



June 17, 2021 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 17, 2021, HPRS Board meeting.

Audit Committee Update

Rea & Associates conducted an external audit of HPRS's 2020 financial records and issued a clean report. Their 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 internal 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.

Preliminary Results of the Actuarial Valuation

Foster & Foster presented the preliminary results of the December 31, 2020 Actuarial Valuation. The CPI-W vs. COLA was also reviewed in accordance with the HPRS Funding Policy. The board decided to grant a 3% COLA in 2022, to all members who are eligible to receive a COLA.

Trustee Election

On July 31, 2021, the terms of Sergeant Jeremy Mendenhall and Trooper Brice Nihiser as employee-member trustees of the retirement board will end and the term of Sergeant (retired) Michael Kasler as a retiree-member trustee will end. Candidacy information was posted on virtual roll call and mailed on June 9th and ballots were also mailed. Ballots must be received by HPRS by Friday, July 16th. If you did not receive a ballot, you must request a replacement ballot by July 2nd. Ballots will be counted Friday, July 23rd.

Special Trustee Election

A special election is being held for the unexpired term of employee board member Captain Cory Davies, who retired June 18, 2021. The term of office for Cory D. Davies expires July 31, 2022. Pursuant to Ohio Administrative Code Rule 5505-9-01, a special election will be held to fill this seat for the remainder of the term through July 31, 2022. Active employees, including DROP members, vote in this election. Eligibility shall be determined on Monday, June 21, 2021. 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 July. The deadline for receipt of Candidacy Forms is July 30, 2021.

Health Care Funding Committee Update

The projected 2022 premiums for health care, based solely on the HPRS Cost-Sharing Policy, were discussed. Premiums will remain the same as 2021, along with the plan design. The Medicare Exchange contract with Willis Towers Watson is nearly complete and the plan design phase is underway. Soon, members will receive the information necessary to prepare for this transition. Please refer to the monthly newsletter for Medicare Exchange updates.

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. The portfolio has performed well, with Year-to-date returns showing an estimated gain of 8.0% as of June 15th. HPRS assets are currently at approximately \$1,086 billion.

Below is a snapshot of HPRS's portfolio as of June 15, 2021:

HPRS PORTFOLIO SNAPSHOT: 6/15/2021

	5/31/2021		Market Adjust. Est. 6/15/21			Interim Target	LT Strategic		Allocation with Changes	
	\$ MM	%	Change	\$1,000s	%		Target	Range	\$ MM	%
Public Equity	\$577.4	53.5%	1.2%	\$584.0	53.8%	51.0%	51.0%		\$584.0	53.8%
Global Equity	\$247.4	22.9%	1.4%	\$250.9	23.1%	24.0%	24.0%		\$250.9	23.1%
Domestic Equity	\$256.0	23.7%	1.1%	\$258.8	23.8%	21.0%	21.0%		\$258.8	23.8%
International Equity (EM, SC)	\$74.0	6.9%	0.5%	\$74.4	6.8%	6.0%	6.0%		\$74.4	6.8%
Alternatives Investments	\$249.6	23.1%	0.1%	\$249.9	23.0%	23.0%	23.0%		\$249.9	23.0%
Absolute Return	\$98.8	9.2%	0.3%	\$99.1	9.1%	8.0%	6.0%		\$99.1	9.1%
Private Equity	\$127.7	11.8%	0.0%	\$127.7	11.8%	11.0%	13.0%		\$127.7	11.8%
Real Assets	\$23.1	2.1%	0.0%	\$23.1	2.1%	4.0%	4.0%		\$23.1	2.1%
Real Estate	\$65.8	6.1%	0.0%	\$65.8	6.1%	8.0%	8.0%		\$65.8	6.1%
Fixed Income	\$185.8	17.2%	0.4%	\$186.5	17.2%	18.0%	18.0%		\$186.5	17.2%
Core Fixed Income	\$61.8	5.7%	0.4%	\$62.0	5.7%	6.0%	6.0%		\$62.0	5.7%
Opportunistic	\$82.1	7.6%	0.5%	\$82.5	7.6%	9.0%	9.0%		\$82.5	7.6%
Cash	\$41.9	3.9%	0.0%	\$41.9	3.9%	3.0%	3.0%		\$41.9	3.9%
Total Pension	\$1,078.6	100.0%	0.7%	\$1,086.2	100.0%	100.0%	100.0%		\$1,086.2	100.0%

Estimated Year-to-Date Return (including the above est.): **8.0%**

Retirement Applications and Survivor Benefits

Since the April 22, 2021 board meeting, the HPRS board approved one active member retirement application for age and service, two deferred retirement applications, twelve retirements from DROP, and one survivor benefit.

Upcoming Events

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

Future Meeting Dates

On Wednesday, July 21, 2021, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Health Care Funding Committee and the Investment Committee.

The next scheduled board meeting occurs on Thursday, August 19, 2021, beginning at 0900 hours. This is part of a two-day conference concluding at noon on August 20th. Committee meetings will be a part of the conference, 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 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.