

The regular monthly meeting of the Retirement Board of Allegheny County was held on November 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, Amy Weise representing Chelsa Wagner, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, and John Weinstein were in attendance.

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, Brad Rigby, Cowden Associates, Chris Brokaw and Tim Walters, AndCo Consulting, and Perry Giovannelli, PFM.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Guy Tumolo - Most of you know me as one time and sat in some of these seats as substituting for the controller. Today I come to you representing the county retiree association, a group of 1000 former county employees, many who are feeling a financial economic pinch of the past year by the effects of inflation. A COVID related shut down effected senior in a few ways, a loss of income a supplemental income and the need to assist their children and their families during this economic situation. The pressure continues with inflation and which accelerates at its highest in thirty years. The other day my wife came home and said green peppers were 99 cents last week. They're \$1.19 this week, that's a 20% increase. We are experiencing exceptionally high cost increases in essentials such as food, medicine, and medical expenses. Yet we still pay for Medicare which will increase \$22 next year. And the information we received at our last retiree meeting it looks bleak in the future with continued increases. We also have difficulty with some of the activities of daily living that we are no longer able to do for ourselves but find we must pay others to do. Cutting the grass, cleaning the house, food shopping, small repairs, and transpiration to appointments. There has been no increase in the pension since 2015, due to your fine management in the plan it is now valued at over a billion dollars. We are asking for consideration of at least \$50 a month increase, it is not much given the economic pressures we face. We feel it is easily doable and would cost \$3 million the first year and would decline every year thereafter. Given the healthy size of the fund the increase would have no significant affect on it. Please help those like yourselves who spent many years in public service in our need of additional funding right now. Thank you.

Mr. Weinstein thank you Mr. Tumolo, we appreciate your comments and we will be discussing the cost of living later in the meeting.

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve the minutes of the October 21, 2021, board meeting.

APPROVAL OF FINANCIAL STATEMENTS

A. The board unanimously approved a motion by Sarah Roka, duly seconded by Amy Weise, to approve the September 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 Frank DiCristofaro, duly seconded by Sarah Roka, to approve the October and November 2021 Invoices.

NOVEMBER VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI	7/1/21-9/30/21	\$ 8,071.84
GRIDIRON MGMT PARTNERS-MA	7/1/21-9/30/21	\$ 6,451.14
CIM INVESTMENT MANAGEMENT (Fixed Income)	7/1/21-9/30/21	\$ 14,919.19
CIM INVESTMENT MANAGEMENT (Small Cap)	7/1/21-9/30/21	\$ 10,286.76
CIM INVESTMENT MANAGEMENT (Israel Bonds)	7/1/21-9/30/21	\$ 3,758.99
CSM ADVISORS, LLC	4/1/21-6/30/21	\$ 22,563.71
CSM ADVISORS, LLC	7/1/21-9/30/21	\$ 22,555.11
COOKSON PEIRCE & CO INC	7/1/21-9/30/21	\$ 993.00
EARNEST PARTNERS	7/1/21-9/30/21	\$ 36,756.10
EMERALD ADVISERS (All Cap)	7/1/21-9/30/21	\$ 9,799.79
EMERALD ADVISERS (Small Cap)	7/1/21-9/30/21	\$ 28,838.59
EMSTONE ADVISERS, LLC	7/1/21-9/30/21	\$ 2,766.04
FEDERATED (Core Broad)	7/1/21-9/30/21	\$ 22,553.02
FEDERATED (High Yield)		\$ -
F.N.B. WEALTH MANAGEMENT	7/1/21-9/30/21	\$ 2,489.75
FIDELITY INVESTMENTS (Select Int'l Plus)	7/1/21-9/30/21	\$ 33,086.40
FRAGASSO FINANCIAL ADVISORS	7/1/21-9/30/21	\$ 9,543.00
iNetworks OF, LLC	7/1/21-9/30/21	\$ 22,482.72
MELLON CAPITAL	7/1/21-9/30/21	\$ 3,145.43
COLUMBUS MACRO, LLC (formerly Raylient)	7/1/21-9/30/21	\$ 2,355.80
SEGALL, BRYANT & HAMILL		\$ -
STATE STREET GLOBAL ADVISORS (MSCI World)		\$ -
STATE STREET GLOBAL ADVISORS (S&P 500)	7/1/21-9/30/21	\$ 4,805.72
TWIN CAPITAL MANGEMENT	7/1/21-9/30/21	\$ 34,752.86

Total Vendor Invoices for Approval

\$302,974.96

PENSION APPLICATIONS

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

Early Voluntary	8
Full Retirement	11

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to deny the disability application of member #093662 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 reports as of October 21, 2021, Retiree Payroll is up 5.23%, YTD. Total Contribution Made are up 5.62%. Contributions Refunded are up 27.87%. Total Retirements YTD down -8.95%. Pension Estimates are up 49.62%. Capital Calls down -70.29%. Capital Calls as of prior board meeting \$989,841.61

The Office budget is as of October 31, 2021. A 2022 DRAFT budget enclosed with board materials, contact Mr. Szymanski with questions

Board Approval Requests

- a. The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve a beneficiary transfer and release of the lump sum funds for employee number 083612 as stated in the enclosed affidavit to pass benefits to the children.*
- b. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the extension of the Schneider Downs contract to provide general consulting support for the Tyler PERA System. The agreement would be extended by 12 months with an expiration date of 12/31/22. The new contract terms would be \$3,500 per quarter and includes four visits a year and any additional services requested will be billed at an agreed-upon rate (same as current hourly rate) before any work commences.*
- c. The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the renewal of the Commercial Crime Policy Insurance, effective January 20, 2022 to January 20, 2025. The cost of the*

policy is \$10,213.00 and the limit of Occurrence is \$5million with a \$50 thousand dollar deductible.

- d. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the extension of the maintenance agreement with Koryak Consulting for the Capital Call portal effective January 1, 2022 to December 31, 2023 at the cost of \$30,000 per year.*
- e. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve to extend the contract with Phase XIV for disability pension consulting for 36 months, to expire on December 31, 2024. The monthly intake fee structure is \$1,550 (2022), \$1,650 (2023), and \$1,750 (2024), disability review case fees will be \$2,200 (2022), \$2,450 (2023), and \$2,700 (2024).*
- f. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve to extend the agreement with AndCo Consulting as a five (5) year contract with increments of \$5000 each year beginning with 2022 at \$170,000, agreement expiration of December 1, 2026.*

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of November 11, 2021. Direct questions to Mr. Gabriel as needed.

Action Items

- a) Bernstein Litowitz Berger & Grossman (BLB&G) submitted a request that the Allegheny County Employees' Retirement System join in an amicus brief to be filed on behalf of institutional investors in a case pending before the Ninth Circuit Court of Appeals. The issue in the case is whether investors have standing to pursue claims un the Securities Act of 1933 when companies make false and misleading statements in connection with a "direct listing" IPO (Initial Public Offering). Participation does not require resources. ACERS would appear on amici filings but would not become a party to the case. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve support and consent to participate as amici in the case.*
- b) The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the reappointment of Gianni Floro as a hearing officer and appoint Gaitens Tucceri Nicholas as a hearing officer for 2022 at \$250 hour.*

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Market update through October 31, 2021.

Page 1 – Performance- as of October 31, 2021- US Equity composite posted a positive return of the month with the large capitalization S&P 500 up 7.01% and the small capitalization Russell 2000 Index up 4.25%. International equity also posted positive returns. The MSCI EAFE NR was up 2.46% for the month. The U.S. Aggregate Index was marginally negative, returning -0.03% month.

Page 3 – Major Market Index Performance, As of September 30, 2021 – For the quarter, the S&P 500 was up 0.6% and had a trailing 1-year performance of 30.0%. The Russell 2000 was down -4.4% for the quarter. The developed and emerging market international indexes were both down. The MSCI EAFE returned -0.4% for the quarter but had a positive performance for the trailing 1 Year at 25.7%. Also, the MSCI Emerging Markets index was down -8.1% for the quarter. The Bloomberg US Aggregate was marginally positive at 0.1% for the quarter and had negative returns for the trailing 1 Year.

Page 20 Asset Allocation & Performance – Total Fund returns for the quarter were 0.82% and for the year-to-date period were 9.40%. US Equity is practically flat at -0.43% while Non-US Equity is negative at -3.58%. Core Fixed Income was flat at -0.09%, High yield fixed income finished above core fixed income returning 0.84% for the quarter. The TIPS Fixed Composite had a better quarter, returning 1.74%. The Real Estate Composite was the best performing asset class for the quarter returning 4.82%. Total Private Equity positive performance for the quarter was 4.65%. The Total Fund balance was \$1,061,549,183 at the end of September 2021.

Thank you again for renewing the contract for another 5 years.

PFM

Perry Giovannelli

- a) Recommendation request to participate in the Emerging/MWBE Manager Program, terminating Columbus Macro at \$1.485 and invest \$1.5 million in VESPER. Owner of the firm is John Thompson, Dr. Chow as the CIO. 3-year number 16.82%, fee of the ETF is 75 basis points.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the recommendation to invest \$1.5 million with VESPER large cap short term investment strategy.

- b) Recommendation request to invest an additional \$500,000 with existing manager Cookson Peirce All Cap Core. Since inception December 2018

Cookson Peirce return is over 17% resulting in a \$276,00 gain.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the recommendation to invest \$500,000 with Cookson Peirce.

NEW BUSINESS

Report and recommendation from the COLA Committee

Sara Roka – the committee met in October 2021 with the assistance of the solicitor to discuss multiple amounts for the COLA and the board will consider future flat dollar uniform COLA(s) if certain criteria are met.

1. Criteria for future Board Consideration

- ***Solvency Test***
 1. *Solvency less than 20 years*
No COLA is to be considered
 2. *Solvency at least 20 years but less than 30 years*
Consider a COLA of up to 2% of the median monthly benefit for current retired members
 3. *Solvency at least 30 years but not indefinitely*
Consider a COLA of up to 3% of the median monthly benefit for current retired members
 4. *Solvency projected to last indefinitely*
 - a. *Consider a COLA of up to 5% of the median monthly benefit for current retired members*
 - b. *Projection must maintain solvency indefinitely after COLA*
- ***Discretion***
 1. *The Board retains the full discretion to approve or disapprove any COLA, even if the criteria for Solvency is met*
 2. *The Board may consider a COLA no more often than once a year*

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the Criteria for Future Board Consideration.

2. **Plan for regular COLA review.** The recommendation from the COLA Committee for 2022 is a \$25 - \$30 a month increase in monthly benefit for all members retired at least one year. This is the first COLA since 2015.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the recommendation of an increase of \$30 per month, all retired at least one year, for January 2022.

Mr. Tumolo commented that \$22 of the \$30 will go to Medicare. Mr. Weinstein stated the fund will be evaluated annually and thank you Ted and Frank for a good job at pushing for the increase.

Next Board meeting is scheduled for December 16, 2021.

ADJOURNMENT

The Board unanimously approved a motion by Mr. Weinstein to adjourn at 12:35pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chelsa Wagner", is written over a light blue rectangular background.

Chelsa Wagner, Secretary