

The regular monthly meeting of the Retirement Board of Allegheny County was held on October 15, 2020 via Teams Meeting/Conference Call. The meeting was called to order at 12:02 pm.

Roll Call of the Board members was made: Board members, Ted Puzak, Chelsa Wagner, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, and John Weinstein.

Also, in attendance: Walter Szymanski, Manager, Retirement Office and Brian Gabriel, Campbell Durrant, Solicitor, David Lindberg and Craig Morton, Wilshire Consulting, and Ed Boyer, Asset Strategy.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

No public comments were made.

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the minutes of the September 17, 2020 board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the August 2020 Financial Statements. The reports are generated by the Controller's Office Board Secretary.

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet

APPROVAL OF INVOICES

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the October 2020 Invoices.

OCTOBER VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI		\$ -
GRIDIRON MGMT PARTNERS-MA		\$ -
CIM INVESTMENT MANAGEMENT (Fixed Income)		\$ -
CIM INVESTMENT MANAGEMENT (Small Cap)		\$ -
CIM INVESTMENT MANAGEMENT (Israel Bonds)		\$ -
CS MCKEE INVESTMENT MANAGERS		\$ -
COOKSON PIERCE & CO INC		\$ -
EARNEST PARTNERS		\$ -
EMERALD ADVISERS (All Cap)		\$ -
EMERALD ADVISERS (Small Cap)		\$ -
EMSTONE ADVISERS, LLC		\$ -
FEDERATED (Core Broad)		\$ -
FEDERATED (High Yield)		\$ -
F.N.B. WEALTH MANAGEMENT		\$ -
FIDELITY INVESTMENTS (Select Int'l Plus)		\$ -
FRAGASSO FINANCIAL ADVISORS		\$ -
HARVEST FUND ADVISORS LLC		\$ -
iNetworks OF, LLC		\$ -
MELLON CAPITAL		\$ -
COLUMBUS MACRO, LLC (formerly Raylient)		\$ -
SALIENT		\$ -
SEGALL, BRYANT & HAMILL	4/1/20-6/30/20	\$ 41,983.84
STATE STREET GLOBAL ADVISORS (MSCI World)		\$ -
STATE STREET GLOBAL ADVISORS (S&P 500)		\$ -
TWIN CAPITAL MANGEMENT		\$ -

Total Vendor Invoices for Approval

\$41,983.84

PENSION APPLICATIONS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve pension applications filed with the Retirement Office for the month of October 2020.

A. October 2020 Applications

- Early Voluntary - 8
- Full Retirement - 12
- Payment Plan - 1

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to deny the disability application of member #100494 upon the recommendation of three designated physicians that the member IS NOT totally and permanently disabled from gainful employment in Allegheny County.

MANAGER'S REPORT

Walter Szymanski

The Dashboard Retiree Payroll is up 6.77%, YTD at \$9,915,848.04. Total Contribution Made are up 0.06%. Contributions Refunded up 2.12%. Total Retirements on the year down 6.39%. Pension Estimates are down 9.19%. Calls are up 66.27%. Walk Ins down 60.63% due to COVID19. Capital Calls are down 22.90%. Capital Calls as of prior board meeting \$3,893,645.98

The Office Budget is as of September 30, 2020.

Board Updates

1. The draft budget will be included in the November Board book.
2. Tyler will be sunsetting its pension software as of July 1, 2023. Koryak has analyzed and identified the following modules that detailed requirements including reports for each of these:
 - a. Administrative
 - b. Member
 - c. Member Contribution Postings
 - d. Member Interests
 - e. Refunds
 - f. Refund Approval
 - g. Retirement Calculator

 - h. Retirees
 - i. Retiree Payroll

Koryak has offered to develop a system for the Retirement Board, tailored to our statute and we would own the system. We received other proposals however Koryak's costs are more inline with what the board would prefer. An executive session will be scheduled for a presentation of our options to replace the software, which include 1) replacing or 2) rebuild and the county would own the software. Executive Session to be scheduled either for the November or December board meeting.

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of October 7, 2020.

Recommendation to the board related to Wilshire from Monica Holdco who is purchasing the majority of Wilshire. Request the board to sign a consent form authorizing the deemed assignment of the agreement. The agreement is nearing it end as of November 30, 2020, so it makes sense to execute the form.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the RBAC President, John Weinstein, to sign the consent form authorizing the deemed assignment of the agreement between Wilshire and Monica Holdco.

CONSULTANT'S REPORT

Wilshire

David Lindberg

- Monthly Perspectives, for the third quarter, U.S. equity (Wilshire 5000 Index) year to date return is up 9.14%. Real GDP was down -31.7% during the second quarter, full equity market recovery since the pandemic, US Equity YTD 5.54%. US Equity by size/style, more diverse than they have ever been, Large Cap YTD up 7.05%, while Small Cap YTD down -10.34%. Housing market positive throughout the country, notably the Pittsburgh region was rated one of the top 5 price appreciations of real estate.
- Non-US Equity, MSCI ACWI ex USA, reflects the index return of the non-U.S. broad equity investments, QTD is up 6.26%, strong return for the quarter, but YTD down -5.44%. MSCI Emerging Markets QTD up 9.56%, and MSCI ACWI ex USA Small cap up QTD 10.50%, good recovery.
- Fixed Income, Bloomberg Barclays US Aggregate QTD up 0.62%, return on fixed income YTD numbers are strong. Interest rates are near zero, we do not intend to see the rate of return as we have seen this past year moving forward due to these low interest rates. TIPS index QTD up 3.03% . High Yield Bonds QTD gained 4.60%.
- Real Asset Markets were up during the third quarter both in US and abroad. Commodity 9.07% QTD, U.S. Real Estate Securities Index 1.25% QTD, Global Real Estate Securities Index 1.31% QTD, and natural gas were positive while midstream energy lagged at -9.40% QTD.

Gold prices were up for the eighth straight quarter finishing at \$1,888.

Craig Morton

- August Flash Report, ended with \$956.2 million, cash is currently down to roughly \$3 million, so a recommendation will be made. Cash balance at the end of August was \$7.757 million.
- Total Fund, page 5, month of August up 2.63% outperformed policy index by 25 basis points. Underperformance from US Equity Managers for the month but Earnest Small Value 7.67%, Emerald Advisors Small Cap 12.14%, and Emerald Advisors All Cap 18.06% QTD real drivers have outperformed for the quarter. Baillie Gifford Intl Equity YTD 14.49%, 1-month outperformance 0.93%, continues to produce stellar returns.
- CS McKee down -0.65%, Federated down -0.51%, but both outperformed their benchmark for the month. Oaktree High Yield 1 month 0.96% YTD value added 1.08%. Federated High Yield 1 month 0.77%, value added YTD up 0.42%.
- Wilshire recommends a current cash raise of \$10,000,000 to cover upcoming benefit payments and capital calls. With the following withdrawals: \$2 million from SSgA S&P 500 Index Fund, \$1 from TWIN Capital, \$2 million from SSgA MSCI ACWI ex US Index Fund, and \$5 million from Baillie Gifford International.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the recommendation of a current cash raise of \$10,000,000 to fund the cash account which will serve as a source of funds for current cash needs of benefit payments and capital calls.

Asset Strategy

Ed Boyer

- Corry Extension agreement edits complete by Brian Gabriel, Corry approved the changes and will sign and return. Corry is continuing to try to liquidate and an update will be provided at the November meeting.
- Constitution Capital, Ironsides partnerships, private equity growth funds 3 and 4 distributions coming in the near future.
 - Fund 3 – \$6 million, anticipated distribution 15 -20% of commitment
 - Fund 4 - \$3 million, anticipated distribution 35 -40% commitment
 - Two transactions first, Truco, snack food company, second. Mana Pro, manufactures feed for farm animals.

NEW BUSINESS

President Weinstein

The 2021 Contribution Rate will need to be set. He proposed a sub-committee to meet at virtually and provide a recommendation to the board at the November RBAC meeting. The members of the sub-committee are Jennifer Liptak, Chair, Chelsa Wagner, Tom Puzak, Brad Rigsby, Janice Vinci, and Amy Weise. It was agreed that an executive meeting for the Contribution Rate subcommittee will be scheduled prior to the board meeting.

Next board meeting November 19, 2020

ADJOURMENT

The Board unanimously approved a motion by John Weinstein to adjourn at 12:30 pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chelsa Wagner", is written on a light-colored background.

Chelsa Wagner, Secretary