

RETIREMENT BOARD  
OF ALLEGHENY COUNTY  
\* \* \* \* \*  
MAY 2024 BOARD MEETING  
\* \* \* \* \*

BEFORE: ERICA ROCCHI BRUSSELARS,  
Chair  
Sarah Roka, Member  
Frank DiCristofaro, Member  
Jennifer Liptak, Member  
Amy Weise Clements, on  
Behalf of Corey O'Connor

HEARING: Thursday, May 16, 2024  
12:03 p.m.

LOCATION: County Courthouse  
436 Grant Street  
Gold Room  
Pittsburgh PA 15219

Reporter: Deanna Heckel  
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BRIAN GABRIEL, ESQUIRE  
Cambell Durrant, P.C.  
535 Smithfield Street  
Suite 700  
Pittsburgh, PA 15222  
Solicitor

Also Present:  
Walter Szymanski  
Brad Rigby  
Chris Brokaw  
Tim Walters  
Ed Boyer  
Perry Giovannelli

I N D E X

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P R O C E E D I N G S

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CHAIR:

All right. We'll call the meeting to order, the Retirement Board of Allegheny County. And we will stand, if you're able, for the Pledge of Allegiance.

---

(WHEREUPON, PLEDGE OF ALLEGIANCE RECITED.)

---

CHAIR:

Walt, would you take a roll call?

MR. SZYMANSKI:

Yes. Ted Puzak?

NO RESPONSE

MR. SZYMANSKI:

Corey O'Connor?

MS. WEISE CLEMENTS:

Amy Weise Clements here on behalf of Corey O'Connor.

MR. SZYMANSKI:

Sara Innamorato?

1 NO RESPONSE

2 MR. SZYMANSKI:

3 Frank DiCristofaro?

4 MR. DICRISTOFARO:

5 Present.

6 MR. SZYMANSKI:

7 Jennifer Liptak?

8 MS. LIPTAK:

9 Here.

10 MR. SZYMANSKI:

11 Sarah Roka?

12 MS. ROKA:

13 Here.

14 MR. SZYMANSKI:

15 Erica Brusselars?

16 CHAIR:

17 Here.

18 Do we have anyone signed  
19 up for public comment?

20 MR. SZYMANSKI:

21 We do not.

22 CHAIR:

23 All right. Moving on to  
24 Board approval. Motion to approve  
25 Board meeting minutes from April 18th,

1 2024 Board meeting.

2 MR. DICRISTOFARO:

3 Make that motion.

4 MS. ROKA:

5 Second.

6 CHAIR:

7 Hearing a motion and a  
8 second. Is there any discussion?

9 NO RESPONSE

10 CHAIR:

11 All in favor say aye.

12 AYES RESPOND

13 CHAIR:

14 Any opposed or  
15 abstaining?

16 NO RESPONSE

17 CHAIR:

18 The motion passes.

19 Next is a motion to  
20 accept the financial statements, which  
21 include the pension fund assets, the  
22 statement of changes in plan net assets  
23 and the RBAC balance sheet for March  
24 2024.

25 MR. DICRISTOFARO:

1 Make that motion.

2 MS. ROKA:

3 Second.

4 CHAIR:

5 Thank you. Hearing a  
6 motion a second. Do we have any  
7 discussion?

8 NO RESPONSE

9 CHAIR:

10 Hearing none, all in  
11 favor say aye.

12 AYES RESPOND

13 CHAIR:

14 Any opposed or  
15 abstaining?

16 NO RESPONSE

17 CHAIR:

18 No? The motion passes.

19 Last is --- of the Board  
20 approval section, motion to approve the  
21 May 2024 invoices in the amount of  
22 \$313,708.13 and submit for payment.

23 MR. DICRISTOFARO:

24 I'll make that motion.

25 MS. ROKA:



1 Second.

2 CHAIR:

3 Hearing a motion and a  
4 second. Is there any discussion?

5 NO RESPONSE

6 CHAIR:

7 All in favor say aye.

8 AYES RESPOND

9 CHAIR:

10 Any opposed or  
11 abstaining?

12 NO RESPONSE

13 CHAIR:

14 The motion passes.

15 Next we have

16 applications. Looking for a motion to  
17 approve the May 2024 applications,  
18 which include 3 early voluntary, 11  
19 full retirement, 1 disability and 1  
20 payment plan.

21 MR. DICRISTOFARO:

22 I'll make that motion.

23 MS. ROKA:

24 Second.

25 CHAIR:

1                   Hearing a motion and a  
2                   second. Is there any discussion?

3                   NO RESPONSE

4                   CHAIR:

5                   Hearing no discussion.  
6                   All in favor say aye.

7                   AYES RESPOND

8                   CHAIR:

9                   Any opposed or  
10                  abstaining?

11                  NO RESPONSE

12                  CHAIR:

13                  The motion passes.

14                  Reports. Walt?

15                  MR. SZYMANSKI:

16                  Thank you. If you turn  
17                  to the manager section of the board  
18                  book I'll highlight some areas on the  
19                  dashboard for the month. So retiree  
20                  payroll was up eight percent at 11.9  
21                  million as compared to 11.42 million  
22                  this time last year. Contributions are  
23                  up 9.1 percent. Contributions refunded  
24                  are up about 12.47 percent. Total  
25                  retirements are up over here, 20.39

1 percent from 124 this year compared to  
2 103 last year.

3 If you turn to the next  
4 page, pension estimates are up 8.52  
5 percent. Capital calls as of the last  
6 meeting were 390,366.27. I've also  
7 included a new section under the  
8 investment section of the dashboard as  
9 distributions, as requested at the  
10 prior meeting. So our total  
11 distributions year-to-date have been 31  
12 for \$6.3 million. There's also a  
13 section under Mr. Boyer's report that  
14 lists them all out, but I know we  
15 wanted to capture it in my report, just  
16 to list distribution. So moving  
17 forward, that will just add to it  
18 monthly for the year. Then next year  
19 we'll have a comparison.

20 I have the office budget  
21 as of April 30th, 2024. Are there any  
22 questions on the dashboard and/or the  
23 budget?

24 CHAIR:

25 I had a question back to

1 the investment section.

2 MR. SZYMANSKI:

3 Okay.

4 CHAIR:

5 Thank you --- thank you  
6 for putting that in and detailing the  
7 capital calls and the disbursements out  
8 of the private equity portfolio. What  
9 is the termination section?

10 MR. SZYMANSKI:

11 So the terminations were  
12 the two managers from last meeting that  
13 was recommended by PFM to terminate.

14 CHAIR:

15 Okay.

16 MR. SZYMANSKI:

17 So that's an estimated  
18 amount of what ---

19 CHAIR:

20 Okay.

21 MR. SZYMANSKI:

22 --- the two investments  
23 were worth.

24 CHAIR:

25 Okay.

1                   MR. SZYMANSKI:

2                   I'll have a final number  
3                   once we get them liquidated.

4                   CHAIR:

5                   Yeah. I had --- I don't  
6                   know if this is for yet --- yet. I  
7                   know you all have moved to updated  
8                   pension software, and I was wondering  
9                   if there's any updates, just on how  
10                  that's going since ---.

11                  MR. SZYMANSKI:

12                  So the updated pension  
13                  software is going well. We are having  
14                  weekly meetings with the Koryak team  
15                  coming into our offices. We just had a  
16                  bunch of enhancements that were  
17                  completed earlier this week. There are  
18                  a few more we are still working on.  
19                  And we're anticipating a beta test of  
20                  the new online calculator ---  
21                  calculator sometime in June or July.

22                  We're planning on pulling  
23                  down the current calculator with Tyler  
24                  Technologies at the end of the month.  
25                  So I know we'll have a lot more calls

1 and so forth coming into the office,  
2 but we don't want bad data going out to  
3 members.

4 CHAIR:

5 About how many do you  
6 have online monthly at this point? Is  
7 it ---?

8 MR. SZYMANSKI:

9 We don't --- we haven't  
10 been able to track it as well since  
11 Tyler doesn't support us anymore.

12 CHAIR:

13 Okay.

14 MR. SZYMANSKI:

15 But I would, on average,  
16 probably say a couple hundred  
17 because ---

18 CHAIR:

19 Okay.

20 MR. SZYMANSKI:

21 --- most people that do  
22 run them will call us to verify what  
23 their estimate is. So it's a pretty  
24 high number.

25 CHAIR:

1                   And is that open to  
2 actives and terminated or ---?

3                   MR. SZYMANSKI:

4                   So estimates are just  
5 open to actives.

6                   CHAIR:

7                   Okay.

8                   MR. SZYMANSKI:

9                   And you have to access it  
10 from a county computer.

11                   CHAIR:

12                   Okay.

13                   MR. SZYMANSKI:

14                   And the new Koryak  
15 software will be as similar, where you  
16 have to be able to log in, get a  
17 verification code, and then, I believe,  
18 log into the new system.

19                   CHAIR:

20                   Thank you.

21                   MR. SZYMANSKI:

22                   And we are developing,  
23 probably later in the year, like an  
24 online retirement portal as well. That  
25 retirees can log in, update

1 beneficiaries, and so forth.

2 CHAIR:

3 Thank you.

4 MR. SZYMANSKI:

5 You're welcome.

6 And then I have three  
7 items. One is for Board approval. The  
8 other are for review. So the first is  
9 requesting the acceptance and vote on  
10 Appeal Number 2024-1, in which the  
11 Board, having received and reviewed a  
12 report and recommendation, vote on  
13 whether to approve and adopt the  
14 proposed findings, conclusions and  
15 recommendation of the hearing officer  
16 in Appeal 2024-1 thereby denying the  
17 appeal.

18 CHAIR:

19 And as a reminder for  
20 those with packets, this is in that  
21 separate manager's report piece.  
22 That's like a handout. So we're  
23 looking for a motion to ---.

24 MR. SZYMANSKI:

25 A motion to accept and



1 deny the appeal.

2 CHAIR:

3 Accept the recommendation  
4 and deny the appeal?

5 MR. SZYMANSKI:

6 Yes.

7 CHAIR:

8 Yeah.

9 Do we have a motion to  
10 accept the recommendation that we deny  
11 Appeal Number 2024-1?

12 MR. DICRISTOFARO:

13 I'll make that motion.

14 MS. WEISE CLEMENTS:

15 Second.

16 CHAIR:

17 Hearing a motion and a  
18 second. Is there any discussion?

19 NO RESPONSE

20 CHAIR:

21 Hearing a discussion, all  
22 in favor say aye.

23 AYES RESPOND

24 CHAIR:

25 And any opposed or

1       abstaining?

2       NO RESPONSE

3                   CHAIR:

4                   The motion passes.

5                   MR. SZYMANSKI:

6                   Thank you.

7                   So next on your list  
8 would be requesting the Board to review  
9 the proposal with WTax. This would be  
10 to monitor and reclaim tax on foreign  
11 investments. I've included the  
12 proposal to review for next month. I  
13 have reached out to one other firm and  
14 have not had a response back yet. So  
15 we will to try to do another proposal  
16 as well. But what this is for any  
17 investments in foreign countries, this  
18 service would go out, reclaim these  
19 funds for the Board, and then they keep  
20 a percentage or fee off the total claim  
21 that they get for the year.

22                   CHAIR:

23                   And can --- can you all  
24 remind us which funds we hold where  
25 there's this sort of investment that

1 generates this sort of situation?

2 MR. SZYMANSKI:

3 So this --- go ahead.

4 MR. BROKAW:

5 Yeah. It was --- all of  
6 the current claims that triggered this  
7 search came from Segall Bryant &  
8 Hamill. So it's only related to  
9 international equity investments.

10 CHAIR:

11 And so how much do we  
12 have at Segall Bryant & Hamill, ish?

13 MR. WALTERS:

14 Forty (40) ---

15 MR. BROKAW:

16 Forty (40) ---.

17 MR. WALTERS:

18 --- million.

19 CHAIR:

20 Okay. And do we have a  
21 feel for how much in taxes? So these  
22 are international taxes that the fund  
23 sort of has to pay at the time, and  
24 then somebody, us, has to go requesting  
25 them back. Right?

1                   MR. BROKAW:

2                   Correct.

3                   MR. SZYMANSKI:

4                   Correct.

5                   CHAIR:

6                   And it's very hard  
7                   administratively to do that in a whole  
8                   like way. Do we have a guess of how  
9                   much in taxes is out there?

10                  MR. SZYMANSKI:

11                  This year it was around  
12                  100,000 to 120,000.

13                  CHAIR:

14                  Okay. And so from our  
15                  conversation from this vendor, WTaxes  
16                  Experience, like retirement boards are  
17                  bad at getting this done.

18                  MR. SZYMANSKI:

19                  It's not so much that the  
20                  boards are bad. It's the custodians at  
21                  a point now don't recommend tax advice.  
22                  So they kind of tell you what needs  
23                  done. But what this firm would do  
24                  would have access to the BNY platform.  
25                  They would be on top of it and looking

1 for them more often other than just  
2 being told three months before it's  
3 about to expire.

4 CHAIR:

5 Yeah?

6 MR. BROKAW:

7 I would also add that  
8 since they're proactive and it's not  
9 the three months before it expires, a  
10 lot of the requests are for --- I  
11 should say are related to dividends  
12 that were paid three years in the past.  
13 And so part of the value proposition is  
14 getting the money that, I sound like a  
15 personal injury lawyer, getting the  
16 money that you deserve today, rather  
17 than waiting for three years. And, you  
18 know, if you discount that by, you  
19 know, five or six percent, it's very  
20 meaningful.

21 CHAIR:

22 And so --- what's the  
23 question? Do --- so his is our ---  
24 like our --- the return we see on your  
25 report ---

1                   MR. BROKAW:

2                   --- like reflects the  
3 fact that taxes are collected and we're  
4 not getting earnings on that.

5                   So does it --- is it fair to say  
6 that what we see as returned for this  
7 fund reflects the money that we're  
8 basically paying these taxes and never  
9 getting them back?

10                   MR. BROKAW:

11                   Correct.

12                   CHAIR:

13                   Okay.

14                   MR. BROKAW:

15                   Yes.

16                   CHAIR:

17                   So this will be just like  
18 enhanced return. Okay.

19                   MR. BROKAW:

20                   Yes.

21                   CHAIR:

22                   Okay. And I know Walt,  
23 as he was looking into this, was having  
24 trouble finding another ---

25                   MR. SZYMANSKI:

1 Vendor.

2 CHAIR:

3 --- any other vendors.

4 MR. SZYMANSKI:

5 Yeah.

6 CHAIR:

7 I have just today  
8 messaged someone I knew and they gave  
9 me a name that was like, S and P  
10 something. So I can touch base with  
11 you ---

12 MR. SZYMANSKI:

13 Okay.

14 CHAIR:

15 --- on reaching out to  
16 them. But it sounds like a rough  
17 field.

18 MR. BROKAW:

19 Right. And I think the  
20 other vendor that Walt referenced was a  
21 vendor that I spoke with in the past.  
22 Another one of my clients has a similar  
23 issue.

24 CHAIR:

25 Yeah.

1                   MR. BROKAW:

2                   And long story short, of  
3 course, you should look at multiple  
4 vendors if they're available. They ---  
5 I would not recommend them.

6                   CHAIR:

7                   And is --- can we check  
8 on if this vendor that we're talking  
9 about is on COSTARS, or is there any  
10 --- is there any other due diligence  
11 that Jen or anybody would recommend?

12                   MS. LIPTAK:

13                   I just think that --- I  
14 don't know what the value of this ---  
15 they earn based upon a percentage of  
16 the ---?

17                   MR. SZYMANSKI:

18                   They earn a  
19 percentage ---.

20                   CHAIR:

21                   It's 15 percent.

22                   MR. SZYMANSKI:

23                   --- based upon --- yeah,  
24 on ---.

25                   MS. LIPTAK:



1                   So I just --- I think the  
2 best practice would be is to solicit  
3 proposals, review them, have your  
4 experts provided some type of matrix or  
5 review and then make a recommendation.  
6 I think that's the safest thing to do,  
7 right, to make sure it's a fair process  
8 for everyone.

9                   MR. SZYMANSKI:

10                   Okay.

11                   CHAIR:

12                   Yeah.

13                   MS. LIPTAK:

14                   Amy, right?

15                   MS. WEISE CLEMENTS:

16                   Yeah, I would agree.

17                   MS. LIPTAK:

18                   Okay.

19                   CHAIR:

20                   Okay. So Walt and I can  
21 touch base on how to --- how to solicit  
22 proposals there. Thank you.

23                   MR. SZYMANSKI:

24                   And then lastly, I have  
25 the --- excuse me, the 2023 annual

1 report. So I was going to ask for  
2 review, but soft approval today that if  
3 there's no changes, we can get that  
4 mailed out early next month. Because  
5 the printing process and the mailing  
6 would probably take a few weeks. So  
7 I'd like to get it out by midsummer.  
8 Or I can bring it back for approval  
9 next months. It's ---.

10 MS. LIPTAK:

11 I looked at it. I don't  
12 --- I mean, it's ---.

13 CHAIR:

14 Yeah.

15 MS. LIPTAK:

16 It's a very similar  
17 report. I can't speak to the accuracy  
18 of the numbers that would be ---.

19 MR. SZYMANSKI:

20 The controller's office  
21 reviewed the numbers so ---.

22 CHAIR:

23 Yeah. I have a few  
24 comments that I'll --- are probably  
25 just, like, formatting or that letter

1 from the president's page.

2 One question I did have,  
3 and I don't know if this is the forum  
4 for it. I know we've been at 7.75  
5 percent historically. And my  
6 understanding is there were potentially  
7 discussions at the end of last year  
8 about if that makes sense in the longer  
9 term. And if someone who's been on the  
10 Board longer could refresh my memory as  
11 to where those either discussions  
12 landed or what time in the calendar  
13 year we look at that --- that rate?

14 MS. LIPTAK:

15 I mean, I'll also  
16 provide, you know, opportunity for Brad  
17 if he chooses to comment. But  
18 generally those discussions occur when  
19 we're reviewing contribution rate,  
20 which we set annually. Sometimes we  
21 have those mini --- we have a mini  
22 review or year just depending upon, but  
23 usually in consultation with our  
24 actuary where we talk about that  
25 specific amount. And we have talked

1 about that for years. We most recently  
2 talked about it again about whether we  
3 should adjust it or not. So that could  
4 begin as early, or as late, just  
5 wherever, but it wouldn't be  
6 applied ---

7 CHAIR:

8 Sure.

9 MS. LIPTAK:

10 --- whenever we would  
11 decide to change it. Right? And we  
12 would have to do that via official  
13 Board action to adjust that rate. And  
14 then it would be applied at the period  
15 of time, right, I think would be  
16 recommended by the actuary. Right?

17 CHAIR:

18 Take a mic.

19 MR. RIGBY:

20 Yeah. I mean, I think a  
21 logical timeframe to readdress those  
22 conversations would be as we get into  
23 the valuation for 2024, which is  
24 something that happens kind of late  
25 summer, early fall as we go to complete

1 that valuation. We're in the process  
2 of a census update now, so we can bring  
3 forward some items to --- on a  
4 preliminary basis around that time.  
5 And if a decision is made to adjust  
6 that, we can reflect it for  
7 measurements as of 1/1/24, which would  
8 then get built into the projections and  
9 calculations we do for that  
10 contribution rate.

11 MS. LIPTAK:

12 Right. I do want to note  
13 that recommendations have been made and  
14 accepted by the --- by us, but made by  
15 our actuary related to changing how he  
16 calculates like life expectancy ---

17 MR. RIGBY:

18 Yep.

19 MS. LIPTAK:

20 --- and things like that.  
21 And that was most recently incorporated  
22 into some of our valuations. Correct?

23 MR. RIGBY:

24 That's Correct. Yeah.  
25 We updated that to the most recently

1 published table within the last couple  
2 of years. So that side of it is taken  
3 care of.

4 MS. LIPTAK:

5 The good thing is people  
6 are living longer. The bad thing  
7 is ---

8 MR. RIGBY:

9 Yeah.

10 MS. LIPTAK:

11 --- it doesn't help our  
12 pension.

13 MR. RIGBY:

14 That's right.

15 MS. LIPTAK:

16 But the good thing is  
17 people are living longer. So there  
18 have been adjustments I will say.

19 CHAIR:

20 Yeah. Yeah. Oh, yeah.

21 MS. LIPTAK:

22 --- that have occurred.  
23 And we usually take those  
24 recommendations from the actuary.

25 MR. RIGBY:

1 Uh-huh.

2 CHAIR:

3 Thank you, Jen. Thanks,  
4 Brad.

5 MR. RIGBY:

6 Yep.

7 MR. SZYMANSKI:

8 So do you want me to  
9 bring the report back next month for  
10 approval or are we good at approving it  
11 and just make a ---?

12 CHAIR:

13 Oh, sorry. Yeah. If  
14 we're okay to --- I'm like looking for  
15 some words. Yes. Is there --- so I'll  
16 have some I'd say minor editorial ---

17 MR. SZYMANSKI:

18 Yeah.

19 CHAIR:

20 --- comments, but aside  
21 from that, if we're all the overall  
22 content of the --- the report, I'd be  
23 looking for a motion to approve the  
24 2023 annual report.

25 MR. DICRISTOFARO:

1 I'll make that motion.

2 MS. LIPTAK:

3 Second.

4 CHAIR:

5 Hearing a motion and a  
6 second. Is there any further  
7 discussion?

8 NO RESPONSE

9 CHAIR:

10 Hearing none, all in  
11 favor say aye.

12 AYES RESPOND

13 CHAIR:

14 Any opposed or  
15 abstentions?

16 NO RESPONSE

17 CHAIR:

18 The motion passes.

19 MS. LIPTAK:

20 And that'll just be there  
21 may be some technical corrections to  
22 the letter that ---

23 CHAIR:

24 Yeah.

25 MS. LIPTAK:



1                    --- has your name of it.

2                    CHAIR:

3                    Yeah.

4                    MR. SZYMANSKI:

5                    Yeah.

6                    CHAIR:

7                    Thanks, Jen.

8                    MR. SZYMANSKI:

9                    Thank you very much.

10                  That's all I have this month, unless  
11                  there's any other questions.

12                  CHAIR:

13                  I had a question about  
14                  the Board seat. About Ted ---

15                  MR. SZYMANSKI:

16                  Yeah.

17                  CHAIR:

18                  --- will not be running  
19                  again. And can you give us an update?  
20                  Or maybe you can't because I know the  
21                  deadline is tomorrow. Any variety of  
22                  update you'd like to provide.

23                  MR. SZYMANSKI:

24                  I can provide an update.

25                  So we've had 13 individuals request the

1 nominating packet. We've had three  
2 returned so far. Once we validate all  
3 the signatures, next week the Board  
4 will email and an update on who did  
5 turn in, whose was validated, and who  
6 will be appearing on the ballot. On  
7 Tuesday, May 28th at 11:00 a.m. will be  
8 the diecast the elections office to  
9 have ballot position. After that, the  
10 ballots will be printed and sent to the  
11 mailroom for mailing and everybody will  
12 have, I believe up until the last  
13 Friday in June at 4:30 to turn their  
14 ballot in.

15                   Once we have them printed  
16 and it leaves our office Elections  
17 pretty much completely takes it over  
18 and handles it from there.

19                   CHAIR:

20                   Sorry. Could you say the  
21 mail date again or the approximate mail  
22 date?

23                   MR. SZYMANSKI:

24                   The approximate mail date  
25 should be the week of Memorial Day, so

1 by ---.

2 CHAIR:

3 Okay.

4 MR. SZYMANSKI:

5 I would like to get them  
6 out by Friday the 31st, if I can,  
7 depending on what the mailroom and the  
8 print shop's --- but then by Friday,  
9 June 28th they would be due back by  
10 4:30. Then the count --- the vote  
11 count would be Monday, July 1st in  
12 Elections.

13 CHAIR:

14 Okay. And historically  
15 has any of this information been put  
16 online about the people running or ---

17 MR. SZYMANSKI:

18 They get ---.

19 CHAIR:

20 --- or ballots are due or  
21 anything?

22 MR. SZYMANSKI:

23 When the --- yeah. So  
24 the election timeline that we approved  
25 in April is all on the website ---

1                   CHAIR:

2                   Okay.

3                   MR. SZYMANSKI:

4                   --- and posted in our  
5 hall. When the ballots go out,  
6 there'll be biographies on each one of  
7 the candidates.

8                   CHAIR:

9                   Okay.

10                  MR. SZYMANSKI:

11                  That's kind of our  
12 telling everybody who's running. And  
13 that's all included in that packet.

14                  CHAIR:

15                  All right. Thank you.

16                  Anything else for Walt?

17 Thank you, Walt.

18                  MR. SZYMANSKI:

19                  Thank you.

20                  CHAIR:

21                  Next up we have Mr.  
22 Brokaw. And --- oh, no. I tried to  
23 skip Brian. Sorry. Next we have Brian  
24 Gabriel, our solicitor.

25                  ATTORNEY GABRIEL:

1                   Thank you, Erica. The  
2                   solicitor's report is current as of May  
3                   9. I would note that the primary  
4                   updates are really on the back part of  
5                   the report, starting at page eight. So  
6                   they would include 7A, 7D, 8A through  
7                   8E. In terms of --- there are two  
8                   items where we anticipate they be on  
9                   the June agenda for the Board's  
10                  consideration, and those would be at 8A  
11                  and 8C.

12                   And 8C is the draft  
13                   resolution that's attached to the  
14                   solicitor's report for the Board's  
15                   review.

16                   MS. WEISE CLEMENTS:

17                   Page 11?

18                   CHAIR:

19                   Yeah.

20                   Generally related to  
21                   employee service buybacks, does --- is  
22                   that a thing that's initiated by an  
23                   employee or does the retirement office  
24                   like get a flag when somebody gets  
25                   rehired? Like here's a rehire. They

1 should be offered a buyback. Like in  
2 the regular universe how does that  
3 usually occur?

4 MR. SZYMANSKI:

5 The way it would occur is  
6 we go over that orientation, so when  
7 employees do come back they have that  
8 option.

9 CHAIR:

10 Okay.

11 MR. SZYMANSKI:

12 If they call and request  
13 it, they have the option.

14 CHAIR:

15 Okay.

16 MR. SZYMANSKI:

17 But we do notate at every  
18 new --- new hire orientation you have  
19 the ability to buy back prior service  
20 time, military time, and so forth.

21 CHAIR:

22 Okay. So it's not the  
23 retirement office's responsibility to  
24 identify ---

25 MR. SZYMANSKI:

1 No.

2 CHAIR:

3 --- people who would  
4 potentially be eligible for a service  
5 buyback. Okay.

6 MS. WEISE CLEMENTS:

7 I can just speak real  
8 quickly to the infamous T number that  
9 we all --- you know, you have your JD  
10 Edwards employee number and your T  
11 number.

12 MS. LIPTAK:

13 I like my T number.

14 MS. WEISE CLEMENTS:

15 We still keep T numbers  
16 because the retirement office needs  
17 their T numbers. So there's some due  
18 diligence when someone's rehired to  
19 make sure that we get that T number so  
20 that we have consistency with the  
21 retirement office.

22 CHAIR:

23 Okay. So they get their  
24 old T number back ---

25 MS. WEISE CLEMENTS:

1                   Yeah.

2                   CHAIR:

3                   --- effectively. Okay.

4                   Let me look at a couple of my flags.

5                   That's all my questions for now.

6                   Any other questions on  
7                   solicitor's report?

8                   NO RESPONSE

9                   CHAIR:

10                  Thank you, Brian.

11                  ATTORNEY GABRIEL:

12                  Thank you.

13                  CHAIR:

14                  Oh. I did have a  
15                  solicitor's report-related thing. Last  
16                  month we circulated in the packet some  
17                  draft bylaws. And I just wanted to  
18                  take the Board's temperature on if  
19                  they'd like to discuss bylaws, like in  
20                  --- as a whole committee or if we'd  
21                  prefer a subcommittee for that. I was  
22                  curious if anybody had thoughts. A  
23                  room full of non-strong opinions. All  
24                  right. well, let's read them and next  
25                  meeting will take --- we'll take



1        comments.    We'll have some time on next  
2        month's agenda for going over the draft  
3        bylaws.    Thank you, Brian.

4                    ATTORNEY GABRIEL:

5                    Thank you.

6                    CHAIR:

7                    Next up we have Mr.  
8        Brokaw and Mr. Walters from Mariner  
9        talking about much of our assets.

10                   MR. BROKAW:

11                   Thank you.    So you see on  
12        the agenda we have three separate  
13        items.    They're all informational.  
14        Excuse me.    The first, if you turn to  
15        page two, is an update, a market update  
16        through the end of April.    And after  
17        several months of good, strong positive  
18        returns, the market was a bit spooked  
19        by some of the positive news related to  
20        the economy.    And that may sound odd,  
21        but the positive news on the economy  
22        means that interest rate cuts are not  
23        as close as some of the market  
24        participants thought.    And the other  
25        item was inflation, higher than ---

1 higher than the Fed wants. After  
2 falling from nine percent in the summer  
3 of 2022, we seem to be stuck in between  
4 three and four percent. So it looks  
5 like some of those interest rate cuts  
6 have been pushed out. But the market  
7 is fickle. And through yesterday,  
8 after declining 4.08, the S&P 500 in  
9 the month of April, it is exactly at  
10 zero percent quarter to date yesterday.

11 So the beginning of May  
12 was a bit rosier. Those expectations  
13 for inflation and therefore interest  
14 rate cuts that I've referred to were a  
15 bit rosier. So long story short, that  
16 has more or less zeroed out the  
17 negative equity performance in the  
18 month. Interest rates have fallen a  
19 bit. So in the month of May, to date,  
20 some of that negative performance that  
21 you see in fixed income --- fixed  
22 income in the month of April was down  
23 2.53 percent. About half of that, two-  
24 thirds of it has been recovered in the  
25 month of May. So more volatility in

1 the market and expect there to be more  
2 in the future as the expectations for  
3 inflation and interest rate cuts  
4 continue to change. So that's the  
5 update for April.

6 Page three --- to change  
7 gears a little bit, page three through  
8 six is draft language for investment  
9 policy statements. We spoke at the  
10 last at least two meetings about watch  
11 lists and how managers are considered,  
12 you know, behaving according to plan or  
13 no. Within your investment policy  
14 statement there's no specific language  
15 that details what the criteria are.  
16 This language that you see on these  
17 four pages is sample language that we  
18 use with a number of public plans to  
19 memorialize in your investment policy  
20 statement the criteria that we would  
21 use when considering whether a manager  
22 is on the watch list or not. And this  
23 language here is comprehensive. You  
24 can think of it in terms of the  
25 criteria, in terms of qualitative and

1 quantitative. I'm turning to page  
2 four. What's labeled here, manager  
3 probation policy, that's really some of  
4 the specific guidelines related to ---  
5 and again, this policy, I know we use  
6 the word watch list, but it has several  
7 different criteria based on how ---  
8 let's say, how many issues a manager is  
9 having. You can be on monitor, which  
10 is the lowest level of review, watch  
11 list or comprehensive review, where we  
12 would really, you know, pull it apart,  
13 kick the tires and deliver a  
14 recommendation.

15 So if you continue  
16 turning through the page five that  
17 continues with the criteria. Again,  
18 some quantitative and some qualitative,  
19 and finishes up on page six outlining  
20 what comprehensive review entails. So  
21 this is a sample for your review. We  
22 can certainly include language like  
23 this or this language itself within  
24 your investment policy, but we can talk  
25 about it at the next meeting. I would

1 appreciate any of your comments,  
2 feedback on how to include this in your  
3 investment policy.

4 MR. DICRISTOFARO:

5 I have a quick question.

6 MR. BROKAW:

7 Yes.

8 MR. DICRISTOFARO:

9 Thank you for doing this.  
10 It's something I really wanted. Other  
11 members know this. I've been asking  
12 for this for a long time.

13 Now throughout every step  
14 of this would the board be notified  
15 when a manager is on every single step  
16 of this policy?

17 MR. BROKAW:

18 Yes.

19 MR. DICRISTOFARO:

20 All right. That's my  
21 only question. Thank you very much.

22 MR. BROKAW:

23 Absolutely.

24 MR. DICRISTOFARO:

25 Thank you.

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MR. WALTERS:

It would be our intent that a scorecard with the criteria and the manager's status appear in every quarterly report, not monthly flashes, but quarterly reports.

CHAIR:

And that's just the scorecard for the managers who aren't --- who are one of these phases, or is that every manager.

MR. WALTERS:

As this is drafted here, this deals with the total pension. So, you know, we want to look at the total pension and establish some criteria there and just, you know, report back how that's doing. And then a lot of the review is on the underlying manager. So line by line how they're doing versus the policy and stated guidelines.

CHAIR:

So we'd see --- we'd see ---.

1                   MR. WALTERS:

2                   You'd see potentially ---

3                   CHAIR:

4                   We'd see 90 scorecards in  
5 the quarterly report?

6                   MR. WALTERS:

7                   You would see two pages.

8                   MS. LIPTAK:

9                   I think.

10                  MR. WALTERS:

11                  One page in summary on  
12 the total fund. One page ---.

13                  MS. LIPTAK:

14                  It would be like a big  
15 matrix that would have all --- so it  
16 would be like a matrix with all these  
17 little lines and it would have scores.  
18 And normally they're different colors.  
19 I don't know if you guys would use a  
20 color system. But it would be scored,  
21 and it would have all the managers  
22 listed and where are they at in the  
23 rating. And then you could see over a  
24 period of time. That's just what I'm  
25 familiar with because I have these in

1 other funds that I'm a part of. And  
2 you see, over a period of time, a lot  
3 of the ones will stay in green. You'll  
4 see the one to start a move to, you  
5 know, yellow, orange, or red. That's  
6 my familiarity. There may be another  
7 way to present, but usually you have  
8 them all and you keep a monitor of  
9 them, and you see that on a quarterly,  
10 biannual or some type of basis.

11 MR. WALTERS:

12 Yes. Some ---.

13 MS. LIPTAK:

14 The fairest way to do it  
15 so you're looking at everyone.

16 MR. WALTERS:

17 Yes. Something very  
18 similar, as just described on a one-  
19 page summary. So it would not be 90  
20 individual pages.

21 CHAIR:

22 Okay.

23 MR. WALTERS:

24 We would have that behind  
25 the scenes.



1                   CHAIR:

2                   I hear card and I think,  
3                   like, you know, a card.

4                   MR. WALTERS:

5                   It would be a summary  
6                   page.

7                   CHAIR:

8                   Okay.

9                   MR. WALTERS:

10                  So this, if adopted, I  
11                  would anticipate adds two pages to the  
12                  quarterly report.

13                  CHAIR:

14                  And so is that --- you  
15                  said the whole investment portfolio.  
16                  Is that --- but excluding private  
17                  equity or that's including private  
18                  equity? Like, are you just --- what  
19                  are you --- like what would be  
20                  included?

21                  MR. WALTERS:

22                  Open for active  
23                  discussion ---

24                  CHAIR:

25                  Okay.

1                   MR. WALTERS:

2                   --- because private  
3 equity is on such a lag that it may not  
4 be an apples to apples comparison on  
5 how it could currently be defined or  
6 potentially could be defined or  
7 potentially could be defined.

8                   CHAIR:

9                   Okay.

10                  MS. LIPTAK:

11                  I have one more point. So  
12 I'm not --- and this is funny, because  
13 it sounds like I'm sticking up for Ed.  
14 Ed, you can take this, but private  
15 equity, he has his IRRs, and so we get  
16 a lot of information on where they're  
17 at like normally. But it is more  
18 difficult, I think, to monitor that,  
19 even though I would really like to see  
20 that. So I get what he's saying. Like  
21 I'd love to have them all in there and  
22 figure out how to do it. It's just ---  
23 it's just different for --- right, for  
24 private equity? But the other ones we  
25 should see. And I know I hold this

1 blank piece of paper up and it's like,  
2 oh yeah, you should know what I'm  
3 talking about. It's a blank piece of  
4 paper. But when you see what they'll  
5 present, it'll be very easy, at least  
6 what I'm familiar with. Very easy for  
7 us to like absorb and go, oh, here they  
8 are. Here's where they're at. They're  
9 doing great or they're --- they need be  
10 --- start to look at --- to watch. So  
11 this is very good.

12 MR. WALTERS:

13 The intent is the  
14 individual manager scores or  
15 calculations would be done on the  
16 traditional non-private equity  
17 managers.

18 CHAIR:

19 Okay. And so on timing,  
20 our next quarterly report is next month  
21 or this is a quarterly report we're  
22 looking --- we're about to look at.

23 MR. BROKAW:

24 So this is also ---

25 CHAIR:

1 Help me out on timing.

2 I'm new.

3 CHAIR:

4 --- open for discussion.

5 So the quarterly report, right around  
6 now, I share it with Walt. So for the  
7 first quarter.

8 CHAIR:

9 Okay.

10 MR. BROKAW:

11 When we review the  
12 reports in this meeting, we use the  
13 flash report. The quarterly report is  
14 about at this point 90, 100 pages. So  
15 that I share for, you know, review and  
16 there's individual manager pages in it.  
17 But for delivery at the meeting, we use  
18 the flash report.

19 CHAIR:

20 So does that mean that  
21 we've received the quarterly report and  
22 I just wasn't like reading my email  
23 great or ---?

24 MR. BROKAW:

25 No.

1                   CHAIR:

2                   Okay.

3                   MR. BROKAW:

4                   Not yet.

5                   CHAIR:

6                   Okay.

7                   MR. BROKAW:

8                   Okay. But we will?

9                   MR. BROKAW:

10                  You will.

11                  CHAIR:

12                  Typically it's just ---

13                  it's emailed out to the Board. It's

14                  not ---

15                  MR. BROKAW:

16                  Yes.

17                  CHAIR:

18                  --- discussed at a

19                  meeting?

20                  MR. SZYMANSKI:

21                  Yeah. It's emailed to

22                  the Board and then we post it to the

23                  website too.

24                  CHAIR:

25                  Okay. Thank you.

1                   MR. BROKAW:

2                   Yeah.

3                   MR. WALTERS:

4                   Mechanically, the  
5                   quarterly reports are usually available  
6                   about 45 days after the end of the  
7                   calendar quarter.

8                   CHAIR:

9                   Okay.

10                  MR. WALTERS:

11                  So the 1Q report about 45  
12                  days after, you know, middle of May.

13                  CHAIR:

14                  And I know we've talked  
15                  outside Board meetings about, you know,  
16                  where this Board historically has  
17                  looked at asset numbers monthly and  
18                  that that's --- like with these decent  
19                  sized reports and that's not  
20                  necessarily typical of what Boards are  
21                  doing.

22                  Can you speak a little  
23                  bit to like what you see other boards  
24                  --- like how often are they doing a  
25                  dive at their assets and what kind of

1 reporting are they looking at when they  
2 do it?

3 MR. BROKAW:

4 Do you want it?

5 MR. WALTERS:

6 Where this sample  
7 language came from is actually a client  
8 that I actively work on, so I'll ---

9 CHAIR:

10 Yeah.

11 MR. WALTERS:

12 --- just use them as a  
13 proxy.

14 CHAIR:

15 Yeah.

16 MR. WALTERS:

17 On a monthly basis they  
18 do meet as a board of trustees, but  
19 they serve as an investment committee  
20 to a larger group and they review their  
21 portfolio for two hours every month.  
22 That is atypical of any client that I  
23 deal with. More typical, it's on a  
24 quarterly basis. And then anyone that  
25 wants to do anything intra quarter,

1       it's more at an investment committee  
2       level reporting back to a bigger board.

3                   CHAIR:

4                   Okay.    Okay.

5                   MR. BROKAW:

6                   Ditto.

7                   CHAIR:

8                   Oh, go ahead.

9                   MS. LIPTAK:

10                  We meet monthly so I like  
11       to see the stuff monthly.

12                  CHAIR:

13                  That's fair.    Okay.

14                  MS. LIPTAK:

15                  We have meet monthly.

16       Right?

17                  CHAIR:

18                  Oh, no.    I don't disagree  
19       that we have to meet monthly.    I  
20       believe we have to meet monthly.  
21       Personally I think like we sit down and  
22       we look at what the assets did in a lot  
23       of different ways because the timing of  
24       our assets come in.    So I feel like  
25       we're talking about what just happened



1 in the market for the last month or  
2 month and a half really often, which to  
3 a fair degree I find is sort of  
4 irrelevant to the very long-term nature  
5 of a pension plan. So I just wanted to  
6 get a feel for what's done and being  
7 done. I'm not suggesting that we at  
8 this point do anything differently.  
9 Thank you. Okay. Keep going.

10 MR. BROKAW:

11 Okay. So that brings up  
12 --- you bring up a great point. We ---  
13 and Tim as well, in his conversation,  
14 we're open to any changes that the  
15 Board wants. We're here to provide the  
16 Board what the Board wants. So if  
17 there are any changes, if --- you know,  
18 once a quarter you do want more  
19 expansive information, if in other  
20 meetings you may want less, more, we'll  
21 do whatever ---

22 CHAIR:

23 Okay.

24 MR. BROKAW:

25 --- whatever you desire.

1                   So through the end of the  
2 first quarter, so if you turn to page  
3 nine, page nine you see the total fund  
4 through March 31st. Year-to-date  
5 performance up 2.23 percent. A lot of  
6 the performance driven by the equity  
7 market, large cap and especially large  
8 cap growth. Magnificent seven stocks  
9 continued to drive the market forward.  
10 So US equity, and again particularly  
11 large cap, producing strong returns in  
12 the quarter.

13                   International, non-US,  
14 also strong positive performance, but  
15 not quite what we saw in the US market.  
16 Those investments driven by value. So  
17 whereas the US is driven by growth and  
18 technology, value investments,  
19 including energy and financials  
20 contributing to the non-US equity.  
21 Core fixed income has experienced some  
22 significant volatility month to month  
23 as interest rates have bounced around,  
24 given the view on interest rate cuts,  
25 the Fed and also inflation. Your

1 portfolio has a little bit less  
2 volatility. You see in the year-to-  
3 date, more or less flat when the index  
4 was down 0.78 percent. High yield,  
5 that return unfortunately the return  
6 that's reported is missing half of the  
7 return. When we prepared the report,  
8 the returns from federated were not ---  
9 Federated Investors, which is half of  
10 the high yield investment, was not  
11 available. So that monthly return is  
12 more in line with the benchmark at  
13 1.18. So I apologize for that. But  
14 again, that's a reporting function and  
15 not an issue with the manager.

16 Private real estate,  
17 another area like fixed income, where  
18 your portfolio has a bit less  
19 volatility than the market. So  
20 unfortunately real estate is having a  
21 difficult time, but your portfolio has  
22 less general office exposure, which is  
23 the worst part of the market, still  
24 impacted by COVID effects and return to  
25 work, or as the case may be, people not

1       returning to the office. However,  
2       other parts of the market, like  
3       industrial and multifamily or  
4       apartments, doing better and offsetting  
5       some of that negative performance.

6                Infrastructure affected  
7       negatively by higher interest rates,  
8       but increasing volumes.

9       Infrastructure, a lot of --- you can  
10      think of toll roads, utilities, ports  
11      and airports, higher volumes adding to  
12      that positive performance. Private  
13      equity, I'll let Ed comment on some  
14      more specifics, but as Ed alluded to at  
15      the last meeting, less activity within  
16      private equity over the last 18, 24  
17      months as interest rates have risen.

18               Liquid policy portfolio  
19      in line with the index. And cash, at  
20      the end of the quarter, you do get some  
21      distributions from various investments.  
22      Of course, you know, net --- you need  
23      about \$6 million a month to fund the  
24      benefit payments. So that will be used  
25      for the benefit payments. So those are

1 all of my prepared comments on the  
2 portfolio and on performance. I'd be  
3 happy to answer any questions.

4 MS. WEISE CLEMENTS:

5 Yeah. Chris, just  
6 looking at that private real estate  
7 that's really concerning. It's a lot  
8 of money. It's just --- it's not even  
9 doing as well as our liquid policy.

10 MR. BROKAW:

11 Uh-huh.

12 MS. WEISE CLEMENTS:

13 So just your thoughts  
14 about should we pivot? I mean, is your  
15 recommendation to stay in this type of  
16 investment structure? Just very  
17 concerning the negative results there.

18 MR. BROKAW:

19 Right. So real estate  
20 was the only asset class that  
21 experienced positive performance in  
22 2022. So 2022, everything that was  
23 liquid; stocks, bonds, was negative and  
24 strongly negative. The real estate  
25 portfolio held up during that period.

1 It produced positive returns. Right  
2 now, the market, depending on who you  
3 listen to, who you follow, may be  
4 tending towards its bottom. That is,  
5 some of the office space has been  
6 written down anywhere from 25 percent  
7 to 50 percent in some portfolios.  
8 Fortunately, you don't have --- and  
9 that's the reason why the relative  
10 performance, even though it's negative,  
11 if you look over the past year, you're  
12 eight percent above the index because a  
13 lot of your investments are not in that  
14 office area.

15 And this is also a space  
16 where the emerging manager that's in  
17 the portfolio, Washington Alliance, has  
18 a bit of a unique niche in the market  
19 and has continued to produce positive  
20 returns. So that's a longer answer.  
21 The shorter answer is we want to stay  
22 invested in real estate. The asset  
23 class is out of favor. Fortunately,  
24 your managers are doing better than the  
25 market in general.

1                   And lastly, the largest  
2 investment within that portfolio, we  
3 are in a queue, and we're taking  
4 distributions from it. So it's a  
5 private investment. We asked for \$20  
6 million at some point in the past, I  
7 think it was five quarters ago, and  
8 we're continuing to receive  
9 distributions from it.

10                   MS. WEISE CLEMENTS:

11                   So we had funded like a  
12 like a private equity type structure,  
13 20 million of that total 111 million.

14                   MR. BROKAW:

15                   No. It's not a private  
16 equity structure. So a lot of real  
17 estate investors --- so it's a private  
18 but open-ended fund. So you make an  
19 investment at some time in the long  
20 distant past. This has been in your  
21 fund for I believe on the order of 20  
22 years. Morgan Stanley Prime Property  
23 Fund.

24                   MS. WEISE CLEMENTS:

25                   Okay.

1                   MR. BROKAW:

2                   You invested 50 million  
3                   --- \$50 million. Well, according to  
4                   the contract, anytime you want money,  
5                   you can ask for it. Also according to  
6                   the contract, if it is in their ---  
7                   management's determination, in the best  
8                   interest of shareholders not to  
9                   liquidate the portfolio to distribute  
10                  funds, they put up with a --- or we  
11                  refer to as a gate.

12                  So about five or six  
13                  quarters ago, we asked for \$20 million,  
14                  and so did a number of other investors.

15                  So there's a queue and we get a  
16                  portion of our request on a quarterly  
17                  basis.

18                  MS. WEISE CLEMENTS:

19                  Okay. So stay the course  
20                  for now.

21                  MR. BROKAW:

22                  Stay the course for now.

23                  MS. LIPTAK:

24                  Thanks.

25                  MS. LIPTAK:



1                   Erica, I have a question  
2 when you're done, too.

3                   CHAIR:

4                   Oh, you can go.

5                   MS. LIPTAK:

6                   So I have a question  
7 about some of the funds that we have  
8 that are making maybe one percent since  
9 inception. You know, there's a few.  
10 And I understand the categories are a  
11 little bit different. We have a few in  
12 US equity. It's not US equity. Let me  
13 just --- oh, a few, I'm sorry, in core  
14 fixed. You know, we have, oh jeez. We  
15 have Emstone Partners. We have F.N.B.,  
16 which I think 0.48, this month. We  
17 have some other ones throughout  
18 portfolio. And I don't want to call  
19 them out, particularly because, you  
20 know, they're, you know,  
21 institutionalized. We have, you know,  
22 good partners or whatever. But is  
23 there any reason why we're --- we have  
24 investments like that? These are small  
25 amounts of money and, you know, that

1 are making --- I mean, since inception  
2 some of these have made like one  
3 percent.

4 MR. BROKAW:

5 Uh-huh.

6 MS. LIPTAK:

7 Just like is there  
8 philosophy or rationale? Or is there a  
9 thought ---

10 MR. BROKAW:

11 Sure.

12 MS. LIPTAK:

13 --- that we start to look  
14 at these and say maybe we should look  
15 at that differently? I'm just asking.

16 MR. BROKAW:

17 Yeah. So some of the  
18 managers, you're referring to are  
19 managers in the emerging manager  
20 program. So if you're to focus on the  
21 asset size, that's why the asset size  
22 is small in those investments. To  
23 comment on the performance of --- and  
24 I'm looking at page 11. To comment on  
25 the performance of the managers, it has

1       been a difficult, if not, you might  
2       say, terrible time in fixed income.  
3       And if you look at the overall  
4       portfolio for three years, for  
5       instance, there's negative performance.  
6       That negative performance is over one  
7       percent above the benchmark. Yes, sir?

8                   MR. WALTERS:

9                   And then also, if you  
10       look at the since inception column  
11       there, while you're looking at the  
12       managers performance relative to their  
13       benchmark, while some may be very  
14       close, the opportunity is being matched  
15       by these managers relatively close to  
16       the benchmark. I don't want to comment  
17       on PFM's portfolio, but just looking at  
18       F.N.B., for example, they were hired in  
19       July 2017. Since inception we're  
20       reporting that they've returned 1.16  
21       percent, but their index over that time  
22       period has returned 1.02 percent.

23                   MS. LIPTAK:

24                   Yeah. That's my  
25       question. Like, I was looking at like



1 Right.

2 MS. LIPTAK:

3 I don't know if I'm off  
4 base, but I just was wondering.

5 CHAIR:

6 I mean, is your question  
7 --- like the question I have, I think,  
8 related to what you're saying or maybe  
9 it's the same as what you're saying is  
10 --- right, like what are these ---  
11 what are these polices such that  
12 they're returning one or two percent in  
13 this period? Like I get that not  
14 everything's a great investment every  
15 year. Like when would these be great  
16 investments? Or we like having things  
17 that return one percent for some  
18 reason? Steady. Slow and steady.

19 MR. BROKAW:

20 Great questions, all of  
21 them. So fixed income is a fundamental  
22 building block of a portfolio. Your  
23 allocation to core fixed income of 13  
24 percent, 13 percent currently and  
25 within the investment policy, twelve

1 and a half percent, is relatively low  
2 for a pension plan. So we already just  
3 --- you know, compared to peers you  
4 have a less than average allocation to  
5 fixed income. So do we like to or want  
6 to invest in an asset that returns one  
7 percent over five years? The answer to  
8 that is no. The answer to why, a  
9 question that wasn't asked, but why is  
10 it only one percent over --- over the  
11 last five years? It's because interest  
12 rates went up over the last 18 months.  
13 Prior to that period the returns within  
14 fixed income were in the order of four,  
15 five --- five percent. Interest rates  
16 went up. Fixed income produced  
17 negative returns.

18 The expectation for the  
19 future at this point, and in July when  
20 we talk about asset allocation that  
21 will show some expectations for the  
22 future. And fixed income are closer to  
23 five percent because interest rates  
24 have gone from, broadly speaking the  
25 Barclays aggregate broad fixed income

1 market, one a half to over five  
2 percent. So going forward we would  
3 expect five percent. Is five percent  
4 going to happen? I can't guarantee  
5 that there's five percent, but if  
6 interest rates go down, your --- the  
7 value of your bond portfolio goes up.

8 Now, I do want to say to  
9 the point of, you know, is two million  
10 in an investment worth it? It's really  
11 up to the Board to decide, when it  
12 comes to the emerging manager  
13 portfolio, how much you want in the  
14 emerging manager portfolio, if you want  
15 an emerging manager portfolio. Those  
16 are some of the factors.

17 When you see any of the  
18 managers that say EMWO next to it,  
19 those are in the emerging manager  
20 program. And so they're small amounts.  
21 So there's several factors. And I hope  
22 I wasn't too long-winded and also  
23 answered the question.

24 MS. LIPTAK:

25 You did. And I just want

1 to make certain that I am clear that  
2 these --- you know, I don't want to  
3 point out, because some of these are  
4 local companies and they're great for  
5 the region and they're really doing a  
6 nice job and feeding the index. I was  
7 just curious, as I'm looking at some of  
8 these and I see one percent, I'm like  
9 that's not a lot. I understand there's  
10 a strategy, but --- okay. I appreciate  
11 that. Thank you.

12 MR. WALTERS:

13 Some of that once percent  
14 on the since inception is just dumb  
15 luck of the inception date. So it's  
16 just somewhat tied to when it was  
17 incepted. If it wasn't in one of those  
18 managers, it would have been in  
19 something else that was in a low rate  
20 environment over the same time period.

21 MR. BROKAW:

22 Thank you.

23 CHAIR:

24 Thank you. Are there ---  
25 were you still doing your report or are



1 we in the question phase?

2 MR. BROKAW:

3 We're done.

4 CHAIR:

5 Are there any other  
6 questions?

7 MR. BROKAW:

8 Unless there's any more  
9 questions, yeah, that was the end of my  
10 prepared remarks.

11 CHAIR:

12 Well, here was one of my  
13 prepared remarks. When I saw your  
14 front-page agenda I wondered if you put  
15 that up there so the graphics wouldn't  
16 be on the front page.

17 MR. BROKAW:

18 You're making Tim's day.  
19 Tim is building a case for us having a  
20 different ---

21 CHAIR:

22 Your own ---.

23 MR. BROKAW:

24 --- different front page.

25 CHAIR:

1                   They'll learn that  
2                   Pittsburgh is its own special market.  
3                   Do you need a strongly worded letter  
4                   from a ---

5                   MR. BROKAW:

6                   Yes.

7                   CHAIR:

8                   --- from a Pension Board  
9                   member?

10                  MR. BROKAW:

11                  Yes.

12                  CHAIR:

13                  Thank you.

14                  MR. BROKAW:

15                  Thank you.

16                  CHAIR:

17                  All right. Next up we  
18                  have Mr. Boyer from Asset Strategy.

19                  MR. BOYER:

20                  If you'd kindly turn to  
21                  the tab that says reports, Asset  
22                  Strategy. The first series of pages  
23                  refers to the private equity market  
24                  investment overview. I have a few  
25                  comments related to some of these

1 investments. Let's see. Let's start  
2 with Constitution. We had a big  
3 distribution from them because they  
4 sold off one of their fund of funds.  
5 You'll see that in a subsequent page.  
6 You also --- I spoke with Corry Capital  
7 and they have two funds in the  
8 portfolio at this time. The black fund  
9 is going to be --- they're going to  
10 retain an investment banker to sell it  
11 and that should be done this year, I  
12 would told. That may be subject to the  
13 value they get, but that's what I was  
14 told.

15 In addition, this  
16 longevity fund is --- sometime next  
17 year that should be liquidated he said  
18 as well. It probably has a ten-year  
19 life, but I don't think he wants to  
20 take it out to 2029. So we'll see how  
21 that develops. The other item worth  
22 noting, let's see here, is towards the  
23 last of those pages. It has only has  
24 managers for half the page. And if you  
25 go to the column that says unfunded

1       commitment, you'll see at the bottom  
2       there it's 26 million. And it's our  
3       estimate that not all of that will get  
4       called in some --- most cases. It's  
5       because the --- they're past their  
6       investment timeline. They're older  
7       funds that just are not going to call  
8       the money. You probably only have two  
9       or three managers that are still in a  
10      meaningful call period. But of the 26  
11      million, I would imagine you'll  
12      probably not have --- you'll probably  
13      have calls somewhere 10 and 13 million  
14      total.

15                    CHAIR:

16                    In all of the future? In  
17      all of the future of these funds?

18                    MR. BOYER:

19                    Yeah.

20                    CHAIR:

21                    We're not talking  
22      about ---.

23                    MR. BOYER:

24                    Yes, of all the ---.

25                    CHAIR:

1                   Okay.

2                   MR. BOYER:

3                   In the future. Yes.  
4                   Just to manage your expectation on  
5                   outflows.

6                   All right. The next page  
7                   goes to cash flows, which you may have  
8                   seen from Walt's report. And that  
9                   first page talks about year-to-date  
10                  distributions from the managers, and it  
11                  also shows at the bottom the calls. So  
12                  from a net percent perspective, you've  
13                  had 6.3 million in distributions,  
14                  933,000 in calls for a net inflow of  
15                  5.3 million. So directionally and  
16                  trend-wise, that's very good. It's  
17                  kind of actually surprising given that  
18                  we're --- have higher interest rates  
19                  and so forth. The activity still seems  
20                  to be, robust isn't quite the right  
21                  word, but, you know, ongoing and  
22                  improving.

23                  The subsequent pages then  
24                  show, you know, for other periods,  
25                  calls and distributions for the ---

1       either the first quarter or second  
2       quarter. And it seems as if from our  
3       calls with the managers that there's --  
4       - you know, they're ready to sell.  
5       There's just a spread between the bid  
6       and the ask, and it's going to take a  
7       little while for any deal to close, and  
8       sometimes they don't. But I think  
9       overall, the net inflows are good. I  
10      think, as I said earlier, Corry is  
11      hoping to sell the black fund out this  
12      year. So that would --- that could  
13      generate something on the order of six  
14      million Pardon me. Let me make sure I'm  
15      looking at that correctly. Yes, six  
16      million. And then the longevity fund,  
17      you know, could be two, two and a half  
18      next year. So that's all a good thing.

19                    CHAIR:

20                    Thank you.

21                    MR. BOYER:

22                    Do you have any questions  
23      regarding any individual investments or  
24      the portfolio in general?

25                    CHAIR:

1 Ii don't.

2 Does anyone else? Jen  
3 closed her book, so no.

4 MR. BOYER:

5 All right.

6 CHAIR:

7 Thank you.

8 MR. BOYER:

9 Thank you very much.

10 CHAIR:

11 And then we also have a  
12 PFM section. I think Gary was maybe --  
13 - sorry, not Gary. Perry was maybe  
14 going to attend online.

15 MR. SZYMANSKI:

16 Perry's online if  
17 there ---

18 CHAIR:

19 Okay.

20 MR. SZYMANSKI:

21 --- are any questions for  
22 him. Yes.

23 MR. GIOVANNELLI:

24 Yes, I'm here. Hello,  
25 everyone.

1                   CHAIR:

2                   Oh. You're very quiet to  
3 us. Is that --- that's as loud as it  
4 gets? Okay.

5                   I did have a question in  
6 the PFM tab. Perry, I was wondering if  
7 in the future for the watch list you  
8 could include some numeric information  
9 about, you know, how they were compared  
10 to the benchmarks and the periods that  
11 have been looked at in the past that  
12 move them to the watch list and then  
13 what they are doing currently.

14                   MR. GIOVANNELLI:

15                   Yeah. So I could put a  
16 couple together. I can also, you know,  
17 put a color-coding system to it, too,  
18 so you can see where they're at in the  
19 stage of the watch list.

20                   CHAIR:

21                   Thank you.

22                   Are there any other  
23 questions for Perry?

24 NO RESPONSE

25                   CHAIR:



1 Any other items?

2 MR. GIOVANNELLI:

3 I'm sorry. I'm ---.

4 CHAIR:

5 Oh, sorry. There weren't

6 any other questions for you, Perry.

7 Was there anything you wanted to tell

8 us or go over?

9 MR. GIOVANNELLI:

10 I just --- I can

11 definitely do that for you. I just

12 don't have anything new to go over with

13 you ---

14 CHAIR:

15 Okay.

16 MR. GIOVANNELLI:

17 --- at this point.

18 CHAIR:

19 Okay. That sounds good.

20 Thank you.

21 Any other new business?

22 NO RESPONSE

23 CHAIR:

24 Do I have a motion to

25 adjourn?

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MR. DICRISTOFARO:

I'll make that motion.

CHAIR:

A motion. Seconded.

That's --- I claim us adjourned.

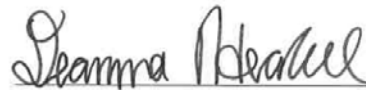
\* \* \* \* \*

MEETING CONCLUDED AT 1:00 P.M.

\* \* \* \* \*

## 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 5th day of June, 2024



Deanna Heckel

Court Reporter