



February 15, 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 February 15, 2024, HPRS Board meeting.

Trustee Election

There is one trustee position up for election:

On July 31, 2024, the term of Major Matthew Them as employee-member trustee of the retirement board will end. Pursuant to Ohio Administrative Code 5505-9-01, an election will be held to fill this seat for the next four-year term, from August 1, 2024 through July 31, 2028. Active employees, including DROP members, vote in the employee-member election. Eligibility shall be determined on the first Monday in April of the election year. If you retire after this date, you will still vote in the employee election. There will be no election if only one Candidacy Form is received.

Information will be distributed via Virtual Roll Call for active members the beginning of May. The deadline for receipt of Candidacy Forms is Friday, May 24, 2024.

Quinquennial Experience Study

Per Ohio Revised Code 5505.12, HPRS is required to conduct an actuarial investigation of assumptions that are used in the actuarial valuation, to include retirement rates, withdrawal rates, disability rates, mortality rates, investment return, salary increases, inflation, payroll growth rate, DROP experience, marriage percentage, and administrative expense. The report must be conducted no less than every five years.

This report was prepared by Foster & Foster Actuaries and Consultants, and reviewed the actual experience related to the assumptions, for 2018 through 2022. In addition to minor changes to some of the assumptions, Foster & Foster recommended lowering the payroll growth rate assumption from 3% annually, to 2.75%.

The reason for the payroll growth rate assumption change is largely based on the significantly lower number of actives paying into the system than in previous years. The board approved the recommended changes. The collective changes would have had a nominal impact on the amortization period, had they been applied to the 2022 actuarial valuation report.

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. Although the final numbers are not complete, the latest report indicates a gain of 13.5% for 2023. Year-to-date returns show an estimated gain of 0.9% as of February 13th. HPRS assets are currently at approximately \$1.083 billion.

Below is a snapshot of HPRS's portfolio as of February 13, 2024:

HPRS PORTFOLIO SNAPSHOT: 2/13/2024

	12/31/2023		Market Adjust. Est. 2/13/24			LT Strategic	
	\$ MM	%	Change	\$1,000s	%	Target	Range
Public Equity	\$502.0	46.8%	2.1%	\$512.7	47.3%	48.0%	
Global Equity	\$224.5	20.9%	1.7%	\$228.3	21.1%	22.0%	
Domestic Equity	\$223.6	20.8%	3.8%	\$232.1	21.4%	20.0%	
International Equity (EM, SC)	\$53.9	5.0%	-3.0%	\$52.3	4.8%	6.0%	
Alternatives Investments	\$325.6	30.3%	0.0%	\$325.6	30.1%	25.0%	
Absolute Return	\$59.6	5.6%	0.0%	\$59.6	5.5%	6.0%	
Private Equity	\$214.4	20.0%	0.0%	\$214.4	19.8%	15.0%	
Real Assets	\$51.6	4.8%	0.0%	\$51.6	4.8%	4.0%	
Real Estate	\$83.8	7.8%	0.0%	\$83.8	7.7%	8.0%	
Fixed Income	\$161.8	15.1%	-0.4%	\$161.2	14.9%	19.0%	
Core Fixed Income	\$52.5	4.9%	-2.0%	\$51.5	4.7%	6.0%	
Opportunistic	\$59.2	5.5%	0.4%	\$59.4	5.5%	9.0%	
Cash	\$50.1	4.7%	0.4%	\$50.3	4.6%	4.0%	
Total Pension	\$1,073.2	100.0%	0.9%	\$1,083.3	100.0%	100.0%	

Estimated Year-to-Date Return (including the above est.): **0.9%**



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Retirement Applications and Survivor Benefits

For the period of December 1, 2023 through January 31, 2024, the HPRS board approved two active member retirement applications for age and service, three deferred retirement applications, no retirements from DROP, and four survivor benefits.

2023 Disability Report

Per Ohio Revised Code 5505.181, the HPRS files an annual disability experience report to the Ohio Retirement Study Council. In 2023, a total of five applications were filed, and one was pending that was filed in 2022. Five applications were approved for disability retirements (three in-the-line-of-duty), and one application was pending at the end of 2023. Our experience for 2023 provided slightly less approved disability applications than average. Over the past five years, an average of six disability applications were approved each year.

Upcoming Events

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

Future Meeting Dates

On Wednesday, March 20, 2024, the Health, Wellness, & Disability Committee meeting will start at 1300 hours.

On Wednesday, April 17, 2024, 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, April 18, 2024, beginning at 0900 hours, the Audit Committee will meet, followed by the Investment Committee at 0930 hours, and the Board meeting immediately following.

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.