

The regular monthly meeting of the Retirement Board of Allegheny County was held on February 17, 2022, 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, Tracy Royston, 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, Ed Boyer, Asset Strategy, and Perry Giovannelli, PFM.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

None

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka to approve the minutes of the January 20, 2022, board meeting.

APPROVAL OF FINANCIAL STATEMENTS

A. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the December 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 February 2022 Invoices.

FEBRUARY VENDOR EXPENSES		
VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI	10/1/21-12/31/21	\$ 8,073.59
GRIDIRON MGMT PARTNERS-MA	10/1/21-12/31/21	\$ 54,411.23
CIM INVESTMENT MANAGEMENT (Fixed Income)	10/1/21-12/31/21	\$ 17,957.60
CIM INVESTMENT MANAGEMENT (Small Cap)	10/1/21-12/31/21	\$ 10,235.36
CIM INVESTMENT MANAGEMENT (Israel Bonds)	10/1/21-12/31/21	\$ 3,745.77
CSM ADVISORS, LLC	10/1/21-12/31/21	\$ 25,445.29
COOKSON PEIRCE & CO INC		\$ -
EARNEST PARTNERS	10/1/21-12/31/21	\$ 37,085.70
EMERALD ADVISERS (All Cap)	10/1/21-12/31/21	\$ 10,134.74
EMERALD ADVISERS (Small Cap)	10/1/21-12/31/21	\$ 28,884.99
EMSTONE ADVISERS, LLC		\$ -
FEDERATED (Core Broad)		\$ -
FEDERATED (High Yield)		\$ -
F.N.B. WEALTH MANAGEMENT	10/1/21-12/31/21	\$ 2,472.00
FIDELITY INVESTMENTS (Select Int'l Plus)	10/1/21-12/31/21	\$ 27,083.22
FRAGASSO FINANCIAL ADVISORS	10/1/21-12/31/21	\$ 9,723.00
iNetworks OF, LLC	10/1/21-12/31/21	\$ 22,482.72
MELLON CAPITAL	10/1/21-12/31/21	\$ 3,218.16
SEGALL, BRYANT & HAMILL	10/1/21-12/31/21	\$ 56,836.70
STATE STREET GLOBAL ADVISORS (MSCI World)	10/1/21-12/31/21	\$ 6,747.41
STATE STREET GLOBAL ADVISORS (S&P 500)	10/1/21-12/31/21	\$ 4,386.79
TWIN CAPITAL MANGEMENT	10/1/21-12/31/21	\$ 36,726.40
<u>Total Vendor Invoices for Approval</u>		<u>\$365,650.67</u>

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 February 2022.

Early Voluntary	14
Full Retirement	26
ReCalc	2
Purchase Plans	1

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS

*The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the disability application of member #095463 upon the recommendation of three designated physicians that the member **IS** totally and permanently disabled from gainful employment in Allegheny County.*

MANAGER'S REPORT

Walter Szymanski

The Dashboard reports as of February 17, 2022, Retiree Payroll is up 9.01%, YTD. Total Contribution Made are down -3.53%. Contributions Refunded are up 20.20%. Total Retirements YTD down -12.50%. Pension Estimates are down -11.54%. Capital Calls down -51.11%. Capital Calls as of prior board meeting \$149,884.11

The Office budget is as of January 31, 2022

COLA REPORT

A programming error was discovered in the Tyler System after implementing the COLA that was approved at the November 2021 board meeting. Tyler paid some retirees twice for the \$30.00 COLA in their January 27, 2022 pay. This error was caught in a timely manner, and we worked diligently to correct it before the February payroll. This system error is not expected to happen again.

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of February 10, 2022. Direct questions to Mr. Gabriel as needed.

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Recommendation – AndCo recommends the following rebalancing transactions to reduce the portfolio risk profile and to move the portfolio closer to its long-term target asset allocation. 1) Sell \$5 million of the SSgA S&P 500 Index Fund and 2) Purchase \$5 million of the BlackRock Liquidity iShares Public Pension Fund. US Equity has returned +23.7% over the past trailing year and 8.8% over the past quarter. The SSgA S&P 500 Fund is the largest allocation in the US Equity portfolio and will remain at 8.0% after the rebalancing. Allocating the proceeds to the BlackRock Liquidity iShares Public Pension Fund provides low-cost diversified exposure to the capital markets and liquid access to funds for future benefit payments.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to sell \$5 million of the SSgA 500 Index Fund and purchase \$5 million of the BlackRock Liquidity iShares Public Pension Fund.

Market update through December 31, 2021.

Page 2 – Performance as of December 31, 2021– The Total Fund balance was \$1,094,616,302. The Total portfolio had positive performance of 3.08% for the month and 14.24% for the YTD. US Equity was up 4.04% for the month. Non-US Equity returns were up 4.00% for the month and a positive 0.77% for the quarter-to-date. Bonds were generally flat for the month, interest rates moved up, higher interest rates caused bonds to lose value. Core Fixed Income was up for the month at 0.05%, High Yield up for the month at 1.89%. Real Estate had a strong performance returning 6.82% for the month. Total Private Equity positive performance for the quarter was 7.47%. and positive 3.04% for the month. YTD period strong with volatility in the market, some major issues around inflation with the potential for rising interest rates and price volatility due to threat of war in Ukraine .

Page 8 - Asset - Values of the individual asset classes, investments, and cash flows. Market value as of 01/01/2021 \$1,001,471,964 then Market value as of 12/31/2022 \$1,094,616,302. Outflows of the US Equity related to rebalancing were \$-27,469,896 for the year. Core Fixed income had positive cash flows of \$35,297,409 related to rebalancing. Equity assets appreciated through the year and rebalancing transactions realized those gains, then moved them to less volatile parts of the portfolio.

Page 9 - Private Equity composite, Net Flows column, starting the year with \$185,755,110 and \$24,873,618 came back into the pension fund and ending the year at \$215,873,991 with Return on Investment over the calendar year at \$61,404,613. Liquid Policy Portfolio Composite , Net Flows, \$38,796,155 and ending

the year with \$42,539,612 available for distribution.

Page 10 – Asset Allocation - US Equity over the target and Liquid Policy Portfolio under target. The recommended rebalancing brings the composites closer to target allocations and moves assets to less volatile asset classes.

Asset Strategy

Ed Boyer

Total Valuation as of December 31, 2022 is \$231,631,829. We expect some money coming back in from Corry Capital Advisors, Greenspring and Constitution. Greenspring sold out to Stepson, public growth equities market. JMI is back in the market, TVPI at 1.68%, Net IRR 35.53 since 2019. Unfunded Commitments \$30,521,402, actual number is close to \$18 million, once the capital calls come in.

PFM

Perry Giovannelli

No report.

NEW BUSINESS

ADJOURNMENT

The board held an executive session prior to today's meeting.

The Board unanimously approved a motion by Frank DiCristofaro, to adjourn at 12:25pm.

Respectfully submitted,



Tracy Royston, Acting Secretary