

COMMONWEALTH OF PENNSYLVANIA  
RETIREMENT BOARD OF ALLEGHENY COUNTY

\* \* \* \* \*

PUBLIC MEETING

\* \* \* \* \*

BEFORE: ERICA ROCCHI BRUSSELARS,  
Chair  
Ted Puzak, Member  
Corey O'Connor, Member  
Frank Dicristofaro, Member  
Sara Innamorato, Member  
Jennifer Liptak, Member  
Sarah Roka, Member

HEARING: Thursday, April 18, 2024  
12:15 p.m.

LOCATION: Allegheny County Courthouse  
4th Floor, Gold Room  
436 Grant Street  
Pittsburgh, PA 15219

WITNESSES: Chris Brokaw, Tim Walters,  
Ed Boyer, Perry Giovannelli,

Reporter: Chelsea Curry

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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  
Campbell Durrant, P.C.  
535 Smithfield Street  
Suite 700  
Pittsburgh, PA 15222-2302

ALSO PRESENT:

Carol Uminski

I N D E X

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NONE OFFERED

P R O C E E D I N G S

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CHAIR BRUSSELARS:

Call the monthly Retirement Board meeting of Allegheny County to order. First, we will stand for the Pledge of Allegiance.

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(PLEDGE OF ALLEGIANCE RECITED.)

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CHAIR BRUSSELARS:

And Walt, could you do a roll call up?

MR. SZYMANSKI:

Yes. Sorry, my mic's not working.

CHAIR BRUSSELARS:

Oh, I'll say something while Walt is looking for his thing.

The Board held an executive information session prior to the meeting today.

MR. SZYMANSKI:

Ted Puzak?

MR. PUZAK:

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Here .

MR. SZYMANSKI:

Cory O'Connor?

MR. O'CONNOR:

Here .

MR. SZYMANSKI:

Sarah Innamorato?

MS. INNAMORATO:

Here .

MR. SZYMANSKI:

Frank DiCristofaro?

MR. DICRISTOFARO:

Here .

MR. SZYMANSKI:

Jennifer Litpak?

MS. LIPTAK:

Here .

MR. SZYMANSKI:

Sarah Roka?

MS. ROKA:

Here .

MR. SZYMANSKI:

Erica Brusselars .

CHAIR BRUSSELARS:

Present .

1                   The next item on the  
2 agenda --- oh, sorry. Is there any  
3 public comment?

4                   MR. SZYMANSKI:

5                   No public comment.

6                   CHAIR BRUSSELARS:

7                   Seeing no public  
8 comment, the next item is the Board  
9 approvals.

10                   The first is the Board  
11 minutes from March.

12                   MR. O'CONNOR:

13                   So moved.

14                   MR. DICRISTOFARO:

15                   Second.

16                   CHAIR BRUSSELARS:

17                   Is there any discussion  
18 about the Board minutes? Hearing no  
19 discussion --- sorry. There's a  
20 motion in a second, hearing no  
21 discussion. All in favor of approving  
22 the Board minutes?

23                   AYES RESPOND

24                   CHAIR BRUSSELARS:

25                   The next item is the

1 financial statements. Reports were  
2 generated by the comptroller's office  
3 as of February 29th of 2024.

4 MR. O'CONNOR:

5 So moved.

6 MR. DICRISTOFARO:

7 Second.

8 CHAIR BRUSSELARS:

9 Is there --- hearing a  
10 motion and second, is there any  
11 discussion? Hearing no discussion all  
12 in favor of approving the financial  
13 statements, please say aye.

14 AYES RESPOND

15 CHAIR BRUSSELARS:

16 Any opposed? The last  
17 item is invoices, and there are none.

18 The next item is  
19 applications for retirement. In April  
20 2024 there were 10 voluntary, 21 full  
21 retire --- sorry, 10 early, voluntary,  
22 21 full retirement, and 2 payment plan  
23 extensions.

24 Do I have a motion to  
25 approve these applications?



1                   MS. ROKA:

2                   So moved.

3                   MR. DICRISTOFARO:

4                   Second.

5                   CHAIR BRUSSELARS:

6                   Is there any discussion  
7                   about the 2024 retirement  
8                   applications? Hearing no discussion,  
9                   all in favor for approving the April  
10                  24th retirement application --- April  
11                  2024 retirement applications, please  
12                  say aye.

13                  AYES RESPOND

14                  CHAIR BRUSSELARS:

15                  Any opposed? Motion  
16                  passes. Next, we have reports. First  
17                  up is the manager report. Walt  
18                  Szymanski.

19                  MR. SZYMANSKI:

20                  Thank you very much.

21                  CHAIR BRUSSELARS:

22                  You're microphone isn't  
23                  working.

24   ---

25                  (WHEREUPON, AN OFF RECORD DISCUSSION

1 WAS HELD.)

2

---

3

MR. SZYMANSKI:

4

All right.

5

Can you hear me now?

6

Good. If you turn to the manager's

7

tab in your book, I'll highlight some

8

areas for the dashboard. Retiree,

9

payroll was up 8 percent for the

10

month. Contributions made were up

11

9.75 percent. Total retirements for

12

the year, up 29.63 percent. If you

13

turn to the next page, pension

14

estimates were up 3.28 percent.

15

Capital calls as of the prior board

16

meeting were \$101,581. Are there any

17

questions on any of the dashboard

18

items?

19

The office budget is

20

listed there as of March 31st, 2024.

21

Any questions on the budget?

22

CHAIR BRUSSELARS:

23

Can I go back to the

24

dashboard item?

25

MR. SZYMANSKI:

1 Yes.

2 CHAIR BRUSSELARS:

3 Under the investments,  
4 would it be possible in the future to  
5 also include disbursements from our  
6 private equity holdings? Like, we  
7 have capital calls. I'm wondering if  
8 we could have a sort of outflow item  
9 that was disbursements from private  
10 equity?

11 MR. SZYMANSKI:

12 Yeah, we can add  
13 something in.

14 CHAIR BRUSSELARS:

15 Okay. Thank you.

16 MR. SZYMANSKI:

17 You're welcome. Okay.

18 If there's no other  
19 questions. I have three items for  
20 approval this month.

21 The first would be  
22 requesting the Board to approve the  
23 election timeline, the policies and  
24 procedures for the upcoming 2024 board  
25 member election.

1                   CHAIR BRUSSELARS:

2                   Do we have --- do we  
3 have a motion to approve the election  
4 timeline and policies and procedures?

5                   MR. O'CONNOR:

6                   So moved.

7                   MR. DICRISTOFARO:

8                   I'll make a motion.

9                   MR. O'CONNOR:

10                  Second.

11                  CHAIR BRUSSELARS:

12                  Hearing a motion and  
13 second, are there --- is there any  
14 discussion? Hearing no discussion,  
15 all in favor of approving the election  
16 timeline, policies and procedures for  
17 the 2024 board election, please say  
18 aye.

19                  AYES RESPOND

20                  CHAIR BRUSSELARS:

21                  Any opposed? Motion  
22 passes.

23                  MR. SZYMANSKI:

24                  Okay.

25                  Next, I have a request

1 to approve the nominating packet for  
2 the 2024 election. The reason we're  
3 asking for the approval on this, this  
4 year is there was an addition to the  
5 packet, adding a line for whoever  
6 circulates the petition.

7 MR. O'CONNOR:

8 So moved.

9 MR. PUZAK:

10 Second.

11 CHAIR BRUSSELARS:

12 Hearing, a motion and a  
13 second, is there any discussion?

14 MS. INNAMORATO:

15 What was that, that you  
16 said? What was the change?

17 MR. SZYMANSKI:

18 There was a line added  
19 for if someone other than the member  
20 running for the Board seat circulates  
21 a petition for signatures, that person  
22 needs to also sign that.

23 CHAIR BRUSSELARS:

24 Any other discussion?

25 Hearing no discussion, all in favor to

1 approve the nominating petitions for  
2 the 2024 board member election, please  
3 say aye.

4 AYES RESPOND

5 CHAIR BRUSSELARS:

6 Any opposed? Motion  
7 passes.

8 MR. SZYMANSKI:

9 Thank you. And lastly  
10 is the Board's request and the  
11 approval of the Board's acceptance and  
12 approval of the 2023 audited financial  
13 statements. These are from Case  
14 Sabatini and the schedules.

15 If approved, the  
16 statements get posted to the website.  
17 The schedules are just for the Board.

18 MR. O'CONNOR:

19 So moved.

20 MR. DICRISTOFARO:

21 Second.

22 CHAIR BRUSSELARS:

23 Hearing a motion and a  
24 second for accepting the audited  
25 financials from Case Sabatini. Is

1       there any discussion?

2                       Hearing no discussion.  
3       All in favor of approving the 2023  
4       audited financial statements and  
5       schedules from Case Sabatini, please  
6       say aye.

7       AYES RESPOND

8                       CHAIR BRUSSELARS:

9                       Any opposed?   The motion  
10       passes.

11                      MR. SZYMANSKI:

12                      All right.   Thank you.

13                      There's also --- the  
14       assistant manager's report is in  
15       there, if there's any questions for  
16       Carol, she gives updates on just  
17       general office items that have been  
18       going on over the last quarter.

19                      CHAIR BRUSSELARS:

20                      I had one question,  
21       actually.   I already got cleared up.  
22       This mentions that there will be an  
23       open house in the retirement office on  
24       June 6.

25                      MR. SZYMANSKI:

1 Yes.

2 CHAIR BRUSSELARS:

3 And I hear that's from  
4 10:00 to 2:00 if anybody wants to stop  
5 on by.

6 I had a question about  
7 in office update. Well, in office  
8 updates, I'd like to welcome Ramona,  
9 our newest employee in the retirement  
10 office. I might have stolen Walt's  
11 thunder.

12 MR. SZYMANSKI:

13 No, you're good.

14 CHAIR BRUSSELARS:

15 You might have had that  
16 on ---. So could you wave? She's now  
17 working in the retirement office,  
18 helping on the customer service  
19 retiree facing front. So welcome.

20 On the third bullet,  
21 under office updates, it says, staff  
22 met with City Co. What service did  
23 City Co provide us?

24 MR. SZYMANSKI:

25 That one should work.



1 No, you could take it.

2 MS. UMINSKI:

3 Our members have the  
4 ability to have a deduction made  
5 through City Co, and City Co has  
6 changed their processes, and we're  
7 working with them to upgrade all the  
8 deductions that would come in by  
9 spreadsheet to actually direct deposit  
10 and change them over to an ACH debit.

11 MS. LIPTAK:

12 A credit union.

13 MS. UMINSKI:

14 Credit --- yes.

15 CHAIR BRUSSELARS:

16 City county credit  
17 union.

18 MS. LIPTAK:

19 I'm going to interpret  
20 City Co as City County.

21 CHAIR BRUSSELARS:

22 Thank you. Thank you.  
23 Got it. I appreciate that. Okay.  
24 Thank you.

25 MR. SZYMANSKI:

1 Thank you very much.

2 CHAIR BRUSSELARS:

3 Did you have anything  
4 else? Okay.

5 MR. SZYMANSKI:

6 That's all I have.

7 CHAIR BRUSSELARS:

8 Oh, no. I had one more  
9 question for Carol. In the Duncan  
10 Financial dashboard, it had, like,  
11 higher volumes of everything in the  
12 first half of last year than in the  
13 second half. Is that --- was there  
14 more stuff offered, or do we just see  
15 changes over time of who's taking  
16 things?

17 MS. UMINSKI:

18 I think it changes over  
19 time. We do --- we hit heavily the  
20 Medicare and Social Security, and we  
21 do have a lot of employees that attend  
22 those regularly because it is such a  
23 difficult item to maneuver through.

24 But I think --- you  
25 know, we've been talking with them on

1 different strategies on how to reach  
2 different employees. We've been doing  
3 it as an HR blast, but we would like  
4 to maybe target different departments  
5 and have a little bit more support  
6 from department managers to do these  
7 sessions as well. So we're looking at  
8 ways to increase that.

9 CHAIR BRUSSELARS:

10 Thank you. Oh, here we  
11 go. That concludes the manager's  
12 report, unless I get a frantic wave  
13 from anybody.

14 MR. PUZAK:

15 Any other questions?

16 CHAIR BRUSSELARS:

17 Oh, yeah. Any other  
18 questions for Walt? No questions.

19 MR. SZYMANSKI:

20 Thank you very much.

21 CHAIR BRUSSELARS:

22 Thank you. Next up, we  
23 have our solicitor, Brian Gabriel.

24 ATTORNEY GABRIEL:

25 Thank you, Erica.

1                   The solicitor's report  
2                   is current as of April 11, 2024. One  
3                   mention at number 8A, which is on page  
4                   ten of the report, there will be a  
5                   draft resolution circulated to the  
6                   Board in the near future, that just  
7                   pertains to internal revenue code  
8                   compliance provisions.

9                   So for any pension plan,  
10                  including this one, of course, it  
11                  makes sense to have updated  
12                  regulations that from time to time  
13                  remind people that these are the IRC  
14                  compliance provisions that this plan  
15                  applies. So that's a little more of a  
16                  housekeeping type resolution, but that  
17                  will be circulated, I think, ahead of  
18                  the next meeting.

19                                   CHAIR BRUSSELARS:

20                                   I know some folks are  
21                                   looking --- I was looking around in my  
22                                   packet for this. Sorry, the  
23                                   solicitor's report's in the extra  
24                                   addendum. The confidential addendum.

25                                   So could you just repeat

1       what you said? Because I know I  
2       wasn't paying full attention and I  
3       think I might not have been the only  
4       one.

5                                    ATTORNEY GABRIEL:

6                                    I had the same problem.  
7       I was ripping open THE package just a  
8       minute ago. So number 8A refers to a  
9       resolution that will be a --- that is  
10      a draft resolution that pertains to  
11      internal revenue code compliance and  
12      that will be circulated to the Board.

13                                   I was saying, basically  
14      it's more of a housekeeping matter.  
15      It just makes sense from time to time to have  
16      updated regulations that identify with  
17      current numbers and language which  
18      code provisions sometimes come into  
19      play and are required for code  
20      compliance.

21                                   Outside of that, I don't  
22      have any particular items to bring to  
23      the Board's attention, but I'd be  
24      happy to answer any questions.

25                                   CHAIR BRUSSELARS:

1                   There was an item 7D  
2                   about a repayment and it had a  
3                   scheduled payment as of March 31st,  
4                   but no indication if that payment had  
5                   happened or not.

6                   ATTORNEY GABRIEL:

7                   Yes, and that payment  
8                   has not happened. We've been in  
9                   contact with the attorney who  
10                  represents the individual, so I didn't  
11                  put it in be maybe cautiously  
12                  optimistic that it would have happened  
13                  by now. But since we're here and you  
14                  asked, it has not happened yet.

15                  CHAIR BRUSSELARS:

16                  Okay.

17                  I think in the future,  
18                  if it --- if it hasn't happened in by  
19                  the. By the time you're issuing the  
20                  report and it's late, if you could  
21                  note it, that would be great.

22                  ATTORNEY GABRIEL:

23                  Absolutely.

24                  CHAIR BRUSSELARS:

25                  And then there was a ---

1       yeah, no, that's not one. I think  
2       that's it for me.

3                       Any other questions?  
4       Thank you. Thank you. Next up is Mr.  
5       Brokaw and Mr. Walters from Mariner  
6       welcoming a new consulting firm to the  
7       front desk.

8                       MR. BROKAW:

9                       Thank you. Thank you  
10       very much. And we're blue instead of  
11       green. Everything else remains the  
12       same. If you look at the report, it  
13       comes from the same reporting system.  
14       Tim and I haven't changed. We had to  
15       get pictures. And the pictures just  
16       affirm that I'm 20 years older than I  
17       thought I was. But other than that,  
18       everything's the same.

19                      So when you look at the  
20       first page of the report labeled  
21       Mariner at the top, this is the update  
22       of the market through March. And the  
23       takeaway here is that the quarter was  
24       a very good quarter. If you look at  
25       the top left, the S and P 500 was up

1 over 10.5 percent year to date, and  
2 that is the best first quarter since  
3 2019.

4 So the stock market  
5 through the end of March had continued  
6 to perform very well. Other indices,  
7 like Small Cap Russell 2000 up 5  
8 percent. MSC IFA International stocks  
9 up almost six percent for the quarter.

10 Interest rates bumped up  
11 a little bit so you see in fixed  
12 income negative returns in the year to  
13 date period, the aggregate broad  
14 market index was down 0.78 percent.  
15 So a little less than a percent for  
16 the first quarter. Now, when we look  
17 at your portfolio, the data is through  
18 February.

19 And if you look at page  
20 four ---

21 CHAIR BRUSSELARS:

22 Are we --- okay, thank  
23 you.

24 MR. BROKAW:

25 --- at the top, the



1 total fund performance through  
2 February. For the month of February,  
3 the fund was up 1.27 percent and year  
4 to date, 1.03 percent. If you look at  
5 the contributors, first, us equity.  
6 Us equity continues to march upwards.  
7 However, it's not as narrowly driven.

8 So you may have heard  
9 mention magnificent seven stocks  
10 driving the S&P 500 and the US stock  
11 market over the last number of  
12 quarters and even years. The market  
13 is broadening a bit now. So it's not  
14 just those seven stocks, but the other  
15 493 in the S&P 500 and also small and  
16 midcap performing relatively well.

17 Non-U.S. performance not  
18 quite as good as the U.S. market, but  
19 still strong positive performance for  
20 your portfolio. And also the market  
21 in general.

22 Growth and value  
23 investments performing well in the  
24 year-to-date period, the portfolio up  
25 1.78 percent year-to-date. Core fixed

1 income down, as I mentioned, because  
2 of the rise interest rates. But your  
3 portfolio has a bit less volatility.  
4 There are some investments that are  
5 not as long term, so when the interest  
6 rates go up, they protect the  
7 portfolio. So the market was down,  
8 your portfolio down not as much.

9 In high yield some of  
10 the more volatile, more risky holdings  
11 outperformed and your portfolio has  
12 limited exposure to those. Your  
13 portfolio is a bit safer and rated  
14 more highly than the index. So for  
15 the year-to-date period, it's  
16 essentially flat. The index  
17 marginally positive.

18 Real estate relative  
19 performance of your portfolio you see  
20 in the year-to-date period, it's  
21 essentially flat and in line with the  
22 index over the trailing year. You  
23 see, although real estate was  
24 negative, your portfolio eight percent  
25 plus ahead of it.

1                   What is in the market  
2                   and not in your portfolio is a lot of  
3                   office exposure. So you know, just  
4                   generic office space with people  
5                   working from home more, et cetera.  
6                   Those holdings not performing as well,  
7                   your portfolio avoiding those  
8                   investing in other parts of the  
9                   market.

10                   Infrastructure you see  
11                   over the year-to-date period, some  
12                   negative performance versus the index.  
13                   That's due to higher financing costs  
14                   in the portfolio as interest rates  
15                   have risen. And also over the past  
16                   year, you see performance eight  
17                   percent versus the index six percent.  
18                   Some of the markups in the portfolio  
19                   got a bit ahead of the market.

20                   A lot of the  
21                   infrastructure is driven by volumes,  
22                   ports, airports, toll roads, et  
23                   cetera. They've performed relatively  
24                   well over the past year recovering  
25                   from COVID.

1 Private equity I'll  
2 leave to ED with the next section of  
3 reporting and the liquid policy  
4 portfolio performing in line with its  
5 benchmarks. Any questions on  
6 portfolio performance? Okay. The  
7 other page that I draw your attention  
8 to is page 13 and the asset  
9 allocation, portfolio allocation in  
10 line with the investment policy.

11 Due to some of the  
12 growth in the portfolio, especially in  
13 equity at the top, you see that the  
14 equity has grown beyond its targets.  
15 At this point liquid policy portfolio  
16 at the bottom, as benefit payments are  
17 paid out of the portfolio, that's  
18 coming down.

19 And one comment I wanted  
20 to make about infrastructure, the  
21 third line up from the bottom. That  
22 does pay out income, the one  
23 investment quarterly and the other one  
24 semiannually. So that should draw  
25 down that over allocation over time as

1 it pays out the income.

2 So no recommended action  
3 in the portfolio at this time. Any  
4 questions on the allocation?

5 CHAIR BRUSSELARS:

6 Remind me. So you don't  
7 need board approval to move from the  
8 liquid policy into cash.

9 Is that right?

10 MR. BROKAW:

11 That is correct, yes.

12 CHAIR BRUSSELARS:

13 Thank you. I don't have  
14 any other questions. Okay.

15 MR. PUZAK:

16 What's going on with  
17 inflation?

18 MR. BROKAW:

19 Well, I don't know, how  
20 was gas when you came in? What did  
21 you pay?

22 So I mean, the larger  
23 question is --- and maybe I said  
24 something similar at the last meeting.  
25 So at the end of 2023, expectations

1       were inflation was going down,  
2       interest rates going down, everyone  
3       happy. That continued for a bit in  
4       the first quarter, but now it's kind  
5       of leveled off.

6                        At the end of last year,  
7       expectation was six interest rate cuts  
8       because of the falling inflation. Now  
9       it's maybe there'll be two in 2024 and  
10      maybe even zero. That's leading to  
11      some added volatility in the equity  
12      market as well as the bond market,  
13      which, unless something dramatic  
14      changes, we'll see at the end of  
15      April, the markets have been a bit up  
16      and down.

17                      MR. PUZAK:

18                      So what is inflation  
19      directly responsible for? Is it rent  
20      or food or what's going on?

21                      MR. BROKAW:

22                      Yeah, that's a great  
23      question. One of the biggest factors  
24      in how the inflation is calculated is  
25      shelter, so that's rent. And also a

1 number that they use in their own  
2 government way to make a calculation  
3 that says how much homeowners are  
4 experiencing inflation. That's an  
5 area that is not coming down as  
6 quickly as policymakers want it to.  
7 The rent and the shelter component of  
8 it, which is about a third of the  
9 overall index.

10 So that's the part that  
11 is sticky. So we're at about three  
12 percent, they want two percent. And  
13 you know, I don't know, the analogy  
14 that I've heard people say is, it's  
15 like when you're on a diet, right? If  
16 you want to lose --- you've never been  
17 on a diet. You're thin and trim.

18 But if you've ever been  
19 on a diet, you know, the first ten  
20 pounds is a lot easier than the last  
21 ten pounds. So once you get to ---  
22 you know, we were at nine percent,  
23 came down to three. That last one  
24 percent is the tricky, difficult part.

25

MR. PUZAK:

1 Thanks .

2 MR. BROKAW:

3 Thank you .

4 CHAIR BRUSSELARS:

5 Okay .

6 Then I do have one  
7 question. What is this picture on the  
8 second page? Like, we couldn't tell  
9 if it was our printer or if that's  
10 what it really looks like. When you  
11 were saying you were 20 years too old,  
12 I thought it might have been that  
13 picture .

14 MR. BROKAW:

15 Tim .

16 MR. WALTERS:

17 When you are acquired by  
18 a larger firm, there are sometimes  
19 decisions that are outside your  
20 control .

21 CHAIR BRUSSELARS:

22 That's what I imagine .

23 MR. WALTER:

24 I believe the cover art  
25 is one of those decisions that we will



1 consistently lose. But I think we are  
2 all in the same camp of what were they  
3 thinking?

4 CHAIR BRUSSELARS:

5 Thank you.

6 Was that everything from  
7 Mariner?

8 MR. BROKAW:

9 I'll just conclude  
10 that's not a misprint. That is how  
11 it's supposed to look, yes.

12 MR. WALTERS:

13 But it is an affirmation  
14 that the data between the absurd cover  
15 and end page is absolutely the same.

16 CHAIR BRUSSELARS:

17 Thank you.

18 MR. BROKAW:

19 Thank you.

20 CHAIR BRUSSELARS:

21 Next up, we have Mr.  
22 Boyer from asset strategy with our  
23 private equity portfolio.

24 MR. BOYER:

25 Thank you. Good

1       afternoon, everyone. Good to see you.  
2       So as you can tell, we've got a little  
3       more information in our files and  
4       packets, folders, et cetera. At this  
5       time, we're not going to have to  
6       necessarily touch on each page, but if  
7       you'll kindly turn to the folder that  
8       reports asset strategy, I'll start  
9       there.

10                       All right.

11                       So what you'll see there  
12       in the upper right-hand corner is  
13       referring to March 31st, 2024, and the  
14       statistical information and the  
15       managers there on the left. Because  
16       it's March 31st, we don't have all the  
17       data in yet. It's still flowing in  
18       because of audits, and fund to funds  
19       will take even longer. But that is a  
20       snapshot of the data that we had at  
21       that time we were printing and  
22       collecting this.

23                       The more meaningful  
24       information will be shown on some  
25       other pages here in just a moment.

1 All right.

2 Then, if we can --- I'm  
3 sorry, the pages aren't numbered.  
4 This is the first time we've had such  
5 a collection of paper and reports in  
6 the file. I'll work more closely with  
7 Walter to see that we get these  
8 numbered in the future, if we can just  
9 turn three more pages or four more  
10 pages in, you'll see December 31st,  
11 2023, and evaluations there.

12 And likewise, we're  
13 still waiting for some fund to fund  
14 information to come in. But that's  
15 what we had again at the time we went  
16 to print. Fund to funds take longer  
17 because there's an extra layer of  
18 managers that you have to collect data  
19 on, and it just takes a while. As you  
20 may recall, the audits for these funds  
21 really won't come in until August.

22 All right.

23 If we could turn ahead a  
24 little bit more until you see the  
25 single page in smaller print that

1 talks about the expenses. Retirement  
2 Board of Allegheny County and the two  
3 columns to the right, we're talking  
4 about management fees paid and the  
5 carried interest that has been paid as  
6 well.

7 This is going to be  
8 effective as of the end of December  
9 coming from the audits. So you can  
10 see there are a number of blanks there  
11 on the carried interest. So we're  
12 still waiting for that information to  
13 come in. We'll update it as we get  
14 it.

15 But all the reports that  
16 you see on the managers are net of  
17 fees. All right. Then you were  
18 discussing a moment ago on the next  
19 page of looking at the cause and  
20 distributions. We'll work with Walt  
21 to include that, even if it's a  
22 duplicate. So that's in his report as  
23 well.

24 In this case, we've  
25 netted all that out. The calls are in

1 the center distributions to the right,  
2 and the net cash flow was \$2.9 million  
3 in for the quarter.

4 CHAIR BRUSSELARS:

5 It would be helpful to  
6 also have the calls and distributions  
7 totaled. Is this Q --- is this 2024  
8 or 2023?

9 MR. BOYER:

10 I think that is 2024.  
11 It's just a typo.

12 CHAIR BRUSSELARS:

13 Okay.

14 MR. BOYER:

15 All right. Thank you.

16 And then some more  
17 information on the next page that came  
18 in a little later on a couple of other  
19 funds. The other good news that came  
20 in later, not in time at all, to be  
21 included in this package is that North  
22 Haven has a private equity fund and  
23 they have distributed \$491,000 as a  
24 result of a deal that was sold and  
25 completed. So that's positive.

1                   And then Constitution  
2           Capital also sold their fund to funds,  
3           number three. And they did that, and  
4           they received \$1.4 million plus as a  
5           result of that sale. They chose to do  
6           that for strategic reasons and seeing  
7           the environment that they're facing  
8           and some of the risks that they saw in  
9           the portfolio, they thought it was a  
10          good time to sell that portion of the  
11          portfolio. So altogether --- yes.

12                   CHAIR BRUSSELARS:

13                   Let's hop back to the  
14          prior page.

15                   MR. BOYER:

16                   Oh, it's on. Am I  
17          not ---.

18                   MS. LIPTAK:

19                   So you have on the prior  
20          ones with the management fees paid and  
21          the interest.

22                   MR. BOYER:

23                   Yes.

24                   MS. LIPTAK:

25                   And my understanding is

1 on a third-grade level, carried  
2 interest is like a --- I don't say  
3 bonus, but like instead of pay to the  
4 manager for performance, right? So  
5 you add the two of them together and  
6 it really gives you the --- this is  
7 all we estimated of 2023.

8 But can you explain to  
9 me if I'm correct in my very  
10 elementary explanation in carried  
11 interest and why some managers would  
12 structure to have more carrying  
13 interest versus just flat fee or how  
14 that structure happens? Some of them  
15 get a little bit of both, right. And  
16 some of the carried interest is higher  
17 than the fee. So can you just explain  
18 the two?

19 MR. BOYER:

20 I mean, one way, there  
21 are a lot of moving pieces, and  
22 they're following the guidelines laid  
23 out in their PPM, private placement  
24 memorandum. So in some cases, the  
25 management fees are a flat fee or a

1 percentage of assets. And over time,  
2 the assets, as they get sold off, the  
3 management fees come down. And as  
4 part of the PPM, they usually have  
5 some guidelines to say that they're  
6 not entitled to their carry interest  
7 until they either hit a certain  
8 benchmark in terms of return, or until  
9 a certain percentage of the capital  
10 has been returned to the investors.  
11 The criteria is laid out in the PPM.

12 Am I getting to the core  
13 of what you're asking, Jennifer?

14 MS. LIPTAK:

15 Yeah. I've never seen  
16 the layout of carried interest before  
17 and the reporting. We've only ever  
18 talked about management fees, not the  
19 carried interest in this specificity,  
20 which I appreciate, but I think, from  
21 a board member standpoint, I don't  
22 remember anything else that we pay.

23 CHAIR BRUSSELARS:

24 I was thinking about  
25 asking, and I'm glad you did.



1                   MS. LIPTAK:

2                   I'm sorry, I don't have  
3 my mic on. I don't recall that ever  
4 being brought up before. So over the  
5 years, we talk about fees, there's  
6 also a portion which is based upon  
7 performance of the fund.

8                   MR. BOYER:

9                   Yes, and that's what the  
10 carried interest is.

11                   MS. LIPTAK:

12                   So if they do better,  
13 they're incentivized to do better  
14 because their carried interest would  
15 --- it's formulaic, I'm guessing.

16                   MR. BOYER:

17                   Right. Uh-huh.

18                   MS. LIPTAK:

19                   And that's set within  
20 our contracts or is that set within a  
21 standard with all types of  
22 private ---.

23                   MR. BOYER:

24                   It's within the  
25 contract.

1                   MS. LIPTAK:

2                   It's in the contract.

3                   Okay.

4                   So I just wanted to get  
5                   perspective on that. So does everyone  
6                   have carried interest in the contract?

7                   MR. BOYER:

8                   Well, sometimes no,  
9                   because they didn't meet their  
10                  benchmark.

11                  CHAIR BRUSSELARS:

12                  Every contract would  
13                  have a provision for carried interest  
14                  is what Jennifer's trying to ask.

15                  MR. BOYER:

16                  Right.

17                  MS. LIPTAK:

18                  Okay.

19                  CHAIR BRUSSELARS:

20                  And some of them have  
21                  negative carried interest. Is that  
22                  like they did a bad job or what is ---  
23                  what would create a negative carried  
24                  interest?

25                  MR. BOYER:

1 Yes.

2 CHAIR BRUSSELARS:

3 Oh, okay. But they  
4 still get their management fee.

5 MR. BOYER:

6 Well, I mean, but there  
7 is a pure alignment of interest in  
8 these structures. You know, they're  
9 living. Most of these managers are  
10 hoping to get the carried interest  
11 because oftentimes, the management  
12 fees are not --- re barely enough to  
13 really run the organization. So  
14 that's what they're striving on.  
15 That's what they're building a  
16 reputation on, the carried interest.

17 Any other questions?  
18 Okay. Yeah, anytime. I know expenses  
19 are an important issue for you in  
20 particular.

21 MS. LIPTAK:

22 I know I'm annoying  
23 about it.

24 MR. BOYER:

25 I've never said that.

1 No. Yeah, we're on the same team.

2 And so, as I was just  
3 saying that you had some other  
4 inflows. In the month of April, North  
5 Haven Equity and Constitution Capital,  
6 the fund of funds, was sold. Total  
7 \$1.9 million. Okay. Then the next  
8 report is what we're going to focus on  
9 here, are the names of the pet  
10 managers, the particular partnerships,  
11 and the vintage years where it's  
12 highlighted in yellow. And it's  
13 highlighted in yellow to bring to your  
14 attention. You have it, right?

15 Okay, great. So the  
16 yellow is there to help designate  
17 those funds that when we hired them,  
18 and were not under any issue, I mean,  
19 weren't required to do that. We took  
20 this initiative upon ourselves because  
21 it's the right thing to do. So these  
22 are managers or funds that come under  
23 the DEI core qualifications or  
24 considerations, diversity, equity and  
25 inclusion. And I think there's a

1 total of five or six that are part of  
2 your portfolio.

3 CHAIR BRUSSELARS:

4 I'm seeing four when I  
5 looked. Oh, yeah, five.

6 MR. BOYER:

7 So what's interesting,  
8 when we started this, and just picking  
9 on an example until the pandemic set  
10 in and it slowed down all the  
11 transactions and, you know  
12 distributions --- you know, Accolade,  
13 as an example, was ready and in the  
14 market with an empowerment fund,  
15 really focusing on women, and it's  
16 done quite well.

17 The general partner,  
18 there's Joelle Kayden. She's done a  
19 great job. And we were all set to  
20 continue to add more DEI type of  
21 managers in there, but the pandemic  
22 really put a kibosh on that for the  
23 time being, but we'll continue to work  
24 in that direction.

25 All right.

1                   You've asked  
2           periodically, and I think we might  
3           have shown it to you when we did our  
4           Monday, where we did the executive  
5           educational piece. So this next page  
6           shows your calls through fourth  
7           quarter, estimated calls through  
8           fourth quarter of 24, and just  
9           anticipated distributions.

10                   So the combined numbers  
11           are on the next page. The cumulative  
12           numbers --- I think these numbers are  
13           what you saw previously. So it sort  
14           of looks like if you do the math there  
15           at the bottom, subtracting the 5.8  
16           from the 18.2, you sort of get to \$12  
17           or \$13 million. I would dial that  
18           back more like six to eight on a net  
19           inflow basis. Partly because we're  
20           seeing some transactions taking place,  
21           but the market is not completely  
22           thawed. In order to help these  
23           transactions continue, our general  
24           partners are trying to get deals done  
25           and they're trying to find the right

1 pricing, the right interest rate that  
2 it's going to take to do the deals.  
3 But I would just caution that it's not  
4 going to be --- it's not likely to be  
5 \$18.2 million.

6 Let's see here. So this  
7 is --- you know, the next page is  
8 really stale information going back to  
9 September 30th. That would have been  
10 reflected in our Monday educational  
11 session. You know, but no sooner do I  
12 say this about the distributions than,  
13 you know, I could have two emails next  
14 week or over the next couple of weeks  
15 and there'll be more transactions  
16 coming through because they're hearing  
17 from their investors who are  
18 expecting, demanding that they're all  
19 running a little bit behind on their  
20 distributions, and so they're eager to  
21 get some deals done.

22 Any other questions?

23 CHAIR BRUSSELARS:

24 Thank you. Yeah. Any  
25 questions? I don't think so.

1                   MR. BOYER:

2                   Okay, great. Thank you  
3 very much.

4                   Oh, so on the next page  
5 where it says DEI, these are  
6 information that the managers provided  
7 to us on the various characteristics  
8 of how they identify themselves to be  
9 DEI. And the first one is Accolade.  
10 I'm not going to go through every  
11 page, but just to give you an idea, it  
12 was started by Joelle Kayden, and you  
13 can see there 90 percent ownership by  
14 Joelle, and she has three other  
15 partners at this time.

16                   Other individuals in the  
17 firm benefit from the carried interest  
18 and they're maybe spelled out a little  
19 bit later on. Let's see here. They  
20 included their policy on diversity,  
21 equity and inclusion later on. That  
22 was rather unique. So Joelle's rather  
23 forward thinking in many respects. So  
24 she's been very responsive. Farrell  
25 is also very responsive. He's a



1 wonderful individual that we are  
2 fortunate to find, and he's done  
3 everything he can to diversify his  
4 team over time and produce very strong  
5 returns.

6 So unless you really  
7 want me to go through every page, I  
8 think that gives you ---.

9 MR. PUZAK:

10 No.

11 MR. BOYER:

12 You already bored? But  
13 you have the idea of what we're  
14 tracking. And the firm might have  
15 looked a little different when we  
16 hired them initially, but this is a  
17 snapshot of where they are now.

18 CHAIR BRUSSELARS:

19 Great. Thank you.

20 MR. BOYER:

21 You're welcome.

22 CHAIR BRUSSELARS:

23 I think that's it.

24 MR. BOYER:

25 Okay.

1                   CHAIR BRUSSELARS:

2                   Yeah. Thank you. Yeah.  
3 Next up is Mr. Giovannelli from PFM  
4 with our emerging manager women owned  
5 portfolio.

6                   MR. GIOVANNELLI:

7                   Good afternoon. I just  
8 have a couple recommendations to go  
9 through with you. They are actually  
10 both terminations, recommendations for  
11 managers. The first one is CIM small  
12 cap asset management. Essentially,  
13 we've had them on watch going back to  
14 the beginning of 2023. Overall, when  
15 you look at their process from a one  
16 year, three year, five year number and  
17 inception, they're behind benchmark  
18 considerably in the three, five year.

19                   And in the three and  
20 five year, they're actually --- excuse  
21 me, ranking out in the bottom quartile  
22 from a management standpoint in their  
23 peer bracket. So at this time, and  
24 one of the reasons behind this, too,  
25 is we needed to trim back on the

1 overall emerging manager program.  
2 We're right up against the cap of the  
3 policy. Between five and seven  
4 percent is where we try to run this at  
5 so we're right up to seven.

6 Our analytical team,  
7 when we were getting together and  
8 looking at and trying to decide which  
9 managers we wanted to recommend  
10 pulling back from, we took a deeper  
11 look at these managers in the length  
12 of time that we've had them on watch.

13 And with CIM, we felt  
14 that over the long term, they're not  
15 going to catch up. And essentially,  
16 their long term number is at 4.61 from  
17 inception to date. So it's well below  
18 that, 7.75. So overall, as a manager,  
19 it's not adding any value at this  
20 point. So we'd like to recommend  
21 terminating CIM small cap out of the  
22 emerging manager program.

23 CHAIR BRUSSELARS:

24 Thank you. I was going  
25 to ask if there's questions. Are

1       there questions?

2                       MR. DICRISTOFARO:

3                       Well, I have a question,  
4       Perry.

5                       CHAIR BRUSSELARS:

6                       Sure. Sorry, I'm new at  
7       the beginning. Should I take a motion  
8       before we have questions? Ted's going  
9       to whisper something in my ear. I  
10      don't know.

11                      I said, should we take a  
12      motion before we start the discussion?  
13      Questions? Go for it, Ted. I mean,  
14      go for it, Frank.

15                      MR. DICRISTOFARO:

16                      I have a question,  
17      Perry.

18                      Why weren't we ever told  
19      that these two managers were on a  
20      watch list? I don't remember ever  
21      being told that, ---

22                      MR. GIOVANNELLI:

23                      Yeah.

24                      MR. DICRISTOFARO:

25                      --- we've ever done

1 business here before.

2 MR. GIOVANNELLI:

3 That may be on me from  
4 that standpoint. We take managers on  
5 and off watch on a regular basis, and  
6 I don't recall if I actually came in  
7 and said, hey, we have these guys on  
8 watch.

9 MS. DICRISTOFARO:

10 See, that's the problem  
11 I'm having right now, approving  
12 something like this at this moment,  
13 because we've always been told this  
14 ahead of time, and then we, as a  
15 group, watch these things. That's why  
16 I really want to do this.

17 And I've spoken with  
18 Erica. This is not a surprise to her  
19 already. She knows that I was going  
20 to bring this up today because I just  
21 found out about this yesterday. Well,  
22 whenever we got the Board book,  
23 whatever was reading this and we  
24 talked about it, about bringing this  
25 up, is doing this today. I wouldn't

1 mind holding off for just a couple  
2 months and saying, okay, give them  
3 three months. Say, okay, then we'll  
4 revisit it and say, we're going to see  
5 what they're out in three months, then  
6 do it. And then I have no problem  
7 eliminating managers.

8 And I've always been  
9 very, very vocal about that. If  
10 they're not performing, cut them. But  
11 I want to be told way ahead of time,  
12 not surprised over it. And we've said  
13 --- we've told our other consultants  
14 this before, too. Put them on a watch  
15 list, tell us about it ahead of time,  
16 not just spring it on us. That's  
17 pretty much all I want to say about  
18 this.

19 CHAIR BRUSSELARS:

20 Thank you, Frank.

21 Are there ---?

22 MS. LIPTAK:

23 I just want to mention,  
24 so from --- I respect Frank's position  
25 because normally, you know, when you

1        --- we put some on watch, there is a  
2 notice, and I think we've had that in  
3 the past, saying we have a couple of  
4 people that we'd like to put on watch  
5 because of performance.

6                        Now, I can say that I,  
7 you know, looking at these, I had some  
8 of them on watch myself for some time  
9 based upon performance. And I think I  
10 vocalized that several times at the  
11 Board. But Frank does have a point  
12 about normally there is a notification  
13 in a period of time. It looks like  
14 that you structured it out and showed  
15 the performance compared to the  
16 indexes over a period of time. And I  
17 don't know if you do a rating scale  
18 I've seen --- yeah.

19                        Is that where you are?  
20 Yeah, I think. Is that what the  
21 parentheses --- is it a rating scale?

22                        MR. GIOVANNELLI:

23                        Yeah. That's ---.

24                        MS. LIPTAK:

25                        That's watches from

1 other boards that I'm on is there's a  
2 --- you know, you have a rating scale,  
3 you put them in green, orange, red or  
4 yellow, whatever.

5 MR. GIOVANNELLI:

6 So they're ranking out,  
7 for example, in the bottom quartile.

8 MR. LIPTAK:

9 Yeah.

10 MR. GIOVANNELLI:

11 And on the three-year  
12 number, they're 96th percentile.

13 CHAIR BRUSSELARS:

14 Yeah. And I believe  
15 these have been in here for some time.  
16 So I respect and support your position  
17 here. I just, I don't want to be  
18 confrontational, but we probably  
19 should have known about that. But I  
20 was paying attention to these. But  
21 normally there would be a report in  
22 advance just to say we're putting  
23 these two on watch, and then we'll  
24 come back and then do final  
25 determination.



1 I just want to do for  
2 perspective.

3 CHAIR BRUSSELARS:

4 Yeah. And that's my  
5 question is, where is the watch list?  
6 Which meeting in Q1, was it put on the  
7 watch list? So if you could, I think  
8 it'd be helpful for us for you to  
9 explain what your and your firm's  
10 process is on watching these and  
11 communicating that to the managers and  
12 what your general expectations for  
13 yourself are in terms of communicating  
14 that to the Board.

15 MR. GIOVANNELLI:

16 We communicate with the  
17 managers when we have them on watch.  
18 So they typically know that they're on  
19 watch from that performance  
20 standpoint. In the simplest terms,  
21 it's a ranking out process like we're  
22 showing you. But there's a lot more  
23 data that goes into a watch list. For  
24 example, if they had a key portfolio  
25 manager leave regardless of their

1 performance, that would put them on  
2 watch. So there's times like that  
3 from that standpoint, and really from  
4 the standpoint of notifying you that  
5 we had them on watch, that's on me. I  
6 didn't do it at the meeting, and  
7 that's where we're at. If you guys  
8 want to say they're officially on  
9 watch for another 90 days, I just  
10 would tell you I don't see our  
11 recommendation changing in 90 days.

12 CHAIR BRUSSELARS:

13 What is the  
14 communication with your managers when  
15 they are on watch?

16 MR. GIOVANNELLI:

17 What do you mean?

18 CHAIR BRUSSELARS:

19 Do you call them and you  
20 say, this doesn't look so good.  
21 You're on our watch list?

22 MR. GIOVANNELLI:

23 Pretty much. Yes.

24 CHAIR BRUSSELARS:

25 Okay.

1                   And so like, would ---  
2 both of these entities are well aware  
3 they've been on a watch list for all  
4 this time?

5                   MR. GIOVANNELLI:

6                   Yes.

7                   CHAIR BRUSSELARS:

8                   Okay.

9                   MR. PUZAK:

10                  Let me ask you a  
11 question. Do you think there's a  
12 chance that they can turn this around  
13 or you can --- this is definitive?

14                  MR. GIOVANNELLI:

15                  They're pretty far  
16 behind. Like if you look at CIM, as I  
17 said, you know, since inception,  
18 they're 261 basis points behind the  
19 benchmark. You know, and that's a,  
20 you know, over a decade. That's  
21 almost a decade. They came in, in  
22 2014. So we're right around a decade  
23 now.

24                  You know, odds are ---  
25 you know, the one thing that could end

1 up happening, they could have a really  
2 good quarter. And then we're in front  
3 of you saying, well, do you want to  
4 give them another quarter? And that  
5 could go on for a while.

6 I mean, that's the only  
7 other downside to this, is it would  
8 take, I would say, probably six  
9 stellar quarters in a row to catch up.

10 MR. LIPTAK:

11 Hey, Erica, I do have  
12 another question. I recall you  
13 telling us about people on the watch  
14 list before. Am I wrong about that?

15 MR. GIOVANNELLI:

16 No. I probably did it.  
17 I just, I know I didn't do it in the  
18 recent last six to nine months. I  
19 know I have not, like, reiterated,  
20 hey, they're on watch. But like I  
21 said, managers move on and off,  
22 watches on different --- you know, at  
23 different timeframes on a regular  
24 basis.

25 MS. LIPTAK:

1                    Maybe that's something  
2                    to explore in the future. But I could  
3                    say that, you know, based upon the  
4                    information presented, you know, you  
5                    could go another month. It's going to  
6                    take a lot for these to come around,  
7                    so I don't feel uncomfortable. I just  
8                    want to bring it to a point that there  
9                    could be a much better way to present.

10                    It's primarily with you,  
11                    because you're bringing on people who  
12                    are emerging. So those are the ones  
13                    you're really trying to monitor to see  
14                    if they're able to graduate into the  
15                    main program.

16                    Right?

17                    MR. GIOVANNELLI:

18                    Uh-huh. Yes.

19                    MS. LIPTAK:

20                    But based upon, you  
21                    know, my viewing of these companies  
22                    for some time and what you presented,  
23                    I don't think that you're incorrect in  
24                    your recommendation. I just think  
25                    that there may be just a more

1 thoughtful process about the  
2 notification of watch. That's all.

3 CHAIR BRUSSELARS:

4 I'd agree with that.  
5 And I'd add that, I mean, if you can  
6 just send us monthly who's on watch,  
7 then we'd know who's on watch. Yeah.  
8 Or come report it at the meeting. And  
9 just that you were saying that things  
10 come on and off, so I think if we just  
11 got, like, a monthly list with why  
12 they're on watch, whether it's a  
13 manager change or a performance  
14 review.

15 Is that something that's  
16 a reasonable thing to provide?

17 MR. GIOVANNELLI:

18 Yeah, it's easy.

19 CHAIR BRUSSELARS:

20 And then I have another  
21 question. So I think we were --- is  
22 there a motion to request? Is there  
23 any further --- we haven't had ---  
24 we'll have a motion, then we'll have  
25 any more discussion.

1                   Is there a motion to  
2 approve the removal of progressive  
3 financial advisors from the emerging  
4 manager program? Let's do them  
5 individually. Do you think we should?

6                   MR. GIOVANNELLI:

7                   I thought you'd do one  
8 at a time.

9                   CHAIR BRUSSELARS:

10                  Let's do one at a time.  
11 Yeah.

12                  MR. PUZAK:

13                  What are we doing here?

14                  CHAIR BRUSSELARS:

15                  I'm wondering if anyone  
16 has a motion to remove Fragrasso  
17 Financial Advisors from the emerging  
18 manager program, effective  
19 immediately?

20                  MR. GIOVANNELLI:

21                  Sarah, I actually ---  
22 Erica, I started with CIM.

23                  CHAIR BRUSSELARS:

24                  Oh, sorry. I'm looking  
25 at the agenda, which is in a different

1 order. I understand the confusion.  
2 Yes.

3 MS. LIPTAK:

4 I'll make that motion.

5 CHAIR BRUSSELARS:

6 Is there a second?

7 MS. INNAMORATO:

8 I'll second.

9 CHAIR BRUSSELARS:

10 Is there any discussion.

11 Taking a vote, all those --- well,  
12 hearing the motion and a second, no  
13 discussion. We're discussing removing  
14 CIM, investment management, from the  
15 emerging managers program, effective  
16 immediately. All those in favor, say  
17 aye.

18 AYES RESPOND

19 CHAIR BRUSSELARS:

20 Any opposed?

21 NOES RESPOND

22 CHAIR BRUSSELARS:

23 You voted? What was  
24 your vote? Opposed?

25 MR. PUZAK:



1 I'm not going to vote.  
2 I'm recusing myself.

3 CHAIR BRUSSELARS:

4 Why? Don't you need an  
5 abstention reason?

6 MR. PUZAK:

7 No.

8 CHAIR BRUSSELARS:

9 Okay.

10 So is that five in favor  
11 and one opposed and one abstention?  
12 The motion passes.

13 Do I have a motion to  
14 remove Fragrasso Financial Advisors  
15 from within the Allegheny County  
16 Emerging Managers Program, effective  
17 immediately?

18 MS. LIPTAK:

19 I make that motion based  
20 upon, again, the recommendation of the  
21 consultant.

22 MR. O'CONNOR:

23 Second.

24 CHAIR BRUSSELARS:

25 Hearing a motion and a

1 second. Is there any discussion?  
2 Hearing no discussion. All those in  
3 favor of the removal of Fragasso  
4 Financial Advisors from the Allegheny  
5 County Emerging Managers Program,  
6 effective immediately, please say aye.

7 AYES RESPOND

8 CHAIR BRUSSELARS:

9 Any opposed?

10 NOES RESPOND

11 CHAIR BRUSSELARS:

12 Any abstentions? And  
13 the motion passes.

14 Oh, I had a question.  
15 There are some other assets in the ---  
16 are there any other entities on the  
17 watch list?

18 MR. GIOVANNELLI:

19 On our watch list right  
20 now? Ethos and Vesper.

21 CHAIR BRUSSELARS:

22 Okay.

23 And I noticed Mstone had  
24 below benchmark return over one, three  
25 in five years. Is that ---?

1                   MR. GIOVANNELLI:

2                   They're not on the watch  
3 list yet. I'll double back with my  
4 analysts, but I don't believe they're  
5 on there.

6                   CHAIR BRUSSELARS:

7                   And so why are Ethos and  
8 Vesper on the watch list, and how long  
9 have they been on the watch list?

10                  MR. GIOVANNELLI:

11                  Ethos just went on. And  
12 so did Vesper, actually. Just go on  
13 this quarter.

14                  First quarter, yeah,  
15 basically January. So follow up, so  
16 there'll be a period of time of  
17 monitoring before any recommendations?  
18 One, four.

19                  CHAIR BRUSSELARS:

20                  Yeah, typical.

21                  MR. GIOVANNELLI:

22                  When you first go on a  
23 watch list, that there's some, you  
24 know, there's much more longer term to  
25 it, you know. I apologize. That's on

1 me, that I didn't bring it up in the  
2 last six to nine months, you know, on  
3 that end, but ---.

4 CHAIR BRUSSELARS:

5 Well, and I ---.

6 MR. GIOVANNELLI:

7 But as I said, they've  
8 been on for a considerable amount of  
9 time.

10 CHAIR BRUSSELARS:

11 Yeah. I just want to  
12 --- like, I had a slight concern, just  
13 from the way you phrased it, that  
14 since --- since the emerging managers  
15 was towards the top of their range, we  
16 were pull --- we were looking hard.  
17 It felt like these were getting moved  
18 now because were towards the top of  
19 the range.

20 MR. GIOVANNELLI:

21 No, it was --- it was a  
22 reality of, we were going to come in  
23 and say, take 4 million from this  
24 manager, and take 4 million from this  
25 manager. And then we looked and we're

1 like, you know, these two managers are  
2 going to be removed in short order.  
3 We're going to be making that  
4 recommendation anyway. So at that  
5 point, it just made sense to make it  
6 now.

7 CHAIR BRUSSELARS:

8 Okay. Thank you.  
9 Are there any other  
10 questions for Perry?

11 MR. PUZAK:

12 See, it's my position.  
13 It makes a lot of people uncomfortable  
14 by doing this process, because, you  
15 know, we should have been informed.  
16 Frankie's right, a hundred percent.  
17 And at least we would have had time.  
18 But I also believe that I don't like  
19 to procrastinate, and I don't like to  
20 go against, you know, the consultants  
21 in regards to what's going on.

22 So I'm not sure how much  
23 by extending it would have made any  
24 difference. But on the other hand, I  
25 believe there was a process that we

1 didn't go through, you know, for these  
2 managers as far as that. Now, do you  
3 call them up on the phone or are they  
4 aware of this?

5 MR. GIOVANNELLI:

6 I've already talked to  
7 the one manager. I still have to  
8 follow up with the other.

9 MR. PUZAK:

10 Okay.

11 So you got one more to  
12 go to talk to.

13 MR. GIOVANNELLI:

14 Right.

15 MR. PUZAK:

16 Is that correct? Yeah.  
17 Now, how do --- what do you do as far  
18 as terminate their --- take their  
19 funds and allocate it in some other  
20 place?

21 MR. GIOVANNELLI:

22 Well, this money will go  
23 back into the main plan because I knew  
24 overall we were reducing our ---.

25 MR. PUZAK:

1 All right.

2 So who else will be  
3 responsible for that money?

4 MR. GIOVANNELLI:

5 It'll probably fall into  
6 your cash, I would assume, first,  
7 before it goes anywhere else.

8 CHAIR BRUSSELARS:

9 Right.

10 MR. BROKAW:

11 Right. So it's a total  
12 of about \$10 million, I believe.

13 MR. GIOVANNELLI:

14 Just over.

15 MR. BROKAW:

16 Yeah.

17 MR. PUZAK:

18 For both companies or  
19 just one?

20 MR. BROKAW:

21 Yeah, it's both.

22 MR. GIOVANNELLI:

23 For both companies, it  
24 totals up to be almost \$11 million.  
25 It's like \$10.8 million.

1                   MR. PUZAK:

2                   \$11 million.

3                   MR. GIOVANNELLI:

4                   Yeah.

5                   MR. BROKAW:

6                   Yeah. And with the  
7 monthly cash requirement of somewhere  
8 in between \$5 and \$7 million, that can  
9 go into cash and be used for the cash  
10 flow of the plan.

11                   MR. PUZAK:

12                   So that's my position as  
13 far as, you know, me recusing myself  
14 or abstaining or whatever.

15                   Erica, did I give you  
16 answer?

17                   CHAIR BRUSSELARS:

18                   You have different  
19 opinions than I do about public board  
20 abstention reasons. No, I understand.  
21 Like, I don't like this situation,  
22 either, of this being the first time  
23 we're seeing it in print. But I also  
24 --- and Frank and I talked about this  
25 a little bit. I agree with you. Once



1 we know, once we also gain the  
2 understanding today that we didn't  
3 necessarily have before, that the  
4 managers have been communicated with  
5 previously. I think on behalf of the  
6 taxpayers and employees, retirees in  
7 this plan, we owe it to them to do  
8 what we think is the best thing, which  
9 is to do it now.

10 Also, Perry, then I'll  
11 let you go. I think it also would  
12 have been helpful if, on the summary,  
13 you'd include the asset values.

14 MR. GIOVANNELLI:

15 Okay.

16 CHAIR BRUSSELARS:

17 Go ahead.

18 MR. PUZAK:

19 No, I know this process  
20 is not easy. It's difficult for  
21 everybody, but it happened and it's  
22 the way it goes.

23 MR. GIOVANNELLI:

24 All right, thank you.

25 CHAIR BRUSSELARS:

1                   Thank you. Next on the  
2 agenda is new business, an update from  
3 the RFP committee.

4                   MS. ROKA:

5                   The committee met  
6 earlier this month and drafted the  
7 RFP, and it's included in the Board  
8 materials.

9                   CHAIR BRUSSELARS:

10                   Thank you. Thank you.

11                   Yeah, we have a drafted  
12 RFP, and I would just --- yeah. So  
13 folks --- it's available for folks to  
14 review. Are there any other questions  
15 around the RFP? RFP committee?

16                   The next item is an  
17 update on retirement board bylaws.  
18 Brian drafted retirement board bylaws.  
19 They're included in the packet. I  
20 hadn't taken a first pass with them at  
21 all before they were included. If  
22 folks could read through them before  
23 next month, I think we could have a  
24 --- I'd like to have a discussion at  
25 next month's meeting if we'd like to

1 review and discuss them in the whole,  
2 or if we'd like to do that on a  
3 committee level. So if you could  
4 think about that as you're taking a  
5 look at them.

6 Are there any other  
7 items? I'll entertain a motion to  
8 adjourn.

9 MR. PUZAK:

10 Make that motion.

11 CHAIR BRUSSELARS:

12 All in favor?

13 AYES RESPOND

14 CHAIR BRUSSELARS:

15 We're already gone.

16 Bye. Meeting's adjourned.

17 \* \* \* \* \*

18 MEETING CONCLUDED AT 1:10 P.M.

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CERTIFICATE

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 8th day of May, 2024



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Chelsea Curry,

Court Reporter