

The regular monthly meeting of the Retirement Board of Allegheny County was held on April 16th, 2020 via a Teams conference call. The meeting was called to order at 12:00 pm.

Roll Call of the Board members was made, Board members, John Weinstein, Chelsa Wagner, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, Ted Puzak were recorded as present.

Also, in attendance: Walter Szymanski, Manager, Retirement Office and Brian Gabriel, Campbell Durrant, Solicitor.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

No public comments were made.

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the minutes of the February 20, 2020 Board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the January and February 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 Sarah Roka, duly seconded by Frank DiCristofaro, to approve the March 2020 Invoices. There were no April invoices.

March 2020 INVOICES

VENDOR	DATE	AMOUNT
FEDERATED (Core Broad)	10/1/19 – 12/31/19	\$ 19,130.46

Total Vendor Invoices for Approval

\$19,130.46

PENSION APPLICATIONS

The board unanimously approved a motion by Sarah Roka, duly seconded by Ted Puzak, to ratify the approval of Pension applications filed with the Retirement Office for the month of March.

The board unanimously approved a motion, with Frank DiCristofaro abstaining, by Sarah Roka, duly seconded by Ted Puzak, to approve Pension applications filed with the Retirement Office for the month of April.

The following applications were filed:

	<u>March</u>	<u>April</u>
• Early Voluntary	9	16
• Full Retirement	6	18
• Disability	1	1
• Recalculation	2	1

DISABILITY APPLICATION

The board unanimously approved a motion by Ted Puzak, duly seconded by Frank DiCristofaro, that upon recommendation of three designated physicians, to approve member #01396 is totally and permanently disabled from gainful employment in Allegheny County.

MANAGER'S REPORT

Walter Szymanski

Walt asked if there were any questions on the information provided in the Manager's Monthly Status Report and then directed members to the Election Policy and Procedures information for the upcoming Retirement Board member election.

Walt requested the Board's approval of the 2020 election materials to begin the process.

The board unanimously approved a motion by Ted Puzak, duly seconded by Frank DiCristofaro, to approve the Election Policy and Procedures.

Walt then requested the acceptance and vote on approval of the 2019 audited financial statements and schedules from Case Sabatini. If approved, the statements will be posted to the website.

The board unanimously approved a motion by Ted Puzak, duly seconded by Sarah Roka, to approve the audited financial statements by Case Sabatini of the Allegheny County Employees' Retirement System.

Chelsa Wagner

Chelsa asked how the Retirement Office is handling office presence. Walt explained that the employees of the office are on site on a rotating basis. Employees are encouraged to schedule appointments. Chelsa asked if employees have masks provided. Walt said that he had his own and would have to check with the employees in the office regarding their masks.

John Weinstein

John commended Walt and his staff with handling the office so well under difficult circumstances.

SOLICITOR'S REPORT

Brian Gabriel

Brian updated the Board regarding the class action litigation of Karyopharm Therapeutics, Inc., as indicated in Section 6(b) of the Solicitor's Report with additional documents having been attached to the March Solicitor's Report. The Board is asked to consider and ratify the motion to withdraw a motion to serve as lead plaintiff filed jointly on behalf of the RBAC, SEPTA and the PAACATU.

The board unanimously approved a motion by Ted Puzak, duly seconded by Frank DiCristofaro, to approve/ratify the withdrawal of the motion by the Allegheny County Retirement System to serve as Lead Plaintiff in the Karyopharm Therapeutics class action.

CONSULTANT'S REPORT

Wilshire

David Lindberg/Craig Morton

David said that there were two items to discuss 1) the plan's liquidity and is it sufficient to meet payments and 2) opportunities that exist in this market.

We had been in the process of reducing equity allocation when the market value was high. US Equity (Wilshire 5000 Index) was down 20% in the first quarter and down 14.8% year-to-date (as of 4/15/20). The peak was on February 19th and the trough was on March 23rd in US Equity market. Investments in Core Fixed Income (Bloomberg Barclay's US Aggregate) have done well offsetting some of the losses. The asset allocation is being reviewed and Wilshire will have an updated asset-allocation study to review with the Board in June. We have to be careful with any more Private Equity commitments at this time until we see update March 2020 numbers and create a new pacing schedule.

John Weinstein

John asked what the loss has been year-to-date. Craig responded that the estimated market value of the fund as of April 14, 2020 was \$890 million, which represents a drop of \$75 million year-to-date; \$10 million in distributions, and \$65 million in market losses.

Three memos that had been sent in March and in April for cash flow needs were discussed.

The board unanimously approved a motion by Ted Puzak, duly seconded by Frank DiCristofaro, to approve the three letters for cash needs dated March 11th - \$2.0 million from MCM TIPS, March 23rd - \$6.0 million from MCM TIPS, and April 9th - \$5.0 million MCM TIPS.

Asset Strategy

Ed Boyer

Ed discussed a request from Emerald Fund to sign off on changes in documents due to a new investor in the fund and that essentially the new investor used an attorney to "wordsmith" the documents in a manner that was beneficial to all investors. Brian added that he had discussed this in his last month solicitor's report.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the changes to the Emerald Fund documents.

NEW BUSINESS

No new business.

ADJOURNMENT

The Board unanimously approved a motion by John Weinstein to adjourn at 12:30 pm.

Respectfully submitted,



Chelsa Wagner, Secretary