

COMMONWEALTH OF PENNSYLVANIA
RETIREMENT BOARD OF ALLEGHENY COUNTY

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PUBLIC MEETING

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BEFORE: FRANK DICRISTOFARO, Chair
Ted Puzak, Member
Corey O'Connor, Member
Erica Rocchi Brusselars,
Member
Sara Innamorato, Member
Jennifer Liptak, Member
Sarah Roka, Member

HEARING: Thursday, February 15, 2024
12:00 p.m.

LOCATION: Microsoft Teams

WITNESSES: Chris Brokaw, Ed Boyer,
Perry Giovannelli

Reporter: Danielle S. Ohm

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A P P E A R A N C E S

WALTER SZYMANSKI
Allegheny County Employees' Retirement
System
542 Forbes Avenue
Pittsburgh, PA 15219

BRIAN GABRIEL, ESQUIRE
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P R O C E E D I N G S

(P L E D G E O F A L L E G I A N C E R E C I T E D)

CHAIR DICRISTOFARO:

May we please have roll
call.

MR. SZYMANSKI:

Ted Puzak?

MR. PUZAK:

Here.

MR. SZYMANSKI:

Corey O'Connor?

MR. O'CONNOR:

Here.

MR. SZYMANSKI:

Erica Brusselars?

MS. BRUSSELARS:

Here.

MR. SZYMANSKI:

Sarah Innamorato.

MS. INNAMORATO:

Here.

MR. SZYMANSKI:

Jennifer Liptak?

MS. LIPTAK:

1 Here .

2 MR. SZYMANSKI:

3 Sarah Roka?

4 MS. ROKA:

5 Here .

6 MR. SZYMANSKI:

7 Frank DiCristofaro?

8 CHAIR DICRISTOFARO:

9 Here .

10 Okay .

11 My understanding is we
12 have a motion for board president.
13 Motion?

14 MR. O'CONNOR:

15 Are you doing it?

16 MS. INNAMORATO:

17 I motion to nominate
18 Erica Rocchi Brusselars as our
19 President .

20 MS. LIPTAK:

21 Second .

22 CHAIR DICRISTOFARO:

23 I'd like to make a motion
24 to table this motion .

25 MS. LIPTAK:

1 I actually seconded the
2 motion, so I just want to make sure
3 we ---.

4 CHAIR DICRISTOFARO:

5 I'd like to talk about
6 this for a second like I did last time
7 before we get any further into this.
8 And I think everybody knows what I'm
9 going to talk about right now.

10 And believe me, Erica,
11 this is nothing against you. I think
12 you're a wonderful person. Believe me,
13 I think you do.

14 I do not believe that
15 this is the right way to go about this.
16 Erica's been on this board for one
17 month and has been a county employee
18 for only one month. This is all a new
19 board, and I don't think this is the
20 right way to go. If this was up to the
21 members and retirees of Allegheny
22 County, I do not think that they would
23 vote for this as the president of this
24 board.

25 For the integrity and the

1 well-being of the members of this
2 board, I do not think this is the right
3 way to go. Teddy and I are the ones
4 that ran for this board. We are the
5 ones that wanted to be here. Everybody
6 else on this board, other than Ms.
7 Roka, are six-figured salary
8 politicians that have to be here.
9 Teddy and I do not have to be here. We
10 wanted to be here for that reason.

11 So we are here to
12 represent the members, and that's
13 basically all I have to say. So I do
14 not think this is the right way to go.
15 That's why I made a motion to table
16 this until another time for Erica to
17 gain experience. At that point, I will
18 support you in being maybe the
19 president of this board down the road.
20 I just don't think you're ready. I
21 think you're a great person, but I
22 don't think you're ready to be the
23 president of this board at this point.

24 So at that point, I'm
25 going to shut up and let this go.

1 Thank you.

2 MR. SZYMANSKI:

3 Did you do a roll call
4 vote?

5 MS. LIPTAK:

6 We have a point of order.
7 There was not a second to the motion to
8 table, so I think that needs to occur
9 first before that's entertained.
10 That's the parliamentarian.

11 CHAIR DICRISTOFARO:

12 Go ahead. Corey, do you
13 want to take it over?

14 MR. O'CONNOR:

15 So there's been a motion
16 for an appointee and a second, and then
17 there was a motion for a table, and it
18 hasn't been seconded.

19 CHAIR DICRISTOFARO:

20 But there was no
21 discussion. There was no request for
22 discussion.

23 MR. SZYMANSKI:

24 On the motion for
25 appointment?

1 CHAIR DICRISTOFARO:

2 Correct. At all.

3 MR. SZYMANSKI:

4 There hasn't been a vote
5 yet. But you get a discussion at this
6 point before taking a vote on the
7 motion for appointment.

8 CHAIR DICRISTOFARO:

9 Correct.

10 MR. SZYMANSKI:

11 The other motion did not
12 receive a second. So it's not pending?

13 CHAIR DICRISTOFARO:

14 Correct.

15 MR. O'CONNOR:

16 So I would say your
17 discussion was for the first motion
18 that you just said.

19 CHAIR DICRISTOFARO:

20 Right. Correct.

21 MR. O'CONNOR:

22 Okay.

23 So now we can just vote
24 on the original motion that has been
25 seconded.

1 Correct?

2 MR. SZYMANSKI:

3 Yes. If there's no
4 discussion, then you can go ahead and
5 vote.

6 MS. ROCCHI BRUSSELARS:

7 It looks like Member
8 Puzak has a question.

9 MR. O'CONNOR:

10 I don't have a question.

11 MR. PUZAK:

12 Let's move on. You know,
13 I agree 100 percent with Frankie. I
14 mean, I think experience is good. I
15 think Erica is going to do a good job.
16 But if there's four votes in favor of
17 supporting Erica, you know, let's move
18 on here. You know, it's ridiculous to
19 sit here and go over this over and over
20 again. You know, it's inevitable.
21 Make the motion and let's go on.

22 CHAIR DICRISTOFARO:

23 All in favor?

24 AYES RESPOND

25 CHAIR DICRISTOFARO:

1 Opposed?

2 MS. ROCCHI BRUSSELARS:

3 I was expecting a roll
4 call vote.

5 MR. SZYMANSKI:

6 Yeah, I was just going to
7 ask, do you want a roll call vote or
8 are you okay with ---.

9 MS. ROCCHI BRUSSELARS:

10 Let's do a roll call
11 vote.

12 MS. LIPTAK:

13 For clarification, this
14 is a roll call vote for the election of
15 Erica as the Board president of the
16 Retirement Board of Allegheny County.

17 MR. SZYMANSKI:

18 Yes. All right.

19 On the motion to elect
20 Erica Brusselars as the president of
21 the Board of Allegheny County
22 Retirement Board.

23 Ms. Liptak.

24 MS. LIPTAK:

25 Yes.

1 MR. SZYMANSKI:
2 Ms. Innamorato.
3 MS. INNAMORATO:
4 Yes.
5 MR. SZYMANSKI:
6 Mr. O'Connor.
7 MR. O'CONNOR:
8 Yes.
9 MR. SZYMANSKI:
10 Mr. DiCristofaro?
11 CHAIR DICRISTOFARO:
12 Opposed.
13 MR. SZYMANSKI:
14 Mr. Puzak.
15 MR. PUZAK:
16 No.
17 CHAIR DICRISTOFARO:
18 Ms. Brusselars.
19 MS. BRUSSELARS:
20 Yes.
21 MR. SZYMANSKI:
22 Ms. Roka.
23 MS. ROKA:
24 Yes.
25 MR. SZYMANSKI:

1 Votes are five to two.
2 Erica is now the president.

3 CHAIR DICRISTOFARO:
4 Congratulations.

5 MS. BRUSSELARS:
6 Thank you.

7 CHAIR DICRISTOFARO:
8 You may take over. Do
9 you want to switch seats? I guess
10 that's the way to do it.
11 Congratulations.

12 CHAIR BRUSSELARS:
13 Thank you. I'd like to
14 make a few comments. Thank you, Frank,
15 for your service as board president.
16 I'm excited for us to all get to work.

17 Just some items that I'm
18 planning to work on. I'll be putting
19 together some educational
20 opportunities. So I'm happy to hear
21 ideas from members of the Board on what
22 they would like that to look like,
23 either during the meetings or outside
24 of the meetings.

25 Also, I know Brian has

1 been working on starting to put
2 together bylaws, which the Board
3 currently does not have. And I also
4 will be asking the actuary to put
5 together some information on the
6 current plan funded status and some
7 information about how we are at the
8 funded status we're at. So there's the
9 things that I'll be focusing on as
10 board president.

11 And now back to the
12 business. Do we have any public
13 comments?

14 MR. SZYMANSKI:

15 We do not.

16 CHAIR BRUSSELARS:

17 All right.

18 Board approvals, the
19 Board meeting minutes. Can I have a
20 motion to approve the Board meeting
21 minutes?

22 MR. O'CONNOR:

23 So moved.

24 MR. DICRISTOFARO:

25 Second.

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CHAIR BRUSSELARS:

are there any discussion on the Board meeting minutes? I have two items to add to the Board meeting minutes under the solicitor section. I had asked that the solicitor report be amended to include the Sunshine law comment provides for --- the Sunshine Law provides for a comment period if an agenda item is added. The solicitor's report did add that.

And also in the section related to asset strategies in Ed Boyer that I asked for a projection of funds coming back from the investments.

Is there any other discussion on the Board minutes? Without further discussion, I'll call a vote. All in favor?

AYES RESPOND

MR. SZYMANSKI:

Any opposed? It passes.

The next item is the financial statement. They are generated by the controller's office.

1 Can I have a motion to approve the
2 December 2023 financial statements?

3 MR. O'CONNOR:

4 So moved.

5 MR. DICRISTOFARO:

6 Second.

7 CHAIR BRUSSELARS:

8 Is there any discussion
9 on the financial statements? Hearing
10 no discussion I call for a vote. All
11 in favor?

12 AYES RESPOND

13 CHAIR BRUSSELARS:

14 Any opposed? And it
15 passes.

16 The next item is February
17 invoices. There are two items in the
18 Board book related to invoices. The
19 first is in the investment manager's
20 fees, totaling \$300,598.48. In the
21 management fees in the invoices section
22 there's also an additional invoice for
23 a bond in the management section that
24 relates to the treasurer's bond for
25 serving on the retirement plan, and

1 that's in the amount of \$9,297.

2 Can I have a motion to
3 approve both fees?

4 MR. O'CONNOR:

5 So moved.

6 MR. DICRISTOFARO:

7 Second.

8 CHAIR BRUSSELARS:

9 Any discussion? Hearing
10 no discussion, all in favor of paying
11 the invoices?

12 AYES RESPOND

13 CHAIR BRUSSELARS:

14 Any opposed? And the
15 motion to pay the February invoices
16 passes.

17 Next item is February
18 2024. Retirement applications. These
19 are applications that have been filed
20 by the retirement into the retirement
21 office, and they are confirmed
22 participants with eligible and
23 calculated benefits for their payments.
24 There's ten early retirements, 29 full
25 retirements, and one payment plan. May

1 I have a motion to approve these
2 applications?

3 MR. O'CONNOR:

4 So moved.

5 MS. ROKA:

6 Second.

7 CHAIR BRUSSELARS:

8 Any discussion? Hearing
9 no discussion, I would call a vote.
10 All in favor?

11 AYES RESPOND

12 CHAIR BRUSSELARS:

13 Any opposed? And the
14 motion passes.

15 Reports. The manager
16 report with Walt.

17 MR. SZYMANSKI:

18 Thank you very much. If
19 you turn to the manager's report
20 section of your board books, I'll
21 highlight some areas on the dashboard
22 for the month.

23 Retiree payroll is up
24 eight percent as compared to this time
25 last year. \$11,724,885. Last year was

1 \$11,315,051. Contributions made are up
2 seven and .75 percent. Contributions
3 refunded are a lot higher right now.
4 It might look a little skewed only
5 because we had an earlier cut off in
6 December of this year due to the
7 testing with the new software.

8 Number of refunds for the
9 year are up, same reason. Memberships
10 are up 37.65 percent. Members with
11 additional life insurance are up 1.56
12 percent and this would go in line with
13 retirements themselves going up. Total
14 retirements on the year up 53.85
15 percent. If you turn to the next page,
16 pension estimates are up about seven
17 and a half percent.

18 Capital calls are up
19 three percent from last year, and I've
20 included capital calls as of the prior
21 board meeting. The office budget
22 itself, too, may look a little skewed
23 as there are still being accruals and
24 everything entered, I believe, in the
25 controller's office. So next month we

1 might get a clearer picture of what the
2 final budget was for 2024 --- or 2023.
3 My apologies.

4 Okay.

5 So board approvals, one
6 of which was already approved under
7 invoices, but just to recap, this was
8 approving the bond quote for the
9 treasurer. This is always done as a
10 four-year term, and it covers the term
11 of the treasurer. The second item I
12 had --- are there any questions on the
13 dashboard?

14 CHAIR BRUSSELARS:

15 I had a couple of
16 questions.

17 MR. SZYMANSKI:

18 Okay.

19 CHAIR BRUSSELARS:

20 There were --- on the
21 buyback applications, does that
22 typically happen when somebody gets
23 rehired with the county, or is that
24 when they're closer to retirement?

25 MR. SZYMANSKI:

1 So it can happen at any
2 time. So there's a couple of different
3 buyback applications. There can be a
4 prior service application that if they
5 left the county and come back and want
6 to buy back their time, they can set up
7 a two-year payment plan with the Board.
8 You can have a prior military
9 application that functions under the
10 same guidelines. They have up to two
11 years to pay it back or a six-month
12 waiver.

13 So if you started with
14 the county waived your first six
15 months, you have that same option to
16 request a payment plan with the Board
17 and pay it back over time.

18 CHAIR BRUSSELARS:

19 Thank you.

20 MR. SZYMANSKI:

21 You're welcome.

22 MR. PUZAK:

23 I believe that this board
24 should be informed that a Bill was
25 passed by the previous board, or this

1 board, that allowed veterans to buy
2 their military time without the
3 interest. Prior to that bill that was
4 passed with the effort of this board,
5 they had to come back after serving
6 their commitment, their duty, and they
7 had to pay interest on the years that
8 they wanted to buy into the county.

9 Now, I'm not sure if
10 everybody on this board is aware of
11 that, and I'm not sure if all the
12 military people that work in the county
13 are aware of that.

14 MR. SZYMANSKI:

15 We try to educate them
16 the best we can. And I was actually
17 going to be working on a military
18 buyback with Duncan this year to do a
19 presentation so they understand,
20 because there is an interest free
21 period. So there's not a total
22 interest free payment on the buyback
23 unless you're within a period. So the
24 period for those hired prior to 2014 is
25 from years 8 to 11. Once they vest,

1 they cannot buy back this time until
2 they vest, they have an interest free
3 window to purchase that time back up to
4 three years.

5 Those who are enact 125,
6 it's once they vest at year 10 through
7 year 13 that they can buy back their
8 military time with a no interest window
9 as well. Once that window exhausts,
10 interest is calculated.

11 MR. PUZAK:

12 So who established that?
13 I wasn't completely aware of that.

14 ATTORNEY GABRIEL:

15 Who established the
16 window?

17 MR. PUZAK:

18 Yes.

19 ATTORNEY GABRIEL:

20 Yeah, I think that's a
21 matter of the actual legislation speaks
22 to it. So the window is governed by
23 the Retirement Law in 16 Purdon's 4710,
24 I think. I would double check.

25 MR. PUZAK:

1 I wasn't aware of these
2 calculations. I just thought if they
3 worked for the county and they wanted
4 to buy X amount of time that they
5 served active duty, they were allowed,
6 not that there was some kind of cut off
7 at each time and so forth.

8 So you know, I just
9 really believe that the veterans should
10 be more informed of that situation
11 completely, you know what I mean? So
12 they could buy that time back and so
13 forth. So that's fine. I just wanted
14 to --- go ahead, Brian.

15 MR. SZYMANSKI:

16 In working with HR in the
17 past, too, we have gotten an active
18 list of those on military leave and
19 make sure that they apply for their
20 active service, too, while they're
21 county employees. So if they go on
22 leave while they are working, they have
23 the ability to request that time to be
24 credited. Then the county pays both
25 their contribution and the employee's

1 contribution. Most are due at the time
2 of retirement. However, we were
3 working with billing them as they were
4 coming in.

5 MR. PUZAK:

6 Okay. thank you, Walter.

7 MR. SZYMANSKI:

8 You're welcome.

9 CHAIR BRUSSELARS:

10 And then I had one other
11 little question. Is the life insurance
12 claims, is that a third-party insurer
13 or are those life insurance benefits
14 paid out of that pension plan?

15 MR. SZYMANSKI:

16 That's a third-party
17 insurance with the standard. It's
18 actually a policy, I believe, that
19 piggybacks off the county's policy for
20 active employees.

21 CHAIR BRUSSELARS:

22 Thank you. That
23 concludes my question.

24 MR. SZYMANSKI:

25 Thank you. So I did have

1 one board approval request since the
2 other one was already approved. It was
3 requesting approval of a quote for
4 video streaming services. The cost
5 would be at \$950 per meeting for the
6 first hour and \$150 per meeting for
7 each additional. A YouTube channel
8 would be created. And this is with the
9 same contractor who currently films the
10 county council meetings and the jail
11 oversight board meetings.

12 MR. O'CONNOR:

13 Motion to approve.

14 MS. ROKA:

15 Second.

16 CHAIR BRUSSELARS:

17 Discussion? I have some
18 discussion. I spoke with
19 administrative services, the
20 administrative services county
21 department, and they think they can ---
22 maybe not the YouTube channel set up,
23 but they think they can provide
24 coverage for the meetings. There's
25 actually somebody in the back recording

1 the meeting right now from county
2 services.

3 So if --- I'd propose
4 that we try to work for a few months
5 with administrative services, as it
6 won't cost the retirement board
7 anything, or I guess I can't propose
8 within a discussion. I've let everyone
9 have that information.

10 MR. O'CONNOR:

11 So I will withdraw the
12 motion to approve and motion to table.
13 I need a second first.

14 MS. LIPTAK:

15 I think you can just
16 withdraw it and then it's done. And
17 then if the executive is okay, I'll
18 consult with our administrative
19 services director about the time and
20 making sure that our individuals can
21 continue to do this. And if at such
22 time it becomes a problem, I'll reach
23 out to the executive and we'll
24 coordinate and confirm.

25 Okay?

1 But I would like to speak
2 with the director. She didn't mention
3 it to me, but I'm sure it's fine.

4 CHAIR BRUSSELARS:

5 It was accidentally
6 surprised faster than I meant it to.

7 MR. LIPTAK:

8 Hello. Hi. He's great,
9 but ---.

10 CHAIR BRUSSELARS:

11 Certainly.

12 MR. O'CONNOR:

13 So for the motion, would
14 you want me to table it, the actual
15 request for the YouTube? If we end up
16 doing that, it's already there.

17 CHAIR BRUSSELARS:

18 Well, I think we can't
19 vote on anything with a cost at this
20 meeting anyway, because it wasn't on
21 the agenda.

22 MR. O'CONNOR:

23 Oh, no, that's fine.
24 This motion, we're just withdrawing and
25 that's it.

1 CHAIR BRUSSELARS:

2 The motion's been
3 withdrawn, so there's no motion. Okay.

4 Was there anything else
5 in your manager's report, Walt?

6 MR. SZYMANSKI:

7 Yes. So we have
8 tentatively scheduled a board member
9 training session for the afternoon of
10 Monday, March 18th, 2024. There will
11 be presentations from the consultants,
12 the actuary, the solicitor and members
13 of my office. We are also letting that
14 open to the public. If the public
15 would like to attend. It's going to be
16 held in conference room one for now.
17 If we end up having a large attendance,
18 we may try to move it to the Gold Room
19 up here. So there will be information
20 on that going out in the next few
21 weeks.

22 CHAIR BRUSSELARS:

23 Do we have an expected
24 time range for the afternoon?

25 MR. SZYMANSKI:

1 We're thinking 12:00 to
2 4:00, 12:00 to 4:30.

3 And then lastly, it's not
4 in the book, but we have hopefully run
5 our first successful payroll out of the
6 new Koriak pension software.

7 CHAIR BRUSSELARS:

8 Congratulations.

9 MR. SZYMANSKI:

10 Thank you. So we should
11 know on Thursday this week, and if it
12 is, we should hopefully be completely
13 live by this time next month.

14 CHAIR BRUSSELARS:

15 That's great.

16 MR. SZYMANSKI:

17 So thank you for the
18 Board's support and all the hard work
19 that Carol's done and the staff to get
20 this up and running, and the staff at
21 Koriak. Thank you.

22 CHAIR BRUSSELARS:

23 Thanks. The next item in
24 the agenda is the solicitor's report.

25 ATTORNEY GABRIEL:

1 Thank you, Erica. The
2 solicitor's report is current as of
3 February 8th. I had one action item
4 request to bring to the Board's
5 attention.

6 At the very top of page
7 two, the section that says Anco
8 Consulting, Inc. You had received from
9 Mr. Brokaw a memo dealing with their
10 merger and name change. And so the
11 request of the Board is to consider
12 providing its consent to that for SEC
13 purposes primarily.

14 And the Board ---Chris
15 --- Mr. Brokaw is here to answer any
16 questions. So if the Board wishes to
17 act on it now, that's great. If not,
18 you could choose to do that later if
19 you had questions for Mr. Brokaw.

20 CHAIR BRUSSELARS:

21 Are there any questions
22 for Mr. Brokaw? Are we looking for a
23 motion to consent to it today?

24 ATTORNEY GABRIEL:

25 Yes.

1 MR. O'CONNOR:

2 So moved.

3 MS. ROKA:

4 Second.

5 CHAIR BRUSSELARS:

6 Hearing a motion and a
7 second, is there any discussion related
8 to, I guess, the motion to approve the
9 request for consent that Anco's
10 contract will be assigned to Mariner
11 upon their merger or acquisition? What
12 is the motion?

13 ATTORNEY GABRIEL:

14 Yeah, it's consent to
15 assignment for SEC purposes.

16 CHAIR BRUSSELARS:

17 Okay.

18 ATTORNEY GABRIEL:

19 We are not assigning the
20 contract that we have --- the Board has
21 with Mr. Brokaw. It doesn't really
22 require that, but it is for SEC
23 purposes. And there's a form that he
24 circulated in connection with a memo
25 that will be signed by the board

1 president if this motion is approved.

2 CHAIR BRUSSELARS:

3 Okay.

4 Hearing the clarification
5 on the motion, any other discussion?

6 All in favor say aye.

7 AYES RESPOND

8 CHAIR BRUSSELARS:

9 Any opposed? The motion
10 passes.

11 ATTORNEY GABRIEL:

12 I had no other items to
13 bring to the Board's attention, but I'd
14 certainly be happy to answer any
15 questions.

16 CHAIR BRUSSELARS:

17 I read through and there
18 was the comment in eight. The second
19 number, a, was county council salary
20 employee issue. My understanding is
21 that the retirement office provided
22 materials to county council on February
23 2nd, either in conjunction with their
24 meeting --- or 6th, I mean.

25 MR. SZYMANSKI:

1 I mean, yeah, it was
2 February 6 before the meeting.

3 CHAIR BRUSSELARS:

4 Okay.

5 I didn't know if that
6 should just be in the notes as well.
7 Or is that not since it didn't involve
8 the solicitor's office, it wouldn't be?

9 ATTORNEY GABRIEL:

10 Yeah, actually, I was
11 supposed to be there, but was unable to
12 make it for family reasons. But the
13 reason it didn't make into the report
14 was just the timing of getting the
15 report finalized tends to happen a day
16 or two before the materials are sent to
17 the retirement office.

18 CHAIR BRUSSELARS:

19 Okay.

20 ATTORNEY GABRIEL:

21 But it will be in the
22 next report.

23 CHAIR BRUSSELARS:

24 Okay. Thank you.

25 Is there anything --- any

1 other questions for Brian? Thank you.

2 ATTORNEY GABRIEL:

3 Thank you.

4 CHAIR BRUSSELARS:

5 Next up, consultants.

6 Tom Brokaw of AndCo Consulting.

7 MR. BROKAW:

8 Thank you. I believe you
9 said Tom.

10 CHAIR BRUSSELARS:

11 Brokaw from AndCo
12 Consulting. Feel free to correct me.

13 MR. O'CONNOR:

14 No disrespect, Chris, but
15 if Tom Brokaw was here, it'd be a much
16 better meeting.

17 MR. BROKAW:

18 It probably would, yeah.
19 But I did at least get my announcer
20 haircut, so you know, I don't know,
21 you can only see the back of my head on
22 the video, but I've been called worse.
23 So thank you. And thank you for the
24 motion earlier.

25 The first three pages ---

1 or I should say four pages of the
2 report, if you look in the section
3 AndCo report in your book, first three
4 pages address the consent. And again,
5 thank you for the motion to approve it.

6 Going forward, nothing
7 will change. Tim and I will be here.
8 Continue to service the account. All
9 of AndCo will become Mariner. The only
10 difference is the books will be blue.
11 That's the primary change.

12 So if you turn to page
13 six, page six is market update through
14 December. And since it is year end, I
15 wanted to focus on not just the month
16 and the quarter, but also the calendar
17 year. And one thing to take away here,
18 if you look at the top right in those
19 boxes on the right-hand side, is 2022.
20 On the left-hand side, labeled
21 year-to-date, is 2023. And you see
22 significant recovery, a lot of positive
23 numbers and these various boxes are
24 different sections of the market.
25 Growth, value, large cap, small cap.

1 And what I want to point
2 to is in 2022, the equity market,
3 especially the growth, if you look on
4 the far right, you see negative numbers
5 from 26 percent in small cap, that's
6 the lower right-hand corner in the red
7 in that chart, to negative 29 percent,
8 the large cap.

9 Whereas this year we've
10 had the mirror opposite with the large
11 cap, growth returns over 42 percent.
12 So those are the returns for the year.
13 If you look over to the left at the
14 table with equities, you can see that
15 in the index returns, significantly
16 positive numbers in the month of
17 December. And those carry through to
18 the quarter and year to date, with a
19 large cap, S and P 500 up 26 percent.

20 International down at the
21 bottom, MSCI, IFA, up over 18 percent.
22 Bonds had another good month in
23 December, up almost four percent. And
24 year to date, you see the broad market
25 aggregate, up five and a half percent.

1 And those returns, if you
2 look at the bottom left, driven, and I
3 may have spoken of this in past
4 meetings, driven by the two sectors you
5 see there on the far left, information
6 technology, communication services, up
7 over 50 percent towards 60 percent.
8 Those are --- if you watch the news and
9 they talk about magnificent seven
10 stocks, the Apple, Amazon, Microsoft,
11 Tesla, et cetera. Having a very good
12 year, driving the large cap portion of
13 the U.S. market forward and
14 contributing to your portfolio's
15 performance, which we see on page
16 seven. Your portfolio for the month of
17 December up 2.66 percent and for the
18 quarter 5.4 and for the year almost
19 seven and a half percent.

20 So a lot of the returns
21 attributable to the fourth quarter, we
22 had two good quarters at the beginning
23 of '23 and then the third quarter, some
24 negative performance concerns about
25 both the economy and rising interest

1 rates which were assuaged in the fourth
2 quarter and led to very good returns.
3 In the U.S. equity you see for the
4 month up 5.7 percent and in the month
5 of December, small cap stocks
6 outperforming the large cap,
7 contributing to the performance as well
8 as the relative performance in the U.S.
9 equity portfolio.

10 In international, you see
11 your portfolio up 5.39 percent.
12 International had been driven by parts
13 of the market that are more value
14 oriented. So as opposed to the U.S.
15 market which was driven by technology,
16 other sectors like industrials,
17 financials, materials were driving the
18 international markets.

19 But now there's a more
20 balanced growth and value returns in
21 the international market that is
22 contributing to your relative
23 performance. In the core, fixed income
24 interest rates fell. Your portfolio is
25 a bit less volatile than the market.

1 So when interest rates fell, bond
2 prices went up. Your portfolio up 3.3,
3 a bit behind the market in the month.
4 Over the year-to-date period we've had
5 a lot of volatility and so your
6 portfolio in line slightly ahead of the
7 target.

8 High yield though falling
9 interest rates as well as stable
10 spreads, that spread being the reward
11 you get for holding bonds, non-treasury
12 bonds, those spreads remain stable.
13 Interest rates fell returns in high
14 yield even better than in the core bond
15 market.

16 In real estate, your
17 portfolio with a bit more stability
18 than the index, the market in general,
19 a little less exposure to core office
20 space, which is really the most
21 challenged part of the market. So
22 negative performance but relative to
23 the index performing --- performing
24 four percent ahead of it. Three and a
25 half percent.

1 In infrastructure
2 portfolio continues to benefit from
3 volumes within ports, airports and toll
4 roads that are recovering from ---
5 still recovering from COVID era lack of
6 travel.

7 And finally, private
8 equity. Stable private equity doesn't
9 reprice at the same rate as the public
10 equities. It's not traded in the
11 market. So much greater stability
12 there in the month. Finally, the
13 liquidity portfolio, 5.91 percent.
14 That portfolio, again, maintains your
15 exposure to the market and is very
16 liquid and is a funding source when you
17 need to pay the monthly benefit
18 payments.

19 Any questions on
20 performance? Okay. Hearing none, if
21 we turn to page 14 again, I think given
22 that these numbers are through the end
23 of the year, it's a good time to look
24 at some of the cash flows in the
25 portfolio that occur over the course of

1 the year.

2 So the top line there for
3 the total fund, you see cash outflows,
4 a net flow of \$55 million. And this
5 is, again, primarily for benefit
6 payments coming out of the portfolio.
7 You can see on this page, as you go
8 down, the equity source of funds. As
9 the equity market continued to perform
10 well throughout the year, became over
11 allocated relative to its target, and
12 we took, trimmed some of those gains
13 that occurred, used the proceeds for
14 cash flows.

15 Same thing with the
16 international. And then if you look at
17 the bottom of the page, high yield as
18 well.

19 I do want to point out on
20 page 15, you see negative flows coming
21 out of the Morgan Stanley Prime
22 Property Fund, that fund. About a year
23 ago, the Board put in a redemption
24 request. That fund had, it's a private
25 investment, it had a gate, so it's

1 paying out a portion of that request
2 over time. So last year, \$10 million,
3 this year we can expect another \$10
4 million, and that is bringing that real
5 estate portfolio in line with its
6 target. The infrastructure was just
7 funded at the beginning of 2023.
8 That's why you see a large number
9 there. And the private equity is
10 something that I wanted to point to.
11 It certainly doesn't answer the
12 president's question about cash flows.
13 The details of that, Ed, certainly can
14 provide. There's a lot of moving
15 parts.

16 But just to give you a
17 kind of one-year snapshot, top down,
18 you can look at that private equity
19 composite, that net flow line, negative
20 11.6 million. That means net of any
21 capital calls. Last year, in 2023, you
22 received \$11 million from that
23 portfolio.

24 In prior years, that
25 number had been as high as \$25 million.

1 The market is not as liquid as it had
2 been in past years, so, you know, these
3 managers are selling their assets into
4 the market. If and when that picks up
5 --- and I'll let Ed speak to
6 projections to the future --- if and
7 when that picks up, it can generate
8 more cash.

9 Finally, on page 16, just
10 to tie in with those cash flows, this
11 is the asset allocation and most assets
12 roughly in line with the target
13 allocations. And we have no
14 rebalancing recommendations, no need to
15 move any cash at this point.

16 So that concludes my
17 remarks, and I'd be happy to answer any
18 questions.

19 CHAIR BRUSSELARS:

20 I have a question about
21 the rebalancing.

22 MR. BROKAW:

23 Yes.

24 CHAIR BRUSSELARS:

25 I know there was a

1 question last year around the liquid
2 policy had gotten very low.

3 MR. BROKAW:

4 Yes.

5 CHAIR BRUSSELARS:

6 And money was pulled out
7 of some overinvested classes or target
8 classes. We have an investment policy
9 that says five percent for the liquid
10 policy portfolio.

11 MR. BROKAW:

12 Yes.

13 CHAIR BRUSSELARS:

14 But we don't tend to keep
15 it there. I guess one question is
16 there a reason we're not more often
17 just auto rebalancing and a sort of
18 separate maybe question about why do we
19 have this policy that we don't seem to
20 be at ever?

21 MR. BROKAW:

22 Well, there's a lot of
23 moving parts, and so over time, we do
24 want to move towards the policy, and
25 that's what, on a monthly basis, we

1 have various recommendations to move
2 the portfolio back towards the policy.
3 So we are actively moving in that
4 direction. The second part of that
5 answer is, some of these investments
6 are illiquid to one degree or another.

7 So let's say it's a tanker or a
8 ship of some sort, and trying to nudge
9 it back into line is a multi-step
10 process. So for example --- and then
11 this will be my last comment. For
12 example, when you look at the private
13 equity, you know, many of those
14 decisions were made 5, 10 15 years ago,
15 and it was probably two years ago or so
16 at its peak, that was up towards 23, 24
17 percent of the portfolio. And you
18 know, it's taken this long, and those
19 monthly quarterly distributions to come
20 out of the portfolio, put it back into
21 line.

22 MR. PUZAK:

23 You always get a nice
24 long answer from Chris.

25 I got a brief question.

1 What's the scoop on inflation? And
2 what's the scoop on, like, the economy?
3 Because you hear people bitching about
4 the economy, and I see signs
5 everywhere. Get a job. You know, you
6 can work anywhere.

7 MR. BROKAW:

8 Right.

9 MR. PUZAK:

10 So what's the take on
11 that?

12 MR. BROKAW:

13 So regarding scoop, and
14 to keep it brief, if you look at the
15 data coming out, the data continues to
16 be relatively good for the economy,
17 even better than expectations when you
18 look at inflation. Inflation had been
19 continuing on a downward path. And
20 just the most recent announcement,
21 which caused some, you know, negative
22 performance in the market, the
23 inflation number that was reported was
24 not as low as expected, but in the big
25 scheme of things, in the summer 2022,

1 inflation was over nine percent. Right
2 now it's a ---.

3 MR. PUZAK:

4 3.1.

5 MR. BROKAW:

6 Exactly.

7 MR. PUZAK:

8 Why didn't I ask you that
9 question? I could have saved myself
10 some time, I guess.

11 MR. BROKAW:

12 Yeah. All right. Here's
13 the bit longer piece. If you want to
14 watch. You're watching the news. A
15 big chunk of that inflation is housing,
16 and that is reported on a delay. So
17 you can have a fair expectation that it
18 could decline.

19 MR. PUZAK:

20 The reason I brought that
21 up is that I'm, like, tired of hearing
22 the stuff. You know what I mean? It's
23 the economy. It's inflation. It's
24 like, to me, things are good. If you
25 want to get a job, you can go out and

1 get a job, you know. Cut the bullshit
2 out.

3 Right, Sarah?

4 MS. INNAMORATO:

5 We're hiring.

6 MR. PUZAK:

7 All right. Thanks,

8 Chris.

9 MR. BROKAW:

10 Thank you.

11 CHAIR BRUSSELARS:

12 Does that conclude your
13 report?

14 MR. BROKAW:

15 Yes, it does.

16 CHAIR BRUSSELARS:

17 Thank you. Any other
18 questions? I think next up, we've got
19 --- oh, I get a whisper.

20 We have Ed Boyer from
21 Asset Strategy on --- you coming up?
22 Okay. Or did you want to be Tom Boyer
23 today?

24 MR. BOYER:

25 Thank you.

1 CHAIR BRUSSELARS:

2 Just so --- there weren't
3 any materials in our report?

4 MR. BOYER:

5 No, we didn't submit a
6 report, because there's a lot of things
7 in transition at this time between the
8 audits of all the partnerships that are
9 occurring, which will solidify the
10 evaluations of the particular holdings
11 they have, and we're doing
12 simultaneously trying to get our hands
13 wrapped around the future distributions
14 for the rest of the year.

15 That probably requires
16 calling them all. They probably don't
17 want to put that information in writing
18 or in an email because it's inevitably
19 not precise enough, but it'll give us
20 some estimate as to what we're going to
21 get back, and that'll affect our
22 allocation.

23 Okay.

24 A couple of things. We
25 only learned this morning that you're

1 moving along on the RFP. We found the
2 original RFP back in 2009. We're going
3 to extract the questions and put them
4 on whatever. One, two, three pages.
5 Whatever is required. We'll send them
6 to Walt and Brian.

7 I'll let them distribute
8 it, and just be a guideline or a
9 reference point as to see whether
10 you're covering what you want. Then I
11 just heard you mention an education
12 session March 18. And so what I'd like
13 to know is, in our particular case,
14 what do you want us to cover? How long
15 will we have? What are the key points
16 that you really like us to dig into?

17 CHAIR BRUSSELARS:

18 I'd turn to Walt if you
19 had something in mind already.

20 MR. ZYMANSKI:

21 Yeah, I'll work with you
22 on that, Ed.

23 MR. BOYER:

24 Okay, great.

25 MR. ZYMANSKI:

1 Absolutely.

2 MR. BOYER:

3 I think it's a great
4 idea.

5 All right.

6 That's really all I have.
7 I just wanted to make sure that you
8 were aware of some other details on
9 this.

10 CHAIR BRUSSELARS:

11 Thank you.

12 MR. BOYER:

13 Yes. Thank you.

14 MR. PUZAK:

15 Thanks, Ed.

16 MR. BOYER:

17 You're welcome, Ted.

18 MR. PUZAK:

19 What do we got, Perry.

20 CHAIR BRUSSELARS:

21 Oh, yeah. Next we have
22 Perry Giovanelli. Am I saying that
23 right? Did I do okay? From PFM.

24 MR. GIOVANELLI:

25 That was good. That was

1 good.

2 And I'm the youngest of
3 seven. So really, you throw out a
4 name, I'll answer. It really doesn't
5 matter. Kind of accustomed to it.

6 So just turning into the
7 second tab in our reports, I don't have
8 your page numbers, but I believe it's
9 the middle of the report, manager
10 performance review. I just wanted to
11 point out a few things on a couple of
12 the managers.

13 CHAIR BRUSSELARS:

14 Is there a page number?

15 MR. GIOVANNELLI:

16 Walt, do you have it on
17 your report? My bottom right
18 corner ---

19 MR. ZYMANSKI:

20 Yeah, we have page
21 numbers.

22 MR. GIOVANNELLI:

23 --- one on my pages. The
24 bottom right corner.

25 CHAIR BRUSSELARS:

1 2.1?

2 MR. GIOVANNELLI:

3 3.1.

4 MR. PUZAK:

5 3.1.

6 CHAIR BRUSSELARS:

7 Thanks.

8 MR. GIOVANNELLI:

9 So overall in the
10 emerging manager program, there's
11 \$69,781,000 invested in the program.
12 If you look at since inception going
13 out to January of 2014, the overall
14 performance for the program is at 7.43
15 percent. Pretty solid returns. Prior
16 to 2022, it was actually well over 8
17 percent.

18 Obviously, 2022 brought
19 things down significantly from that
20 standpoint. With that, we have several
21 managers in here that had pretty good
22 quarters. Just want to point that out
23 for Grasso financial advisors actually
24 had a 12.55 percent return versus the
25 benchmark at 11.69. Some of their

1 longer numbers are trailing a bit.
2 Since inception they are at 11.31
3 percent return, but it is trailing
4 their benchmark, which is at 13 and a
5 half from there.

6 Emerald Advisors has been doing
7 very well in the domestic equity
8 growth. We compare it to the Russell
9 3000 growth index. So it's more of
10 your large cap growth companies. The
11 quarter was a little light, but if you
12 look at their calendar year, they came
13 in at 43.24 percent versus the
14 benchmark at 41.21 percent.

15 So obviously that area, the
16 markets bounced back the best this year
17 and in 2023, and Emerald did quite well
18 in that area. With that, just a couple
19 of other managers from that standpoint,
20 Emstone advisors handles fixed income
21 for you. They've been consistent in
22 how they've been performing. They came
23 in at 4.64 for the quarter, 5.33 for
24 the year, versus the benchmark, 5.24.
25 So they're definitely performing

1 consistently.

2 On the page down below on
3 3.2. Washington alliance. We actually
4 have two Washington alliances, fund one
5 and fund two. Fund one is nearing the
6 last couple of years of its program,
7 but has been really the star of the
8 program from a standpoint of diversity,
9 ownership, an office in Pittsburgh, and
10 really stellar performance. If you
11 look at their inception to date, going
12 back to 2013, their return is 15.2
13 versus the benchmark at 7.1.

14 Fund two has been doing
15 very well, and if you recall back in
16 October, you approved committing an
17 additional \$5 million to fund two,
18 which the initial commitment was \$2
19 million. So overall, when you're done
20 through that process, it'll be a \$7
21 million commitment to fund two.

22 Fund two is also doing
23 very well considering it started right
24 in the middle of COVID in April of 2020
25 is when it went into the program.

1 Return on that inception is 10.52
2 versus 3.88. With that, that's really
3 kind of just --- I just want to kind of
4 point out some of the highlights. The
5 March meeting is crucial. I'm really
6 looking ---.

7 MS. LIPTAK:

8 I have a question about
9 that.

10 MR. GIOVANNELLI:

11 Sure.

12 MS. LIPTAK:

13 Why are the numbers on
14 your report for returns different than
15 the numbers on AndCo's report for the
16 same period you?

17 MR. GIOVANNELLI:

18 Do you have January 31 or
19 December 30?

20 MS. LIPTAKE:

21 They're both 12/31/23,
22 both for the same values. I'm looking
23 at for Gaso in particular, who for the
24 quarter was ahead of the benchmark,
25 but, you know, since inception has

1 never met the benchmark. But your
2 numbers are different than what's on
3 AndCo's report for several. So I was
4 just wondering, you know, if it's just
5 the timing of pulling them or
6 something, but the return numbers
7 aren't the same, but the values are for
8 the funds, and that could ---.

9 MR. GIOVANNELLI:

10 They're gross.

11 ---

12 (WHEREUPON, AN OFF RECORD DISCUSSION
13 WAS HELD.)

14 ---

15 CHAIR BRUSSELARS:

16 Could you use the mic,
17 Chris?

18 MR. BROKAW:

19 I have all sorts of
20 names. Mike. Chris. Tom.

21 CHAIR BRUSSELARS:

22 You're very popular.

23 MR. BROKAW:

24 The numbers on our report
25 are net fees, and the numbers in the

1 PFM book are ---

2 MR. GIOVANNELLI:

3 Gross.

4 MR. BROKAW:

5 --- gross of fees.

6 MS. LIPTAK:

7 Yeah. I think for
8 consistency sake, it would be nice if
9 we could see them in the same format
10 because it's a little confusing, and I
11 always look at things net of fees. I
12 don't know if the other board members
13 do, but I appreciate that.

14 I'm looking at these, and
15 when we're looking at how this relates
16 to our overall fund, and I think I've
17 been pretty clear in the past that I
18 haven't necessarily been pleased with
19 some of the funds that we've been
20 paying for, that we are paying fees
21 for, that haven't even met the
22 benchmark, but we could pretty much get
23 for free. So that's all. I was just
24 wondering why the numbers were
25 different. I accept your explanation.

1 I appreciate that. Thank you.

2 MR. GIOVANNELLI:

3 Okay, great.

4 So I'll make sure our
5 reports are coming in at net.

6 MS. LIPTAK:

7 If that's appropriate, I
8 just --- if it's the appropriate way to
9 do it, just for consistency purposes,
10 that's all. Or if there's a note on
11 there, whatever is the appropriate way.
12 That's why I wanted to ---.

13 CHAIR BRUSSELARS:

14 My take is we're
15 comparing them to benchmarks that are
16 net of fees.

17 Is that reasonable?

18 MR. GIOVANNELLI:

19 No, it's no problem at
20 all. We were doing gross from that
21 standpoint, so it's not ---.

22 CHAIR BRUSSELARS:

23 Yeah, it says in the
24 notes. I'd prefer net also. Okay,
25 net. Thank you. Thanks, Jen.

1 MR. GIOVANNELLI:

2 Okay.

3 So with that, the only
4 other thing I want to mention. We
5 added a manager. Back in October you
6 voted to approve Stone Ridge, which is
7 a firm that's actually headquartered in
8 Philadelphia with representation here
9 in Pittsburgh. Diversity owned firm,
10 small cap. That actually was funded in
11 January. So the next report will have
12 that in.

13 We funded that by taking
14 a million dollars off of Fagrasso and a
15 million dollars off of CIM. So those
16 two managers we reduced. And that's
17 where the \$2 million came up for Stone
18 Ridge. But that will be the next
19 report. Because I think it actually
20 funded. I want to say January 8th is
21 the actual date, but it's basically the
22 first week of January.

23 CHAIR BRUSSELARS:

24 When will the Washington
25 Alliance Capital fund two \$5 million be

1 funded? Or will they call for it?

2 MR. GIOVANNELLI:

3 They made calls on it.
4 So it'll take some time. But looking
5 forward to the March meeting. To
6 review and kind of focus on some areas
7 that I'm looking for direction from you
8 guys on.

9 CHAIR BRUSSELARS:

10 Thank you. Did anyone
11 have any other questions? Thank you.

12 MR. GIOVANNELLI:

13 Thank you.

14 CHAIR BRUSSELARS:

15 That concludes the
16 reports.

17 We have new business.
18 The RFP subcommittee met earlier this
19 month. I'll turn it over to Member
20 Roka.

21 MS. ROKA:

22 Thank you. The
23 subcommittee met last week and we
24 decided to bring two motions to the
25 full board for your consideration. The

1 first motion is a motion to extend and
2 amend the contract with Asset Strategy
3 Consultants. On a month-to-month term
4 at the current contract amount, and
5 I'll make that motion.

6 MR. DICRISTOFARO:

7 I'll second that.

8 CHAIR BRUSSELARS:

9 Hearing the motion and
10 the second is there any discussion?
11 Hearing no discussion we will vote.

12 On the motion to extend
13 and amend the contract with Asset
14 Strategies. On a month-to-month term
15 at the current contract amount. All in
16 favor?

17 AYES RESPOND

18 CHAIR BRUSSELARS:

19 Any opposed? Hearing no
20 opposition, the motion passes.

21 MS. ROKA:

22 And then the second
23 motion is a motion to draft an RFP for
24 private equity consulting services to
25 be reviewed and approved by the Board.

1 And I'll make that motion.

2 MR. DICRISTOFARO:

3 Second.

4 CHAIR BRUSSELARS:

5 Hearing a motion and a
6 second. Is there any discussion on the
7 motion to draft an RFP for Private
8 Equity Consulting Services?

9 MR. O'CONNOR:

10 I'd just like to thank
11 the committee and Sarah for chairing
12 that, so ---. All good.

13 CHAIR BRUSSELARS:

14 Hearing no discussion.
15 All in favor of the motion to draft an
16 RFP for Private Equity Consulting
17 Services. Please say aye.

18 AYES RESPOND

19 CHAIR BRUSSELARS:

20 Any opposed? The motion
21 passes. Were there any other items
22 from your subcommittee? Thank you.
23 Anything else?

24 MS. ROKA:

25 No. Thank you.

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CHAIR BRUSSELARS:

Anything else? Walt says
no --- oh, yes.

MR. BOYER:

We're just very grateful
that you're extending our agreement to
whatever time the future that you
select.

CHAIR BRUSSELARS:

Thank you. All right.
Do I have a motion to
adjourn?

MR. O'CONNOR:

So moved.

MR. DICRISTOFARO:

Second.

CHAIR BRUSSELARS:

All in favor?

AYES RESPOND

CHAIR BRUSSELARS:

The meeting's over. The
meeting's adjourned.

* * * * *

MEETING CONCLUDED AT 1:00 P.M.

* * * * *

CERTIFICATE

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I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.
Dated the 4 day of March, 2024



Court Reporter
Danielle Ohm