

The regular monthly meeting of the Retirement Board of Allegheny County was held on December 21, 2023, in the Gold Room, 4th Floor, County Courthouse. The meeting was called to order at 12:00 p.m.

Roll Call of the Board members was made: Board members, Frank DiCristofaro, Ted Puzak, John Weinstein, Corey O'Connor, Rich Fitzgerald, Jennifer Liptak, and Sarah Roka were in attendance.

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, Brad Rigby, Cowden, Chris Brokaw and Tim Walters, AndCo Consulting, and Ed Boyer, Asset Strategy.

PLEDGE OF ALLEGIANCE

CERTIFICATES OF RECOGNITION

1. Rich Fitzgerald, County Executive, 12 years of dedicated service to the Retirement Board of Allegheny County.
2. John Weinstein, Treasurer, 24 years of dedicated service to the Retirement Board of Allegheny County.

PUBLIC COMMENT

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka to approve the minutes of the November 16, 2023, board meeting.

APPROVAL OF FINANCIAL STATEMENTS

- A. *The board unanimously approved a motion by Corey O'Connor, duly seconded by John Weinstein, to approve the October 2023 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 invoices for December 2023

PENSION APPLICATIONS

- A. *The board unanimously approved a motion by John Weinstein, duly seconded by Corey O'Connor, to approve the pension applications filed with the Retirement Office for the month of December 2023.*

Early Voluntary	6
Full Retirement	5

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATION APPROVALS

- i. *The board unanimously approved a motion by Corey O'Connor, duly seconded by John Weinstein, to grant the disability application of member #097671 upon the recommendation of three designated physicians that the member **IS** totally and permanently disabled from gainful employment in Allegheny County.*

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS DENIALS

- i. *The board unanimously approved a motion by Corey O'Connor, duly seconded by John Weinstein, to deny the disability application of member #095134 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 December 21, 2023, Retiree Payroll is up 8.00%, YTD. Total Contributions made are up 0.35%. Contributions Refunded are down -40.174%. Total Retirements YTD down -31.60%. 14 for the current month, 223 YTD compared to 326 for 2022. Pension Estimates are down -6.97%; Capital Calls up 38.54%. Current transaction total \$7.9 million compared to prior year at \$5.7 million. Capital Calls as of prior board meeting \$2,446,445.38.

The Office budget is as of November 30, 2023.

Board Approval:

1. *The board unanimously approved a motion by John Weinstein, duly seconded by Corey O'Connor, to approve the extension of the agreement with Koryak Consulting for the Pension Software Solution in an amount not to exceed \$385,000.00 effective 12/21/2023 through 12/31/2025.*
2. *The board unanimously approved a motion by John Weinstein, duly seconded by Corey O'Connor, to approve the agreement with Koryak Consulting for the*

maintenance of the Capital Call Portal and the Pension Software Solution in an amount not to exceed \$200,000.00 effective 01/01/2024 through 12/31/2024.

3. *The board unanimously approved a motion by Corey O'Connor, duly seconded by John Weinstein, to approve the 2024 retirement office budget which includes allocation for a staff of 5 with corresponding fringe benefits.*
4. *The board unanimously approved a motion by John Weinstein, duly seconded by Corey O'Connor to approve the custody agreement with BNY Mellon effective 12/21/2023.*
5. *The board unanimously approved a motion by Sarah Roka, duly seconded by John Weinstein, to approve the Video Management System upgrade located in the Retirement Office in compliance with the 20202 National Defense Authorization Act at the cost of \$2,880.50.*
6. *The board unanimously approved a motion by Sarah Roka, duly seconded by John Weinstein, to approve the 2024 Retirement Board meeting schedule to meet the third Thursday of each month at noon in the Gold Room of the Allegheny County Courthouse. January 18, February 15, March 21, April 18, May 16, June 20, July 18, August 15, September 19, October 17, November 21, and December 19.*
7. *The board unanimously approved a motion by Sarah Roka, duly seconded by John Weinstein, to approve the recommended 2024 Refund Rate to be paid on refunds at 498 basis points or 4.98%.*
8. *The board unanimously approved a motion by Sarah Roka, duly seconded by John Weinstein, to accept the 2023 Cowden Actuarial Valuation and the Executive Summary.*

Board Update:

- A summary of the Cowden report will be presented with a recommendation for the 2024 contribution rate.
- The new pension software testing has begun. Expected go live date on or before February 1, 2024.

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of December 14, 2023. Direct questions to Mr. Gabriel as needed.

- *The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka, to approve the re-appointment of Gianni Floro, Esq. the re-appointment of Vincent Tucceri, Esq. and the appointment of Heather Bresnahan, Esq. to serve as hearing officers in 2024 following the standard officer agreements in the amount of \$250 per hour.*

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Market update through November 30, 2023

Significant change in the direction of the market from previous months. S&P 500 for the month up at 9.13%, prior 3 months stable at 1.74%, and YTD up 20.79%. International equity, MSCI EAFE NR up at 9.28% for the month and YTD up 12.27%. fixed Income, U>S. Aggregate up 4.53% for the month of November. The month of November provided a years' worth of returns on stocks and bonds.

Asset Allocation & Performance Total Fund as of October 31, 2023

Total Fund, negative performance for the month, -1.52% and -4.43 for the QTR Market value \$889,112,374. US Equity down -2.93%, Non-US Equity down -4.15%, Fixed Income produced negative returns at -1.05%. Real Estate at negative -0.04%, Infrastructure Composite negative - 0.05% and Total Private Equity down -0.08% for the month. Private investments held up better than public during this period of market decline.

Asset Allocation Compliance as of October 31, 2023 – Most allocations are near targets. Approved rebalancing taking place through the month of December. Moving assets to the Liquid Policy Portfolio to bring it up towards the target. Distributions continue to bring overweight allocations back to their targets. The Total Private Equity allocation is 21.3% and over its targeted 20%. Distributions continue as an ongoing basis from the private equity portfolio reducing that overweight relative to its target. Real Estate 13.3% has quarterly distributions moving it back toward its target.

Asset Strategy

Ed Boyer

A recommendation regarding a Valstone Healthcare request will be held until the January 2024 meeting.

Cowden

Brad Rigby

Allegheny County Employee's Retirement System Actuarial Report dated January 1, 2023, reviewed during the executive session details projections provided for the contribution rate subcommittee. The projections detailed the solvency of the fund over the course of varies contribution rates and investment return scenarios. Based on the findings the recommendation to increase the contribution rate 0.5% for each the employee and employer to make efforts that work towards the solvency of the

fund along with other options they have including operational savings and other funding sources to address the funding situation.

NEW BUSINESS

- a. Jennifer Liptak, Chair, Contribution Rate Subcommittee – These are difficult decisions we must make as fiduciaries of the fund. The subcommittee met and reviewed the recommendations and findings from Cowden.

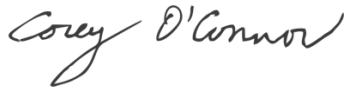
The board approved a motion by Jennifer Liptak, duly seconded by Rich Fitzgerald to increase the Contribution Rate 0.5% for employee and employer to 11% each total 22% effective 12/31/2023 taking place the 2nd pay of 2024 based on the recommendation of the actuary. Motion passed 6-1; Mr. O'Connor voted no.

- b. An executive session was held today prior to the regularly scheduled retirement board meeting.

ADJOURMENT

Motion to adjourn by Frank DiCristofaro at 12:30 pm.

Sincerely,



Corey O'Connor
County Controller