The regular monthly meeting of the Retirement Board of Allegheny County was held on November 19, 2020 via Teams Meeting/Conference Call. The meeting was called to order at 12:09 pm.

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

Also, in attendance: Walter Szymanski, Manager, Retirement Office and Brian Gabriel, Campbell Durrant, Solicitor, David Lindberg and Craig Morton, Wilshire Consulting, and Ed Boyer, Asset Strategy.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

No public comments were made.

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the minutes of the October 15, 2020 board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the September 2020 Financial Statements. The reports are generated by the Controller’s Office Board Secretary.

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet
APPROVAL OF INVOICES

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the November 2020 Invoices.

NOVEMBER VENDOR EXPENSES

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<tr>
<th>VENDOR</th>
<th>DATE</th>
<th>AMOUNT</th>
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<tr>
<td>GRIDIRON PARTNERS MGMT PARTNERS-FI</td>
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<td>GRIDIRON MGMT PARTNERS-MA</td>
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<td>CIM INVESTMENT MANAGEMENT (Small Cap)</td>
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<tr>
<td>CIM INVESTMENT MANAGEMENT (Israel Bonds)</td>
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<tr>
<td>FEDERATED (High Yield)</td>
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<td>TWIN CAPITAL MANGEMENT</td>
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Total Vendor Invoices for Approval $341,526.96
PENSION APPLICATIONS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve pension applications filed with the Retirement Office for the month of November 2020.

- Early Voluntary - 8
- Full Retirement – 10

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to grant the disability application of member #082111 upon the recommendation of three designated physicians that the member IS totally and permanently disabled from gainful employment in Allegheny County.

MANAGER’S REPORT

Walter Szymanski

The Dashboard Retiree Payroll is up 6.83%, YTD. Total Contribution Made are up 4.87%. Contributions Refunded up 4.89%. Paid Claims are up 14.83%. Total Retirements on the year down -5.44%. Pension Estimates are down -12.52%. Calls are up 52.10%. Walk Ins are down -60.51%. Capital Calls are down -17.55%. Capital Calls as of prior board meeting $1,375,907.95

The Office Budget is as of October 31, 2020.

Mr. DiCristofaro questioned if there currently a hiring freeze within the county. Ms. Liptak informed the members the County Manager ordered a hiring freeze of all non-essential positions at this time.

Board Approval Requests

1. Approval requested to extend the Schneider Downs contract for payroll assistance with Tyler for an extended 12-month period with an expiration date of 12/31/2021. The contract terms are $3,000 per quarter and includes four visits a year, greater than four visits will be billed hourly. No change to the terms of the contract from the current year.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the extension of the Schneider Downs contract for payroll assistance, expiration date of 12/31/2021. The contract terms are $3,000 per quarter and includes four visits a year, greater than four visits will be billed hourly.
2. Approval requested to renew the Labor Management Trust Fiduciary Liability Insurance. The policy would be effective from January 19, 2021 to January 19, 2022, at the cost of $45,353.00.

   The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the renewal of the Labor Management Trust Fiduciary Liability Insurance for $45,353.00, effective January 19, 2021 through January 19, 2022.

Board Update
The draft of the 2021 budget, which includes salaries for 4 positions and a $200,000 down payment for the new pension software, is included in the board materials for review. Questions or concerns are to be directed to Walt Szymanski, Manager, Allegheny County Retirement Office.

Upon a question from Mr. Weinstein regarding the disability case report that comes from Phase XIV, Mr. Szymanski will research if anyone under 60 years old is being reexamined for disability claims.

SOLICITOR’S REPORT

   Brian Gabriel
   The solicitor’s report is current as of November 12, 2020.

CONSULTANT’S REPORT

   Wilshire

   David Lindberg

   • For the third quarter, U.S. equity (Wilshire 5000 Index) return is up 9%, GDP up over 30%. YTD through September US Equity up 5.50%. Three drivers of the markets are hopes for a stimulus package, COVID19 vaccine, and the presidential election.
   • October Monthly Perspectives: Non-US Equity, MSCI ACWI ex USA, down -7.50% YTD while US Markets are up 3.2% YTD through October. Good recovery happening in November.
   • Fixed Income, Bloomberg Barclays US Aggregate down -0.45% in October, but up 6.32%YTD as returns on fixed income YTD are strong thanks to falling interest rates.

   Craig Morton
• September Flash Report: ended with $941 million. Cash balance at the end of September was $3.7 million at the end of the quarter. Remain overweight in equities.
• Total Fund, page 3, month of September down -1.10% outperformed policy index by 50 basis points. Non-US Equity outperformed by 70 basis points and 4.7% for the year to date period.
• Real Estate Composite outperforming YTD 1.06%, one month 0.44%. Hedge Fund Composite lagged benchmark by -6.56% YTD and -1.91% one month. MLP Composite outperforming benchmark by 6.71% YTD and 2.80% one month.
• Earnest Small Value outperforming YTD by 10.66% and QTD by 1.57%. Emerald Advisors also adding value, Small Cap by YTD 5.82% and QTD 2.44% and Emerald Advisors All Cap (EMWO) by YTD 5.87% and QTD 1.99%
• Baillie Gifford Intl Equity key driver of performance, YTD outperforming by 15.58, while FIAM Select Intl Equity YTD by 4.27.
• Federated outperforming YTD by 2.18%
• Gridiron Capital Fixed Income down -8.29% relative to benchmark, however QTD up 3.18%.

David Lindberg, Wilshire Consulting, on behalf of the Wilshire Team, thanked the board for the last 13 years, they have been honored to have been able to work with the board and the retirement office. He wished everyone well and hope to see or work with you in the future.

Mr. Weinstein, President RBAC, on behalf of the board, thanked David Lindberg and his team at Wilshire for their work through the years.

Asset Strategy

Ed Boyer
Constitution Capital is asking limited partners invested in the above referenced fund to approve an amendment to the previously amended and restated limited partnership agreement dated June 5, 2013. The proposed amendment asks permission to increase the limit allowed for reinvestment of proceeds that represent a return of capital from 20% to 25% of aggregate capital commitments. Fund III has fully exhausted the 20% limit, as the Fund had some early realizations and redeployed capital at that time. Considering the uncertainty surrounding Covid-19 and its future impact on the valuations of certain companies in the Fund, Constitution Capital believes this request will give them the flexibility to address any future capital needs to support their underlying companies.

Constitution Capital anticipates making distributions in December 2020. They will be sending those cash distributions back to investors. In the event the manager deems it necessary to recall the additional 5% return of capital, they will first use their line of credit and then refund the recallable capital from future realizations. This will hopefully avoid having to issue future capital calls of funds that had previously been returned to limited partners.
We recommend signing the consent as this amendment gives the manager the needed financial flexibility to support their portfolio companies if such support is deemed necessary in this challenging environment.

**Mr Weinstein** questioned if there will be an additional allocation being given to Ironside. Mr. Boyer confirmed, there will be no new commitments.

**Ms. Liptak** questioned what benefit is this to the fund or pensioners or does it benefit the company? Mr. Boyer stated this action request is proactive and will benefit the Retirement system, not the company. Allows Ironside to be prepared during an unanticipated need for additional capital to support their operations and see them over a hurdle due mostly to COVID19. Company would only be acting in a fiduciary way for the best possible outcome.

**Ms. Liptak** – if the companies that the funds are invested in through this extra 5% go under, what is the result of that? Mr. Boyer stated the company would lose; as with any investment, the company would lose money or must sell at a loss. The 5% helps to ensure they get the outcome they want on the initial investment and it adds a risk if a particular company fails to achieve the goals. Constitution has been a good performer and is requesting this in the best interest of their investors which includes the pensioners. Approximately 49% of their investors have approved to the additional 5%, looking to get 50%

*The board unanimously approved a motion by Sarah Roka, duly seconded by Jennifer Liptak, to approve the request to change Ironside percentage from 20% to 25% with an additional 5%.*

**Cowden**

**Brad Rigby**

Presenting the 1/1/2020 Actuary Evaluation Results. The report contains information that enables the Retirement Board to assess the financial well-being of the Pension Fund. Comparing assets to liabilities, results are Total Fund Status Ratio 75.9% for 2020 and 73.2% for 2019. No changes in assumptions liabilities.

Mr. Weinstein – the Contribution Rate sub committee has been meeting and will have a recommendation at the next board meeting.

*The board unanimously approved a motion by Frank DiCristiofaro, duly seconded by Sarah Roka, to approve the Actuary Evaluation Results.*

**NEW BUSINESS**
No new business.

Next board meeting December 17, 2020

Have a blessed and safe Thanksgiving.

ADJOURMENT

The Board unanimously approved a motion by John Weinstein to adjourn at 12:36 pm.

Respectfully submitted,

Chelsa Wagner, Secretary