$0.0</b>		<b>\$1,157.4</b>	<b>100.0%</b>

Estimated Year-to-Date Return (including the above est.): **10.7%**



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## Upcoming Events

For a complete list of upcoming events and information, check the HPRS website at [www.ohprs.org](http://www.ohprs.org).

## Retirement Applications and Survivor Benefits

Since the October 17, 2024 board meeting, there were no age and service retirement applications. However, there was one deferred retirement application, five retirements from DROP, and three survivors began receiving benefits.

## **Future Meeting Dates**

On Wednesday, February 19, 2025, committee meetings will start at 1300 hours, starting with the Administration Committee, followed by the Health, Wellness, & Disability Committee, then the Health Care Funding Committee, and then the Special Committee on COLA.

On Thursday, February 20, 2025, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and Board meeting. The board meeting will be streamed on Zoom, and the details to join the meeting will be on the agenda that is be posted to the HPRS website one week prior to the meeting.

Some committee meetings may be canceled from time to time. Please check the HPRS website at [www.ohprs.org](http://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.**