



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting of November 8, 2018 at 9:00 AM Blair County Courthouse in Room 2B

Board Members in Attendance:

Commissioner Bruce Erb, Commissioner Terry Tomassetti, Commissioner Ted Beam, Controller A.C. Stickel Treasurer Jim Carothers

Board Members not in Attendance:

None

Non-Board Members in Attendance:

Nicole Hemminger, Bobbie Pucciarella, Jennifer Sleppy, Helen Schmitt, Katherine Swigart

Media in Attendance:

None

Quorum: Present

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

Call for Public Comment: Commissioner Erb called for public comment on any Retirement Board items. There were no comments at this time.

Approval of Minutes: A motion made by Commissioner Beam and seconded by Treasurer Carothers that the minutes from the October 11, 2018 Retirement Board meeting be approved as prepared. This motion was unanimously carried.

3rd Quarter Performance Review: Pat Wing from Marquette Associates presented a quarterly Performance Report as of September 30, 2018 including the Third Quarter Investment Performance Report, reviewing the global economic environment, capital markets performance and the Retirement Fund. Mr. Wing also provided and reviewed a Performance Update for the month of October.

International Value Manager Search: Given the continued underperformance of the Thornburg Global Opportunities Fund (Thornburg), which the Retirement Board placed on the Manager Watch List at the May 2018 meeting, Marquette Associates recommended that the Board terminate Thornburg. Pat Wing presented an International Value Manager Search to provide manager replacement options. Mr. Wing also noted that an International Value Manager would more evenly balance the allocation between growth and value stocks within the non-U.S. equity allocation of the Retirement Fund. Pat Wing reviewed the relative merits of two potential managers.

After discussion, a motion was made by Controller Stickel, seconded by Treasurer Carothers, and unanimously carried to add the Hartford Schroders International Multi-Cap Value Fund, as proposed by Option 3 in the presentation. Per this proposal, Thornburg and American Funds International Growth & Income Fund were terminated from the Retirement Fund, while the Vanguard Total Stock Market Index Fund, the Vanguard Equity Income Fund and the Fidelity Global ex US Index Fund saw their respective allocations increase. The initial allocation to the Hartford Schroders International Multi-Cap Value Fund would be 6.0%. Pat Wing noted that these changes would save the Retirement Fund about \$9,000 in annual fees.

Rebalancing: The Controller's Office has determined that \$100,000 is needed from the Retirement Fund to meet November distribution payments. Marquette presented a rebalancing option during the meeting to the Board that proposed a redemption of \$100,000 from the Vanguard Intermediate-Term Treasury Fund. This would keep the Retirement Fund's asset allocation close to the targets as set forth in the Investment Policy Statement.

A motion was made by Commissioner Beam, seconded by Controller Stickel, and unanimously carried to approve the proposed rebalancing.

Mr. Wing explained that Marquette will prepare a letter to Bank of New York to open the account regarding the International Manager Change and then a separate letter regarding the transfer of \$100,000 needed for November Retirement Distribution.

Controller Stickel explained that it is likely a rebalancing will be needed each month and suggested possibly taking out one million dollars in January to put into short-term CDs to avoid withdrawal fees. Pat Wing explained that most counties do a rebalancing on a quarterly basis. Mr. Wing and Controller Stickel will discuss the options and present those options at the February Retirement Board meeting when Mr. Wing returns for an Asset Allocation discussion.

Report on CBIZ Electronic Records Project: Controller Stickel explained that MUNIS does not do calculation of interest that is needed. CBIZ will do the calculation and create a better statement for the employees at a cost of \$700.00/month. Controller Stickel will research a lower or no-cost way to accomplish the calculation.

Applications for Membership: A motion was made by Controller Stickel and seconded by Commissioner Tomassetti that the applications for membership be accepted as set forth on the agenda. This motion was unanimously carried.

Retirements, Refunds, Rollovers and Beneficiary Payment: A motion was made by Controller Stickel and seconded by Commissioner Tomassetti that the retirements be accepted as set forth on the agenda. This motion was unanimously carried.

Administrative Fees: A motion was made by Controller Stickel and seconded by Commissioner Tomassetti that the administrative fees be accepted as set forth on the agenda. This motion was unanimously carried.

Litigation Checks received set forth on the agenda for the information of the board.

Totals for the Monthly Retirement Distribution for 2018 and Contributions made to the Retirement Fund in 2018 set forth on the agenda for the information of the board.

Adjournment: There being no further business to discuss, the meeting was adjourned at 10:05 a.m.

Next Retirement Board Meeting Will Be Held on December 13, 2018 at 9:00 AM in Room 2B.

Respectfully Submitted,



Secretary