



June 2025

**HPRS**

**B O A R D**  
*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 of the June 20, 2025, HPRS Board meeting.

### **Preliminary Results of the 2024 Actuarial Valuation**

Foster & Foster presented the preliminary results of the December 31, 2024 Actuarial Valuation, as well as the Funding Policy Analysis. The board approved a 2.7% COLA in 2026, to those members that qualify, and the active member contribution rate will remain at 14%. No funds will be allocated to the health care fund for 2025.

A comprehensive funding policy is utilized to guide the board in deciding about COLA for the upcoming year. This funding policy was recently updated as a result of a recommendation from the Special Committee on COLA, to allow consideration of an Exceptional Basis COLA. This modification to the policy resulted in a 2.7% COLA for eligible members in 2026 that would not have been approved otherwise.

### **Health Reimbursement Allowance for 2026**

Foster & Foster presented the preliminary results of the December 31, 2024 Other Post Employment Benefits report. Based on 2024 experience and current assumptions, the cash flow projection shows the health care fund is solvent until 2045. The board decided to leave the current HRA allowance amounts in place for 2026.

## 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 gain of 4.1% as of June 18<sup>th</sup>. HPRS assets are currently at approximately \$1.171 billion.

Below is a snapshot of HPRS's portfolio as of June 18, 2025:

### HPRS Portfolio Snapshot | 6/18/2025

	4/30/2025		Market Adjust. Est. 6/18/25		2025 Target	Change \$1,000s	Allocation with Changes	
	\$ MM	%	Change	\$1,000s			\$ MM	%
<b>Public Equity</b>	<b>\$511.2</b>	<b>45.4%</b>	<b>8.2%</b>	<b>\$553.3</b>	<b>45.0%</b>	<b>-\$15.0</b>	<b>\$538.3</b>	<b>46.0%</b>
Global Equity (Ind 5C)	\$265.6	23.6%	8.0%	\$286.8	23.0%	-\$10.0	\$276.8	23.6%
Domestic Equity	\$245.6	21.8%	8.5%	\$266.5	22.0%	-\$5.0	\$261.5	22.3%
<b>Alternatives Investments</b>	<b>\$317.6</b>	<b>28.2%</b>	<b>0.4%</b>	<b>\$319.0</b>	<b>30.0%</b>	<b>\$0.0</b>	<b>\$319.0</b>	<b>27.2%</b>
Absolute Return	\$56.1	5.0%	2.5%	\$57.5	5.0%		\$57.5	4.9%
Private Equity	\$214.9	19.1%	0.0%	\$214.9	20.0%		\$214.9	18.4%
Real Assets	\$46.6	4.1%	0.0%	\$46.6	5.0%		\$46.6	4.0%
<b>Real Estate</b>	<b>\$72.1</b>	<b>6.4%</b>	<b>0.0%</b>	<b>\$72.1</b>	<b>5.0%</b>		<b>\$72.1</b>	<b>6.2%</b>
<b>Fixed Income</b>	<b>\$225.5</b>	<b>20.0%</b>	<b>0.5%</b>	<b>\$226.7</b>	<b>20.0%</b>	<b>\$15.0</b>	<b>\$241.7</b>	<b>20.6%</b>
Core Fixed Income	\$95.5	8.5%	-0.2%	\$95.3	8.0%	\$7.5	\$102.8	8.8%
Opportunistic	\$70.0	6.2%	1.5%	\$71.1	9.0%		\$71.1	6.1%
Cash	\$60.0	5.3%	0.5%	\$60.3	3.0%	\$7.5	\$67.8	5.8%
<b>Total Pension</b>	<b>\$1,126.4</b>	<b>100.0%</b>	<b>4.0%</b>	<b>\$1,171.1</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>\$1,171.1</b>	<b>100.0%</b>

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

4.1%

## Retirement Applications and Survivor Benefits

For the period of April 1, 2025 through May 31, 2025, the HPRS board approved one active member retirement applications for age and service, one deferred retirement application, seven retirements from DROP, and five survivor benefits.

## Audit Committee Update

Rea is conducting an external audit of HPRS's 2024 financial records, and is currently in the draft review stage. Rea intends to have the audit report completed and ready for submission by 06/30/2025. Their report will be included in the HPRS Annual Comprehensive Financial Report, which will be posted to the website in July.

## Upcoming Events

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

## Future Meeting Dates

On Wednesday, July 16, 2025, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee meeting.

The next scheduled board meeting occurs on Thursday, August 21, 2025 beginning at 0900 hours. This is part of a two-day conference concluding at noon on August 22<sup>nd</sup>. Committee meetings will be 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](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.**