

The regular monthly meeting of the Retirement Board of Allegheny County was held on November 16, 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**

## **PUBLIC COMMENT**

Ken Kaszak – Three articles were emailed to the board he published through Retirement Daily on the street.com. It is important to stay up on the learning curve of the history and mechanics of the capital markets, inner workings of investor business, and investor psychology. The first article was about the chances of a double negative in the S&P, second article focused on the performance of the index during the last ten recessions, and the third article was about inflation.

## **APPROVAL OF BOARD MINUTES**

*The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka to approve the minutes of the October 19, 2023, board meeting.*

## **APPROVAL OF FINANCIAL STATEMENTS**

*A. The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka, to approve the September 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

*The board unanimously approved a motion by John Weinstein, duly seconded by Ted Puzak to approve the October 2023 invoices.*

## NOVEMBER VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI	7/1/23-9/30/23	\$ 21,382.89
GRIDIRON MGMT PARTNERS-MA	7/1/23-9/30/23	\$ 6,325.68
CIM INVESTMENT MANAGEMENT (Fixed Income)	7/1/23-9/30/23	\$ 16,788.89
CIM INVESTMENT MANAGEMENT (Small Cap)	7/1/23-9/30/23	\$ 9,534.41
CIM INVESTMENT MANAGEMENT (Israel Bonds)	7/1/23-9/30/23	\$ 3,715.69
CSM ADVISORS, LLC	7/1/23-9/30/23	\$ 19,163.91
COOKSON PEIRCE & CO INC	7/1/23-9/30/23	\$ 1,666.00
EARNEST PARTNERS	7/1/23-9/30/23	\$ 33,344.00
EMERALD ADVISERS (All Cap)	7/1/23-9/30/23	\$ 9,357.48
EMERALD ADVISERS (Small Cap)	7/1/23-9/30/23	\$ 23,953.61
EMSTONE ADVISERS, LLC	7/1/23-9/30/23	\$ 2,541.52
FEDERATED (Core Broad)	7/1/23-9/30/23	\$ 18,840.67
F.N.B. WEALTH MANAGEMENT	7/1/23-9/30/23	\$ 2,312.66
FIDELITY INVESTMENTS (Select Int'l Plus)	7/1/23-9/30/23	\$ 25,048.70
FRAGASSO FINANCIAL ADVISORS	7/1/23-9/30/23	\$ 9,157.00
iNetworks OF, LLC	7/1/23-9/30/23	\$ 22,482.72
SEGALL, BRYANT & HAMILL	7/1/23-9/30/23	\$ 55,957.59
STATE STREET GLOBAL ADVISORS (MSCI World)	7/1/23-9/30/23	\$ 6,287.26
STATE STREET GLOBAL ADVISORS (S&P 500)	7/1/23-9/30/23	\$ 3,363.23
TWIN CAPITAL MANGEMENT	7/1/23-9/30/23	\$ 32,772.69

Total Vendor Invoices for Approval

\$323,996.60

## RATIFY AMENDED AGENDA FROM THE OCTOBER 19, 2023 MEETING

*The board approved a motion by John Weinstein, duly seconded by Ted Puzak to ratify the amended October 2023 meeting agenda, 6 voting in favor and 1 against.*

Due to a device malfunction, we were not able to hear Mr. O'Connor, who attended remotely, request for a discussion on the amended agenda vote of the October 19, 2023 meeting. Once the issue was rectified, Mr. O'Connor expressed the importance of transparency of the board, the lack of transparency that occurred at the October meeting,

and the hope for better practiced ethics in the future. It is noted that Mr. O'Connor objected to the ratification. Based on his concern that three of the seven members were not contacted prior to the meeting that there would be an unanticipated reorganization of the RBAC at the October meeting.

## **PENSION APPLICATIONS**

- A. *The board unanimously approved a motion by John Weinstein, duly seconded by Ted Puzak, to approve the pension applications filed with the Retirement Office for the month of November 2023.*

Early Voluntary	2
Full Retirement	7
Disability	2
Payment Plans	1

## **MANAGER'S REPORT**

### **Walter Szymanski**

The Dashboard reports as of November 16, 2023, Retiree Payroll is up 8.00%, YTD. \$115 million compared to \$110 million for the prior year. Total Contributions made are up 11.33%, \$75 million YTD compared to \$67 million prior year Contributions Refunded are down -38.34%. Total Retirements YTD down -32.80%, 13 for the current month, 209 YTD compared to 311 for 2022. Pension Estimates are up 1.18%; Capital Calls up 5.05%, Current transaction total \$5.4 million compared to prior year at \$5.2 million. Capital Calls as of prior board meeting \$40,000.00.

Blackrock liquidly beginning balance \$2,036,344.03, transfer to FNB for payroll and refunds \$5,800,000.00 and the Ending balance of \$9,348,234.41

The Office budget is as of October 31, 2023.

### **Board Approval:**

- 1. The board unanimously approved a motion by Ted Puzak, duly seconded by John Weinstein, to renew the Labor Management Trust Fiduciary Liability Insurance effective January 19, 2024 – January 19, 2025, with a cost of \$54,913.00.*
- 2. The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka, to approve the extension of the Schneider Downs agreement in the amount of \$3,500 per quarter for Tyler assistance.*

### **Board Update:**

- The 2024 Budget DRAFT is enclosed for review, please forward changes to Mr. Szymanski.

- Contract discussions in December 2023.

## **SOLICITOR'S REPORT**

### **Brian Gabriel**

The solicitor's report is current as of November 9, 2023. Direct questions to Mr. Gabriel as needed.

- The board met in Executive Session immediately prior to today's regular meeting.

## **CONSULTANT'S REPORT**

### **AndCO**

#### **Chris Brokaw**

#### **Recommendations**

1. Rebalance and Add Funds to the BlackRock iShares Liquid Policy Portfolio

The target allocation for the LPP is 5% of the Allegheny County Retirement Fund and its investment policy range is 0% to 6%. The current allocation is 0.2%. The addition to the LPP will increase its allocation to 4.4% of the total portfolio. The 6 Source of funds for cash flow that brings broad diversified low-cost exposure to the market. 29% high quality fixed income, 8% real estate and the remainder in equity.

Time for discussion requested by board members. Mr. O'Connor who suggested \$20 Million be sold to cover retiree benefits for 3 months, stressed future transparency and better communication, and questioned the benefit of rebalancing this amount of funds now. Ms. Liptak discussed cash flows, the current total amount is \$2 million, the monthly cash outflow is \$7 million. The fund balance is down to \$908 million. In response to questions, the consultant recommends that the rebalance makes sense given the market opportunities. The source of funds is currently in our portfolio, US Equity, International Equity and High Yield, have performed relatively well through 2023 providing less risk and volatility to the obligations for retiree payment cash flows.

*The board unanimously approved a motion by Ted Puzak, duly seconded by John Weinstein, to approve to sell the public equity and high yield fixed income allocations listed below and to add funds to the BlackRock iShares Liquid Policy Portfolio (LPP).*

1. *Sell \$10,000,000 of the SSgA S&P Index Fund*
2. *Sell \$5,000,000 of the Twin Capital Large Cap Core Portfolio*
3. *Sell \$2,000,000 of the Earnest Small Cap Value Portfolio*

4. *Sell \$1,000,000 of the Emerald Advisors Small Cap Growth Portfolio*
5. *Sell \$10,000,000 of the Baillie Gifford International Equity Portfolio*
6. *Sell \$10,000,000 of the Oaktree High Yield Portfolio*
7. *Purchase \$38,000,000 of the BlackRock iShares Liquid Policy Portfolio (LPP)*

### **Market update through September 30, 2023**

Asset Allocation & Performance Total Fund as of September 30, 2023

Total Fund, negative performance for the month, -1.71% and Negative performance across the Equity Markets for the month. US Equity was down -5.06% for the month. Fixed Income also produced negative returns for the month. Real Estate returned a positive 0.98% and the Infrastructure Composite returned a positive 1.99%. Real Assets provided diversification to the negative public equity and fixed income returns. Total Private Equity was marginally positive, returning 0.23% for the month. Diversifying asset classes helped the portfolio in the turbulent market. Equity Markets in November have been very strong, with the S&P market up 7%, small cap up 7% and international developed markets up 6%. The broad bond market US Aggregate up 3.5%. The third quarter produced negative results and early returns for November have reversed the negative performance.

### **Asset Strategy**

**Ed Boyer**

#### **Pending Investment Changes - discussed in Executive Session**

1. *The board unanimously approved a motion by Ted Puzak, duly seconded by John Weinstein to approve a request by i-Networks to roll over a loan to Electronic Games Solutions at an expected rate of interest of 10%.*
2. Asset Strategy recommendation – Valstone requested approval and signature by the board a change in business structure. The fund conversion will reduce expenses and other administrative duties, thus lowering the cost to manage the fund. The board solicitor, Brian Gabriel, has review the documents and found them to be in order.  
*The board unanimously approved a motion by John Weinstein, duly seconded by Sarah Roka to approve the Healthcare Fund conversion from Open-Ended fund to a Closed-Ended fund at the request of Valstone.*

### **NEW BUSINESS**

1. Contribution Rate Sub Committee created during Executive Session. Board member Jennifer Liptak will chair the committee which includes Sarah Roka, board member,

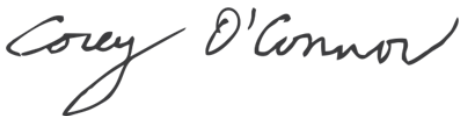
Amy Weise Clements, Deputy Controller/Controller's Office, Walt Szymanski, Manager Retirement Office, Brian Gabriel, Board Solicitor, and Brad Rigby, Director of Retirement and Actuarial Service at Cowden.

2. Announcement by John Weinstein. Janice Vinci, Deputy Treasure, Treasurer's Office, will retire as an Allegheny County employee on November 17, 2023. For 24 years, Janice, served alongside Mr. Weinstein in the Treasures office. She was an asset to the county, taxpayers, and the retirement board. She has done a phenomenal job and was an immense value to Allegheny County. Janice will be missed. Congratulations on your retirement.

## **ADJOURNMENT**

*Motion to adjourn by John Weinstein at 12:40 pm.*

Sincerely,

A handwritten signature in black ink that reads "Corey O'Connor". The signature is written in a cursive, flowing style.

Corey O'Connor  
County Controller