



## October 22, 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 October 22, 2020, HPRS Board meeting.

### Administration Committee Update

The board passed a motion to set the 2021 employee contribution rate at 14% and the COLA at 0%, which is the same levels they are currently at for 2020.

### Health, Wellness, & Disability Committee Update

The health care incentive program was implemented effective October 1, 2020, for participation in the wellness programs offered to retirees, spouses, and surviving spouses enrolled in HPRS medical coverage and 40 years of age or older. This program was announced in the September Newsletter, and eight VISA Gift Cards have been sent out so far in October.

### Health Care Funding Committee Update

The board passed a motion to set the health care fund allocation rate at 0%, retroactive to January 1, 2020. The board also passed a motion to approve the hiring of Willis Towers Watson as the HPRS vendor for Medicare Exchange Services. Staff will begin working with Willis Towers Watson on a contract. The plan is to transition Medicare eligible members to the exchange in January 2022. An update on the project will be provided in the December Newsletter.

### Audit Committee Update

The Auditor of State issued an External Auditor RFP. Rea and Associates was awarded the contract for audit years 2020 - 2023.

### 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 bounced back nicely from

the market turmoil earlier this year. Year-to-date returns show an estimated gain of 3.8% as of October 20<sup>th</sup>. HPRS assets are currently at approximately \$946 million.

Below is a snapshot of HPRS's portfolio as of October 20, 2020:

## HPRS PORTFOLIO SNAPSHOT: 10/20/2020

	9/30/2020		Market Adjust. Est. 10/20/20		Interim Target	LT Strategic		Change \$1,000s	Allocation with Pending Changes	
	\$ MM	%	Change	\$1,000s		Target	Range		\$ MM	%
<b>Domestic Equity</b>	<b>\$284.6</b>	<b>30.6%</b>	<b>3.4%</b>	<b>\$294.4</b>	<b>31.1%</b>	<b>30.0%</b>	<b>30.0%</b>	<b>\$0.0</b>	<b>\$294.4</b>	<b>31.1%</b>
Large/Mid Cap	\$249.7	26.9%	2.8%	\$256.7	27.1%	25.0%	25.0%		\$256.7	27.1%
Small	\$34.9	3.8%	8.0%	\$37.7	4.0%	5.0%	5.0%		\$37.7	4.0%
<b>International Equity</b>	<b>\$174.0</b>	<b>18.7%</b>	<b>3.0%</b>	<b>\$179.1</b>	<b>18.9%</b>	<b>18.0%</b>	<b>18.0%</b>	<b>\$0.0</b>	<b>\$179.1</b>	<b>18.9%</b>
Developed	\$135.4	14.6%	2.8%	\$139.2	14.7%	14.0%	14.0%		\$139.2	14.7%
Emerging Markets	\$38.6	4.2%	3.5%	\$40.0	4.2%	4.0%	4.0%		\$40.0	4.2%
<b>Alternatives Investments</b>	<b>\$214.4</b>	<b>23.1%</b>	<b>0.7%</b>	<b>\$215.8</b>	<b>22.8%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>\$0.0</b>	<b>\$215.8</b>	<b>22.8%</b>
Absolute Return	\$94.8	10.2%	1.0%	\$95.7	10.1%	9.0%	7.0%		\$95.7	10.1%
Private Equity	\$94.8	10.2%	0.0%	\$94.8	10.0%	11.0%	13.0%		\$94.8	10.0%
Real Assets	\$24.8	2.7%	1.9%	\$25.3	2.7%	5.0%	5.0%		\$25.3	2.7%
<b>Real Estate</b>	<b>\$67.6</b>	<b>7.3%</b>	<b>0.0%</b>	<b>\$67.6</b>	<b>7.1%</b>	<b>7.0%</b>	<b>7.0%</b>		<b>\$67.6</b>	<b>7.1%</b>
<b>Fixed Income</b>	<b>\$188.6</b>	<b>20.3%</b>	<b>0.3%</b>	<b>\$189.2</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>\$0.0</b>	<b>\$189.2</b>	<b>20.0%</b>
Core Fixed Income	\$69.0	7.4%	-0.3%	\$68.8	7.3%	10.0%	10.0%		\$68.8	7.3%
Opportunistic	\$78.2	8.4%	1.0%	\$79.0	8.3%	8.0%	8.0%		\$79.0	8.3%
Cash	\$41.4	4.5%	0.0%	\$41.4	4.4%	2.0%	2.0%		\$41.4	4.4%
<b>Total Pension</b>	<b>\$929.2</b>	<b>100.0%</b>	<b>1.8%</b>	<b>\$946.1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>\$946.1</b>	<b>100.0%</b>

Estimated Year-to-Date Return (including the above est.): **3.8%**



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## Retirement Applications and Survivor Benefits

Since the August 2020 board meeting, the HPRS board approved two active member retirement applications for age and service, two deferred retirement applications, ten retirements from DROP, and five survivor benefits. Overall, retirements have increased in 2020 as compared to 2019, by 48% (46 vs. 31).

## Upcoming Events

**To protect the health and wellness of all OSP employees current and retired, the Patrol has temporarily postponed all Division planned retiree 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, November 18, 2020, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Investment Committee.

On Wednesday, December 16, 2020, 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, December 17, 2020, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and the Board 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 individual retirement questions, please contact Executive Director Carl Roark at 614.430.3557.**