



## June 18, 2020 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 June 18, 2020, HPRS Board meeting.

### Trustee Election

On July 31, 2020, the term of Staff Lieutenant Matthew Them as an employee-member trustee of the retirement board will end. Candidacy information was posted on virtual roll call, and ballots were mailed on June 12<sup>th</sup>. Ballots must be received by HPRS by Friday, July 17<sup>th</sup>. If you did not receive a ballot, you must request a replacement ballot by July 3<sup>rd</sup>. Ballots will be counted on July 24<sup>th</sup>.

### Audit Committee Update

Schneider Downs & Company presented a clean audit of HPRS's 2019 financial records resulting in an unqualified and unmodified opinion. Its audit report is included in the HPRS Comprehensive Annual Financial Report which will be posted to the website by the first of July.

The board directed the HPRS executive director to hire the Summit County Internal Audit Department to provide audit services. This is for an annual internal audit to review internal control processes for compliance with HPRS policies as well as the Ohio Revised Code and Administrative Code.

### Retirement and Survivor Benefit Transactions since April 2020 Board Meeting

The HPRS board approved three active member retirement applications for age and service, and eight retirements from DROP. Twelve members entered the DROP since April's board meeting.

### Health Care Funding Committee Update

2021 premiums were approved and can be seen under the > Members > Health Care tab on the home page of the website - <https://www.ohprs.org/ohprs/healthBenefits.jsp>. The premiums were increased by 10% for all. This increase falls short of meeting the cost-sharing policy, by as much as 65% in some groups. The Board recognizes that the solvency issue with the Health Care Fund cannot be accomplished through premiums alone and continues to aggressively work towards other solutions.

The board approved a Medicare Exchange Services Connector Request for Proposal (RFP). The RFP was posted on Monday, June 22, 2020. This effort is to identify the feasibility of transitioning the Medicare population of HPRS members from one self-insured plan to gaining access to a health care plan selection that is accomplished through a connector. There will be much more information communicated as the process unfolds.

## Investment Committee / 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. The board spends a considerable amount of time working with its investment consultant planning, researching, and discussing ways to enhance our portfolio. The first quarter of 2020 was highly volatile due to Covid-19 resulting in negative returns for HPRS. This was not isolated to HPRS as all other systems were negatively affected as well. During the last month, markets have seen increases resulting in an estimated 3.6% loss through June 16<sup>th</sup>. HPRS assets stand at approximately \$863 million.

Below is a snapshot of HPRS's portfolio as of June 16, 2020:

### HPRS PORTFOLIO SNAPSHOT: 6/16/2020

	5/31/2020		Market Adjust. Est. 6/16/20			Interim Target	LT Strategic		Change \$1,000s	Allocation with Pending Changes	
	\$ MM	%	Change	\$1,000s	%		Target	Range		\$ MM	%
<b>Domestic Equity</b>	<b>\$279.4</b>	<b>32.4%</b>	<b>3.1%</b>	<b>\$288.0</b>	<b>32.6%</b>	<b>30.0%</b>	<b>30.0%</b>		<b>\$0.0</b>	<b>\$288.0</b>	<b>32.6%</b>
Large/Mid Cap	\$248.0	28.7%	2.9%	\$255.3	28.9%	25.0%	25.0%			\$255.3	28.9%
Small	\$31.4	3.6%	4.3%	\$32.7	3.7%	5.0%	5.0%			\$32.7	3.7%
<b>International Equity</b>	<b>\$151.2</b>	<b>17.5%</b>	<b>5.6%</b>	<b>\$159.7</b>	<b>18.1%</b>	<b>18.0%</b>	<b>18.0%</b>		<b>\$0.0</b>	<b>\$159.7</b>	<b>18.1%</b>
Developed	\$118.6	13.7%	5.1%	\$124.6	14.1%	14.0%	14.0%			\$124.6	14.1%
Emerging Markets	\$32.6	3.8%	7.6%	\$35.1	4.0%	4.0%	4.0%			\$35.1	4.0%
<b>Alternatives Investments</b>	<b>\$191.9</b>	<b>22.2%</b>	<b>0.9%</b>	<b>\$193.6</b>	<b>21.9%</b>	<b>25.0%</b>	<b>25.0%</b>		<b>\$5.0</b>	<b>\$198.6</b>	<b>22.5%</b>
Absolute Return	\$69.9	8.1%	2.0%	\$71.3	8.1%	9.0%	7.0%			\$71.3	8.1%
Private Equity	\$93.6	10.8%	0.0%	\$93.6	10.6%	11.0%	13.0%		\$5.0	\$98.6	11.2%
Real Assets	\$28.4	3.3%	1.0%	\$28.7	3.2%	5.0%	5.0%			\$28.7	3.2%
<b>Real Estate</b>	<b>\$67.6</b>	<b>7.8%</b>	<b>0.0%</b>	<b>\$67.6</b>	<b>7.6%</b>	<b>7.0%</b>	<b>7.0%</b>			<b>\$67.6</b>	<b>7.6%</b>
<b>Fixed Income</b>	<b>\$173.5</b>	<b>20.1%</b>	<b>1.0%</b>	<b>\$175.2</b>	<b>19.8%</b>	<b>20.0%</b>	<b>20.0%</b>		<b>-\$5.0</b>	<b>\$170.2</b>	<b>19.3%</b>
Core Fixed Income	\$67.9	7.9%	0.3%	\$68.1	7.7%	10.0%	10.0%			\$68.1	7.7%
Opportunistic	\$75.1	8.7%	2.0%	\$76.6	8.7%	8.0%	8.0%			\$76.6	8.7%
Cash	\$30.5	3.5%	0.0%	\$30.5	3.4%	2.0%	2.0%		-\$5.0	\$25.5	2.9%
<b>Total Pension</b>	<b>\$863.6</b>	<b>100.0%</b>	<b>2.4%</b>	<b>\$884.1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>\$0.0</b>	<b>\$884.1</b>	<b>100.0%</b>

Estimated Year-to-Date Return (including the above est.): **-3.6%**



1100 Superior Avenue East • Suite 700 • Cleveland, Ohio 44114 • 216.621.1090 • clearstead.com

1

## Upcoming Events

- Retiree CCW Qualification**

Qualification events have been scheduled for July 8<sup>th</sup> and August 11<sup>th</sup>, at the Orient Correctional Facility. Additional information can be found at the Ohio State Highway Patrol Retiree's Association website, at <http://www.oshpretiree.org/>

***To protect the health and wellness of all OSP employees current and retired, the Patrol has temporarily postponed some of the Division planned retiree events.*** For a complete list of upcoming events and information, you can also check the HPRS website at [www.ohprs.org](http://www.ohprs.org).

## **Future Meeting Dates**

On Wednesday, July 15, 2020, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Investment Committee.

The next scheduled board meeting occurs on Thursday, August 20, 2020, beginning at 0900 hours. This is part of a two-day retreat concluding at noon on August 21<sup>st</sup>. Committee meetings will be part of the retreat but they will be conducted as meetings of the full board.

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 individual retirement questions, please contact Executive Director Carl Roark at 614-430-3557.**