

The regular monthly meeting of the Retirement Board of Allegheny County was held on June 17, 2021 via Teams Meeting/Conference Call. The meeting was called to order at 12:00 pm.

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

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, Chris Brokaw and Tim Walters, AndCo 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 May 20, 2021 board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the April 2021 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 June 2021 Invoices.

JUNE 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)		\$ -
CSM ADVISORS, LLC		\$ -
COOKSON PEIRCE & 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		\$ -
iNetworks OF, LLC	4/1/21-6/30/21	\$ 22,482.72
MELLON CAPITAL		\$ -
COLUMBUS MACRO, LLC (formerly Raylient)		\$ -
SEGALL, BRYANT & HAMILL		\$ -
STATE STREET GLOBAL ADVISORS (MSCI World)		\$ -
STATE STREET GLOBAL ADVISORS (S&P 500)		\$ -
TWIN CAPITAL MANGEMENT		\$ -

Total Vendor Invoices for Approval

\$22,482.72

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 June 2021.

- Early Voluntary 6
- Full Retirement 13
- Re-Calculations 1

MANAGER'S REPORT

Walter Szymanski

The Dashboard Retiree Payroll is up 5.38%, YTD. Total Contribution Made are up 5.92%. Contributions Refunded are up 7.92%%. Total Retirements YTD down -17.98% Capital Calls down -69.98%. Capital Calls as of prior board meeting \$595,411.53

The Office budget is as of June 30, 2021.

Board Approval Request

- a. The Board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve and adopt the proposed Findings, Conclusions and Recommendation of the Hearing Officer in Appeal Nos. 2021-1 and 2021-2, thereby denying the appeals.*

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of June 9, 2021. Direct questions to the Mr. Gabriel as needed. No questions were presented at this time.

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Market update through May 31, 2021.

Page 1 of 20 – Equities, S&P 500 Total Return for the month up 0.70%, US large cap. MSCI EAFE NR up 3.26% and MSCI EM NR up 2.32%, Emerging and developed international markets picked up the slack from the the U.S. markets after prior month's US outperformance. In the Fixed Income markets interest rates have held steady and indices posted positive returns for the month. US Corporate High Yield YTD returns were 2.25% and 0.30% for the month. The Federal Reserve met this week and increased their expectations for future inflation.

Page 4 of 20 – Performance, Total Fund positive returns for the month were 2.19% and 22.56% for the year. US Equity posted a positive return of 4.72% and was the leading asset class performer for the quarter. All other asset classes generated positive returns for the quarter. Core Fixed Income was up 0.73% due to interest rates settling down after rising earlier in the year. Page 5 of 20, looking at individual managers and coming out of COVID19, we were able to meet in person with Twin Capital and Emerald Advisors. Both managers performed well over the past year. Emerald is a Small Cap Growth manager and Twin Capital a Large Cap core manager with a bit of a value bias. You can see the performance differential over the trailing year with Emerald returning over 69%. Growth did very well during the COVID recovery in 2020. In 2021 Value managers like TWIN are performing well and surpassing growth manager performance.

9 of 20 Cash Flows – End of April the account held \$3.5 million. With the cash in the account and the net distributions from private investments, the fund was able to use the cash to pay the benefit payments. No drawdowns needed in the portfolio for the month.

12 of 20 Asset Allocation – US and International Equity within its range and above target. Fixed Income a bit under target. TIPS portfolio slightly below the range, as discussed in previous meetings this investment structure is on hold and an infrastructure search is underway and we will deliver the identified candidates to the board in the near future.

Mr. Brokaw mentioned AndCo will be at the ALOM Conference, Seven Springs, Somerset PA, Friday and Saturday if anyone is attending.

Asset Strategy

Ed Boyer

Update on the Fees of 2020 as CCA Green made a rebate back to the plan, which is noted as a negative number, -\$186,372.00. Markets are coming from December 2020 and 2021 1st quarter the valuations with the private equity portfolios are climbing and there's clearly greater interest in selling off some of these positions, but it will still take time. Draper Triangle from their older fund of the smaller a new distribution that we were not aware of for about \$150,000 but still maintain that the numbers are probably in a \$15 million range over the next 9 to 15 months. We

welcome any input, so I will need to know when we can make new allocations. Draper Triangle's back in the market they have a new name with their firm. Current most recent fund that we plan to bring forward later by the way for meeting with the Jake Anoric this morning; that fund is going to really pop from changes in valuations and financing such as this fund will start to look like a 2 1/2 or 3x or greater going forward. Now we are on the right track with some very good companies that are integral to running their other businesses in the country. We are ready to add to the portfolio when we get the green light.

NEW BUSINESS

1. Contribution Rate 2021 – Jennifer Liptak, Chair, the committee, which included our actuary Brad Rigby, Retirement Office manager Walt Szymanski, and Brian Gabriel, solicitor, meet a couple weeks ago to discuss what we would do with the contribution rate for the second half of the year, 2021. The current rate is 10.5 employer 10.5 employee rate for compliance rate of 21%. We had a very good and appreciative discussion with our board members and the staff to go over some of their thoughts about moving forward with the contribution range and the need to meet more frequently to discuss some of the things that we can do.

The board unanimously approved a motion by Jennifer Liptak, duly seconded by Rich Fitzgerald to approve the recommendation of the Contribution Rate 2021 subcommittee to keep the rate at its current 10.5 employer 10.5 employee rate for compliance rate of 21% for remainder of the year.

2. Next Board meeting July 15, 2021.

ADJOURNMENT

The Board unanimously approved a motion by Ms. Vinci to adjourn at 12:25pm.

Respectfully submitted,



Chelsa Wagner, Secretary

