



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting

March 3, 2021 at 9:00 AM

By Conference Call

Board Members in Attendance:

Commissioner Bruce Erb, Controller A. C. Stickel, Commissioner Amy Webster, Treasurer Jim Carothers

Board Members not in Attendance:

Commissioner Laura Burke

Non-Board Members in Attendance:

Nicole Hemminger, Jennifer Sleppy, Pat Wing-Marquette Assoc.

Media in Attendance:

Kay Stephens – Altoona Mirror

Quorum: Present

Call to Order: Commissioner Bruce Erb called the meeting to order at 9:01 a.m.

Commissioner Erb explained the ground rules for today's teleconference. Only voting members of the Retirement Board may leave their telephones unmuted during the entire meeting, but we would request each avoids excess noise from your location. All other participants should mute their telephones until called upon to speak. Public participants may speak only during the designated public comment period near the beginning of the meeting and must keep their phones muted during the rest of the meeting. Each person needs to avoid interrupting the person speaking. Each speaker **MUST** state his/her name before talking each time he/she speaks so others will know who is speaking and to ensure minutes will be accurate.

The roll was called by Tracy Miller.

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

Approval of Minutes: A motion was made by Commissioner Webster and seconded by Treasurer Carothers to approve the minutes from the February 3, 2021 Retirement Board Meeting. The motion was unanimously carried.

Meeting of March 3, 2021 continued.

Rebalancing Proposal: The Controller's Office has determined that \$125,000 is needed from the Fund to meet March distribution payments. Mr. Wing presented a rebalancing option to the Board that proposed a redemption of \$370,000 from the Vanguard Total Stock Market Index Fund, a redemption of \$300,000 from the Vanguard Short-Term Corporate Bond Index, a redemption of \$255,000 from the Federated Hermes High Yield Bond Fund, and a subscription of \$1,000,000 of the Partners Group Private Credit Strategy. The remaining distribution would then be met by existing cash in the money market account.

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. Second, it would raise the necessary liquidity to meet March distribution payments. Finally, it would raise funds for the upcoming subscription of the Partners Group Private Credit Strategy—an investment within the Private Debt asset class, which was approved at the February 2021 Retirement Board meeting.

Mr. Wing made additional comments for the Board to consider with this rebalancing. Namely, he expects the Partners Group allocation to move forward later this month. However, everything is not finalized as of today. Therefore, he proposed the Board approve the rebalancing, conditional on the Partners Group allocation moving forward. If that did not move forward, he then proposed the Board use existing cash in the money market account to meet this month's distribution and then revisit another rebalancing proposal next month for the Partners Group allocation.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Commissioner Webster, and unanimously carried to approve the proposed rebalancing Pat Wing from Marquette Associates presented.

Investment Policy Statement: Mr. Wing then discussed the Investment Policy Statement. At the February 2021 meeting, the Board approved amending the Investment Policy Statement's by changing the asset allocation targets and adding Private Debt investment guidelines for its implementation.

Mr. Wing noted that the original Investment Policy Statement was approved in 2014. Since then, there have been a handful of addendums over the years. If another addendum was simply added now, the Investment Policy Statement would be more than 30 pages. Given that, he proposed updating the original document by cleaning up various language and incorporating changes made over the years, including the approved changes from the February 2021 meeting. He then summarized the proposed changes.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Treasurer Carothers, and unanimously carried to adopt the proposed Investment Policy Statement, as Mr. Wing had recommended. A copy of the policy is attached to the minutes.

Meeting of March 3, 2021 continued.

Proposed Pension Funding Policy Amendment: Commissioner Erb presented an amended pension funding policy for the board's adoption. The amendment included a commitment by the salary board to incrementally increase the county's contribution to the retirement fund. During discussion, Commissioner Webster expressed her concern about making a commitment with the current economic viability. Commissioner Erb responded that the fund is currently tens of millions underfunded initiating an actuarial violation. He further stated that we are legally and morally obligated to meet this liability, leaving us with little choice than to make this commitment. Even under the new policy, we are still not making the full actuarially defined contribution. Furthermore, our underfunding has impacted our bond rating. This policy will allow us to borrow at a lower rate than is now available to us. Controller Stickel also commented that the county has already made the commitment. He further stated that not adopting this policy would be to perpetuate the dereliction of our duties. If the retirement fund isn't made solvent, the liability will be paid solely from the general fund. A motion was made by Commissioner Erb and seconded by Controller Stickel to accept the Pension Funding Policy Amendment as presented to the Board. The motion was passed with a vote of 3 to 1. Commissioner Webster was opposed. A copy of the policy is attached to the minutes.

Monthly Financial Report: Controller Stickel provided the January financial report for the information of the board.

Applications for Membership, Retirements, Refunds, and Rollover Payments: A motion was made by Controller Stickel and seconded by Treasurer Carothers that the applications for membership, retirements, refunds and rollover payments be accepted as set forth in the agenda. The motion was unanimously carried.

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

Litigation Checks: No litigation checks received this month.

Totals for the Monthly Retirement Distribution for 2021 were set forth in the agenda for the information of the board.

Contributions made to the Retirement Fund in 2021 were set forth in the agenda for the information of the board.

Meeting of March 3, 2021 continued.

Policy for Non-Vested Employees Who Leave County Employment: Controller Stickel presented a policy for returning contributions to employees who leave county employment before vesting their membership in the retirement system. When employees resign or are terminated, they often fail to respond to requests by the controller's office for direction. The county is then responsible to pay interest on those contributions until such time as they are requested from the employee. This policy would require multiple notices to the employee before issuing a taxable payment with federal income tax withholding. A motion was made by Controller Stickel and seconded by Commissioner Webster to accept the policy as presented to the Board. The motion was unanimously carried. A copy of the policy is attached to the minutes.

Adjournment: There being no more business to discuss, the meeting was adjourned at 9:36 a.m.

**The next regular meeting of the Retirement Board will be held on April 7 2021
at 9:00 a.m. by conference call.**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "August C. Stickel IV". The signature is fluid and cursive, written in a professional style.

August C. Stickel IV
Secretary