

The regular monthly meeting of the Retirement Board of Allegheny County was held on January 20, 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 Janice Vinci representing 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**

None

## **APPROVAL OF BOARD MINUTES**

*The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro to approve the minutes of the December 16, 2021 board meeting.*

## **APPROVAL OF FINANCIAL STATEMENTS**

*A. The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, to approve the November 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**

January Invoices - None

## **PENSION APPLICATIONS**

*The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, to approve the pension applications filed with the Retirement Office for the month of January 2022.*

Early Voluntary	11
Full Retirement	22
Disability (ReCalc)	1

## **INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS**

*The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, to approve the disability application of member #095683 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 January 20, 2022, Retiree Payroll is up 5.22%, YTD. Total Contribution Made are up 4.73%. Contributions Refunded are up 45.86%. Total Retirements YTD up 117.65%. Pension Estimates are up 61.92%. Capital Calls down -71.51%. Capital Calls as of prior board meeting \$741,109.94

The Office budget is as of December 31, 2021

### **Board Approval Requests**

- a. The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, on the acceptance and vote on Appeal No. 2021-4 to approve and adopt the proposed report and findings of the hearing office, thereby denying the Appeal.*
- b. The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, on the acceptance and vote on Appeal No. 2021-5 to approve and adopt the proposed report and findings of the hearing office, thereby denying the Appeal.*

## **SOLICITOR'S REPORT**

### **Brian Gabriel**

The solicitor's report is current as of January 13, 2022. Direct questions to Mr. Gabriel as needed.

## CONSULTANT'S REPORT

### AndCO

#### Chris Brokaw

**Recommendation** – AndCo recommends consenting to the proposed amendment to the Limited Partnership agreement for the Oaktree Real Estate Opportunities Fund VI, LP (“the Fund”). The Fund is one of the Pension’s real estate investments. The original commitment to the Fund of \$20 million was made in 2012 and called in subsequent years. The Fund has distributed \$29 million since inception and is currently valued at \$7 million. The request to open a \$200 million after-care subscription line of credit facility for the Fund will be utilized to manage short term liquidity needs in the portfolio. The general partner bears the primary responsibility of debt associated with the real estate.

*The board unanimously approved a motion by Tracy Royston, duly seconded by Frank DiCristofaro, to consent to the amendment of the LP agreement for the Oaktree Real Estate Opportunities Fund VI, LP to open a \$200 million after-care subscription line of credit to manage short-term liquidity needs.*

#### **Market update through December 31, 2021.**

Page 5 – Performance- as of December 31, 2021- US Equity composite posted a positive return of the month. S&P 500 Total Return positive for the month at 4.48%; MSCI EAFE NR positive at 5.12% for the month. While Fixed Income U.S. Aggregate posted a negative return at -0.26%. During the month of December, equity made a small come back and interest rates bounced up. Slightly generating the performance for the broad bond market. November, we experienced a negative return while December was positive in the equity market. Inflation and the Omicron COVID19 variant impacted consumer behavior and spending through December.

Page 8 Asset Allocation & Performance as of November 30, 2021– The Total Fund balance was \$1,065,784,034 as of November 30, 2021. Negative performance was -0.91% for the month and -0.07% for the quarter-to-date periods. Year-to-date performance was 10.83%. US Equity returned negative -1.74% in November. Non-US Equity returns were down at -5.47% for the month and a negative -07.61% for the quarter-to-date. Core Fixed Income was down for the month at -0.02%, The TIPS Fixed Composite had a better month and quarter relative to core fixed income, returning 0.89% for the month and 1.30% for the quarter-to-date. Total Private Equity positive performance for the quarter was 4.47%. and positive 2.18% for the month. Private Equity continues to make distributions.

Page 12 Rebalancing -Net Flows Total Fund \$-5,969,889 for the month of November. Private Equity distributions of \$2,417,392 partially funded pension benefit payments. The \$10 million commitment to Private Equity that was approved at the last Board meeting will be called over time and will offset some of the ongoing Private Equity distributions. .

## **Asset Strategy**

**Ed Boyer**

No update.

## **PFM**

**Perry Giovannelli**

Washington Alliance Capital LLC has requested an amendment to the current call schedule for Washington Alliance Capital Fund II, LLC. The original agreement, opened in March 2020, was scheduled to have all calls completed by the end of 2021. PFM Asset Management recently completed an evaluation of Washington Alliance's process and confirmed that the investment opportunities that FUND II had in process were delayed due to issues directly tied to the Covid-19 Pandemic. The amendment extends the original closing time frame from 18 months to 36 months in order to get the full Capital.

*The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Tracy Royston, to approve the amendment to extend the agreement with Washington Alliance Capital from 18 months to 36 months for the operating agreement due to COVID related issues.*

## **NEW BUSINESS**

## **ADJOURNMENT**

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

Respectfully submitted,



Tracy Royston, Acting Secretary

