



BLAIR COUNTY RETIREMENT BOARD

c/o Blair County Controller, 423 Allegheny St., Ste 141 Hollidaysburg, PA 16648

Blair County Retirement Board Meeting

February 7, 2024 at 9:00 a.m.

In the Commissioners' Public Meeting Room

Board Members in Attendance:

Commissioner David Kessler, Commissioner Laura Burke, Controller A. C. Stickel
Commissioner Amy Webster, Treasurer James Carothers

Non-Board Members in Attendance: Lindsay Dempsie, Nicole Hemminger, Allison Senkevich, Brad Hampton – Marquette Associates, Pat Wing – Marquette Associates

Board Members not in Attendance:

None

Media in Attendance:

Kay Stephens, Altoona Mirror

Quorum: Present

Call to Order: Commissioner David Kessler called the meeting to order at 9:00 a.m.

Moment of Silent Reflection Led by Commissioner Kessler.

Pledge of Allegiance Led by Commissioner Kessler.

The roll was called by Commissioner Kessler.

Call for Public Comment: Commissioner Kessler called for public comment on Retirement Board agenda items. There were no comments.

Approval of Minutes: A motion was made by Controller A.C. Stickel and seconded by Treasurer Carothers to approve the minutes from the January 2, 2024 and the January 3, 2024 Retirement Board meetings. The motion was unanimously carried.

PA County Fiduciary Overview: Patrick Wing presented an educational piece in review of the role of a fiduciary and the responsibilities related to overseeing a PA county pension fund. Mr. Wing began with an overview of the fiduciary standard as it relates to pension plans in PA. Mr. Wing detailed the definition of a pension plan fiduciary, along with definitions related under Act 96. Mr. Wing discussed the responsibilities of a pension plan fiduciary, along with retirement board operations. Mr. Wing went on to describe the mechanics of a PA County pension plan with regards to the Defined Benefit and Cash Balance components of the plan. Mr. Wing described the available resources to the board via the plan's actuary, investment consultants, investment managers, and custodian, along with descriptions of the roles each serve. Mr. Wing closed with commentary around Act 96 and board responsibilities such as: submitting an annual actuarial valuation report, determining the interest crediting rate for the employee contributions on an annual basis, and the mechanism for cost-of-living adjustment (COLA) considerations.

Meeting of January 3, 2024 continued.

Quarterly Investment Performance Report: Brad Hampton from Marquette Associates presented the Fourth Quarter 2023 Investment Performance Report, reviewing the global economic environment, capital markets performance, and the Retirement Fund (the “Fund”).

The Fund had an investment return of +7.6% for the quarter (all returns are net of investment management fees). Year-to-date, the Fund had an investment return of +12.8%, underperforming the policy benchmark by 1.3%. Mr. Hampton noted, the return in 2023, equated to over \$ 4 million in investment gains. During the quarter, the Fund benefited from its largest position in the Vanguard Total Stock Market Index, while a slight value tilt in the U.S. & Non-U.S. equity holdings detracted from performance. Interest-rate sensitive areas of the portfolio, such as Real Estate & Listed Infrastructure, each struggled in 2023 when compared with equity returns during the year. Infrastructure showed strong relative performance during the quarter & in 2023. With a volatile interest rate environment in 2023, the fund benefited from positions in Private Credit and High Yield, which were the two of the best performing areas of the fixed income & loan market.

For the year, the Fund ranked in the 69th percentile in a national database of public funds of all sizes and in the 84th percentile in a national database of public funds with less than \$50 million of assets. Over the trailing three-years, the fund is performing in the 35th and 36th percentile respectively. Mr. Hampton reviewed the calendar year rankings over the past five years, noting that the fund historically has protected most in periods of negative markets, while slightly lagging in strong markets. Mr. Hampton drew the attention of the board to the risk adjusted return rankings, as measured by the Fund’s Sharpe ratio. The Fund ranked in the top 29th percentile over the trailing three-year period, and in the top 26th percentile over the past five-year period.

Mr. Hampton presented a review and analysis of the Fund’s underlying investments noting that there were no manager specific issues to draw the board’s attention to. Mr. Hampton noted the performance drag from the value-oriented managers was primarily due to the narrow market performance by the ‘Magnificent 7’ stocks within the U.S. Mr. Hampton noted that most of the same value strategies, along with real estate, which underperformed in 2023, were the best performers during the drawdown in 2022.

Rebalancing Proposal: The Controller’s Office determined that \$214,000 is needed from the Fund to meet February & March distribution payments. Mr. Hampton presented a rebalancing option to the Board that proposed a redemption of \$214,000 from the Vanguard Total Stock Market Index Fund.

This would accomplish multiple goals. First, the rebalancing would keep the Fund’s asset allocation close to the targets as set forth in the Investment Policy Statement, where equities have become slightly overweight. Second, it would raise the necessary liquidity to meet upcoming distribution payments while the plan assets are moved to the new custodian in the coming months.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Treasurer Carothers. The motion was unanimously carried.

Administrative Fees: A motion was made by Controller Stickel and seconded Treasurer Carothers that the administrative fees be accepted as set forth in the agenda. The motion was unanimously carried.

Meeting of January 3, 2024 continued.

Litigation Checks: No litigation checks received this month.

Applications for Membership, Retirements, Refunds, Rollover, and Beneficiary Payments for January 2024 were set forth in the agenda for the information of the board.

Contributions made to the Retirement Fund in 2024 were set forth in the agenda for the information of the Board.

Totals for the Monthly Retirement Distribution for 2024 were set forth in the agenda for the information of the Board.

The Monthly Financial report will be provided once available.

Adjournment: There being no more business to discuss, the meeting was adjourned at 10:00 a.m.

**The next regular meeting of the Retirement Board will be
03/06/2024 at 9:00 a.m. in the Commissioner's Public Meeting Room.**

Respectfully Submitted,



August C. Stickel IV
Secretary