

The regular monthly meeting of the Retirement Board of Allegheny County was held on June 18, 2020 via Teams Meeting/Conference Call. The meeting was called to order at 12:00 pm.

Roll Call of the Board members was made, Board members, Chelsa Wagner, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, and Janice Vinci on behalf of John Weinstein were recorded as present. Mr. Weinstein joined the meeting while in progress.

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 May 21, 2020 board meeting.*

### **APPROVAL OF FINANCIAL STATEMENTS**

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

## JUNE VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI		\$ -
GRIDIRON MGMT PARTNERS-MA		\$ -
CIM INVESTMENT MANAGEMENT (Fixed Income)		\$ -
CIM INVESTMENT MANAGEMENT (Small Cap)		\$ -
CIM INVESTMENT MANAGEMENT (Israel Bonds)		\$ -
CS MCKEE INVESTMENT MANAGERS		\$ -
COOKSON PIERCE & CO INC		\$ -
EARNEST PARTNERS		\$ -
EMERALD ADVISERS (All Cap)		\$ -
EMERALD ADVISERS (Small Cap)		\$ -
EMSTONE ADVISERS, LLC	10/1/2019- 12/31/2019	\$ 3,976.10
FEDERATED (Core Broad)	1/1/2020-3/31/2020	\$ 19,455.41
FEDERATED (High Yield)		\$ -
F.N.B. WEALTH MANAGEMENT		\$ -
FIDELITY INVESTMENTS (Select Int'l Plus)		\$ -
FRAGASSO FINANCIAL ADVISORS		\$ -
HARVEST FUND ADVISORS LLC		\$ -
iNetworks OF, LLC		\$ -
MELLON CAPITAL		\$ -
COLUMBUS MACRO, LLC (formerly Raylient)		\$ -
SALIENT		\$ -
SEGALL, BRYANT & HAMILL		\$ -
STATE STREET GLOBAL ADVISORS (MSCI World)		\$ -
STATE STREET GLOBAL ADVISORS (S&P 500)		\$ -
TWIN CAPITAL MANGEMENT		\$ -

Total Vendor Invoices for Approval

\$23,431.51

## **PENSION APPLICATIONS**

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

- A. Ratify May 2020 Application
  - Full Retirement - 1
- B. June 2020 Applications
  - Early Voluntary - 9
  - Full Retirement – 15

## **INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS**

*The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the disability application of member 089629 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 6.90%. Total Contributions made are up 1.17%. Paid Claims are up 1.38%. Total Retirements on the year up 2.89%. Pension Estimates are down 2.65%. Capital Calls are up 7.34%.

The Office Budget is as of May 31, 2020.

Request made to the Board to review the Administrative Guidelines for Appeal Hearings. These were prepared by the solicitor and have been through legal review. Mr. Szymanski requested the members of the board to notify him of any changes prior to the July 16, 2020 Board meeting when the Administrative Guidelines for Appeal Hearings will be brought forth for a vote.

## **SOLICITOR'S REPORT**

### **Brian Gabriel**

The updated Administrative Guidelines include updated guidelines for non-disability and disability local agency appeals. However, the disability guidelines are substantially the same as those approved by the Board in July of 2016 and have only minor edits. The solicitor's report is current as of June 11, 2020, there were no specific action items under the solicitor's report for the board to consider.

## **CONSULTANT'S REPORT**

## Wilshire

### Craig Morton

- April Flash Report
  - Page 2, Asset Allocation vs Policy Allocation, at the end of the quarter assets were \$892,261,000, will look at a more up-to-date allocation estimate later
- - Page 3, Total Fund Performance, underperformed for the month of April, up 4.9% vs. benchmark 6.7%, primarily due to MLPs as portfolio was under target as the index rose nearly 50% and managers underperformed by ~20% after protecting during March drawdown, still adding value YTD (details on pages 8 and 9)

### David Lindberg

- **-May** Monthly Perspectives, continued strong returns for equities, Wilshire 5000 Index up 5.2% for the month of May, 19.2% QTD, still down 5.5% YTD, growth continues to outperform value, large generally continues to outpace small, nonUS stocks up 3.3% (MSCI ACWI ex US Index), emerging markets lagged up only 0.8%, despite double digit QTD returns for developed and emerging markets both remain down over 14% YTD, bonds generally gained, Bloomberg Barclays Agg up 0.5% and HY gained 4.4%

### Craig Morton

- Asset Allocation and Cash Schedule, estimated balance just over \$910 million as of May month end, cash at \$7.4 million, recommending cash raise of \$5m from U.S. equity which is now over target weight thanks to strong market recovery:
  - \$2.5 million from SSgA S&P 500 Index
  - \$1.0 million from Fragasso
  - \$1.0 million from Emerald Small Cap
  - \$0.5 million from Earnest Small Cap

## Asset Strategy

### Ed Boyer

We are anticipating a return of about \$450,000 from Corry Capital in early July. Immediately following last month's meeting, I forwarded a written recommendation to transfer \$500,000 from the I-Networks core strategy to INOF-II. That recommendation was approved by email vote and we would ask now for a ratification vote.

*The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to ratify the recommendation to transfer \$500,000 from the I-Networks core strategy to INOF-II from the June RBAC meeting.*

## **PFM**

### **Perry Giovannelli**

As a follow up to the update circulated to the Board on June 11, 2020, I wanted to provide additional information regarding the closure of the Maplewood Global LP fund. Despite moderate success initially, recent changes in the market have caused this fund to close. The investment money has been returned with an approximate net loss of \$150,000.

*Let the record reflect that Chairman Weinstein was in attendance of the meeting.*

## **NEW BUSINESS**

Mr. Fitzgerald requested an update regarding efforts to reduce manager fees. Ms. Vinci duly noted. There was no other new business.

## **ADJOURNMENT**

*The Board unanimously approved a motion by Janice Vinci to adjourn at 12:30 pm.*

Respectfully submitted,



Chelsa Wagner, Secretary