

The regular monthly meeting of the Retirement Board of Allegheny County was held on March 18, 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 Mr. 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 Perry Giovannelli, PFM.

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 February 18, 2021 board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the January 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

NO March Invoices for approval.

PENSION APPLICATIONS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve pension applications filed with the Retirement Office for the month of March 2021.

- Early Voluntary 1
- Full Retirement 5

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve 2 Payment Plans filed with the Retirement Office for the month of March 2021.

- Payment Plans 2

MANAGER'S REPORT

Walter Szymanski

The Dashboard Retiree Payroll is up 5.80%, YTD. Total Contribution Made are up 5.04%. Contributions Refunded up 2.89%. Life Insurance Claims Paid are up 46.15%. \$ Paid Claims up 25.74%. Members with 4K Life are up 2.14% YTD. Members with Additional Life are up 5.18% YTD. Total Retirements YTD down -33.33%. Pension Estimates are down -42.15%. Calls are up 9.90%. Capital Calls down -60.87%. Capital Calls as of prior board meeting \$310,732.58

The Office budget is as of February 28, 2021.

Board Approval Request

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve and place Asset Strategy on a month to month basis until a new contract is approved at the current rate. \$120,000.00 per year @ \$30,000 per quarter.

Asset Strategy performs Investment Services to the RBAC, contract expires 03/31/2021 at the cost of \$120,000.00 beginning on April 1,

2021 as stated in the current contract. Prior costs were \$115,000.00 @ \$28,750 per quarter.

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of March 11, 2021.

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Major Market Index Performance

5-years period ending 2020 – Large Cap stocks were the best performing equity. Russell 1000 15.6%.

5-years ending 10-Years Ago – Fixed Income, TIPS were the best performing asset class.

The rebalancing that has been recommended is a recognition that asset classes come in and out of favor. Trimming from the areas that perform best and adding to areas that have not performed is a way to balance the risks in the portfolio.

Domestic Equity Style Index Performance

5-years ended 12/31/2020 - Large growth companies performed the best.

5-years ended 15-years ago – 5 years after the tech bubble, Russell 1000 Growth performed poorly.

Last year the market performed well with information technology leading the way. In recent months, including the 4th quarter of 2020, the smaller capitalization and value oriented equities have outperformed. Diversified exposure to various asset classes is recommended to create a balanced portfolio that can perform well when different asset classes or styles are in favor.

AndCo Consulting Memo – The LPP is currently funded with \$28.5 million. The portfolio maintains exposure to capital markets through investments in ETFs and has a current weighted average fee for the underlying ETFs of

0.08% annually. The investment in LPP is available with next day liquidity for the needs of the Allegheny County Employees' Retirement Plan.

Tim Walters

Market Update

As of February 28, 2021, table of returns Equities, Fixed Income and Key Rates.

Equities - Reflects a rebound from some of the mixed results in January 2021 S&P 500 was up about 2.76% This is reversal from what we saw throughout 2020 where larger cap stocks did better than their smaller cap counterparts and where growth did better than value. Russell 1000 Growth Index down (0.02) % where the Russell 1000 Value Index was up 6.04%

Fixed Income - US Aggregate index was down (1.44%). As interest rates go up bond prices go down so that is where we see those negative results permeating within the fixed income marketplace. The Federal Reserve met this week and reaffirmed their longer-term commitment to keep rates lower.

Performance update

Total Fund - \$1,002,982,091 billion

Retirement System of Allegheny County, Statement of Investment Policy amended February 18, 2021 to reflect actions taken by the board.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve the Retirement System of Allegheny County Statement of Investment Policy amended February 18, 2021.

Asset Strategy

Ed Boyer

Expected realizations and flows back into the portfolio might look like the current estimates, running between \$19 and \$21 million now that includes about nearly \$9 million that came in in January from Cory. In addition to that were also estimating have another \$4 to \$6 million from the managers. Continue to gather fee data as requested, the fund to funds is taking a little longer to deliver. Capital Calls are hard to estimate, and Mr. Boyer will try to gather that data also.

PFM

Perry Giovannelli

Columbus Macro based in Pittsburgh, PA will merge with Boenning & Scattergood, an investment management firm headquarter in greater Philadelphia, PA, effective February 28, 2021.

Boenning & Scattergood firm specializes in retail brokerage, investment banking, asset management, and public finance. The PFM equity team held a review meeting with Craig Columbus, Scott Dooley and George Matta to discuss the firm level changes and impact to the Allegheny County Employees' Retirement System. The merger will not affect operations or current structure at Columbus Macro. The focus of both firms is a marketing plan to leverage and expand their offerings. The board will have a 1-page document to sign for approval.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve the RBAC Chair, John Weinstein, to sign the approval document for the Columbus Macro and Boenning & Scattergood merger.

NEW BUSINESS

Next Board meeting April 15, 2021.

ADJOURNMENT

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

Respectfully submitted,



Chelsa Wagner, Secretary

