



October 19, 2023 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 19, 2023, HPRS Board meeting.

Fiduciary Performance Audit

Randy Miller from Funston Advisory Services presented the findings from the Fiduciary Performance Audit. The audit is required by statute no less than every ten years and provided for a review of six major areas: Board Governance; Organizational Structure and Staffing; Investment Policy and Oversight; Legal Compliance; and IT Operations. A complete copy of the audit can be found at [HPRS Fiduciary Performance Audit Report](#). The overall findings of the report states that the HPRS Board of Trustees appears to be satisfactorily fulfilling its fiduciary duties (loyalty, prudence, staying informed, diversifying assets, controlling costs, compliance with laws and co-fiduciary duties). The HPRS Board has the powers or authorities needed to fulfill its fiduciary duties and functions effectively and efficiently. The investment program is managed effectively, and the external financial advisor is highly qualified. Pension administration functions effectively and there is a high level of member and retiree satisfaction.

Administration Committee

The board finalized the rates that are set in accordance with the Funding Policy, which was communicated in August. The 2024 employee contribution rate will be 14%, and 0% Cost-Of-Living Adjustment for 2024.

Health Care Funding Committee

The board passed a motion to set the health care fund allocation rate at 0%, retroactive to January 1, 2023. The board approved a two-year renewal with Delta Dental, and an increase to dental premiums in 2024. For retirees and surviving spouses, the premium will increase to \$10 per month. The premium for a spouse or for children will increase to \$25 per month.

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 6.7% as of October 17th. HPRS assets are currently at approximately \$1.021 billion. Below is a snapshot of HPRS's portfolio as of October 17, 2023:

HPRS PORTFOLIO SNAPSHOT: 10/17/2023

	9/30/2023		Market Adjust. Est. 10/17/23			LT Strategic	
	\$ MM	%	Change	\$1,000s	%	Target	Range
Public Equity	\$471.8	46.5%	1.4%	\$478.6	46.9%	48.0%	
Global Equity	\$205.7	20.3%	1.4%	\$208.6	20.4%	22.0%	
Domestic Equity	\$211.4	20.8%	1.8%	\$215.2	21.1%	20.0%	
International Equity (EM, SC)	\$54.7	5.4%	0.2%	\$54.8	5.4%	6.0%	
Alternatives Investments	\$314.6	31.0%	0.0%	\$314.6	30.8%	25.0%	
Absolute Return	\$62.4	6.2%	0.0%	\$62.4	6.1%	6.0%	
Private Equity	\$207.1	20.4%	0.0%	\$207.1	20.3%	15.0%	
Real Assets	\$45.1	4.4%	0.0%	\$45.1	4.4%	4.0%	
Real Estate	\$86.5	8.5%	0.0%	\$86.5	8.5%	8.0%	
Fixed Income	\$141.1	13.9%	-0.1%	\$141.0	13.8%	19.0%	
Core Fixed Income	\$42.2	4.2%	-1.0%	\$41.8	4.1%	6.0%	
Opportunistic	\$58.3	5.7%	0.4%	\$58.5	5.7%	9.0%	
Cash	\$40.6	4.0%	0.2%	\$40.7	4.0%	4.0%	
Total Pension	\$1,014.0	100.0%	0.7%	\$1,020.7	100.0%	100.0%	

Estimated Year-to-Date Return (including the above est.): **6.7%**



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Retirement Applications and Survivor Benefits

Since the August 17, 2023 board meeting, the HPRS board approved one active member retirement application for age and service, one deferred retirement application, six retirements from DROP, and three survivor benefits.

Upcoming Events

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

Future Meeting Dates

On Wednesday, November 15, 2023, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee meeting.

On Wednesday, December 20, 2023, 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 21, 2023, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and Board meeting. The board meeting will be streamed on Zoom, and the details to join the meeting will be on the agenda that is be posted to the HPRS website one week prior to the meeting.

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.