



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting of November 14, 2019 at 9:30 AM Blair County Courthouse in Room 2B

Board Members in Attendance:

Commissioner Bruce Erb, Commissioner Ted Beam, Commissioner Terry Tomassetti, Treasurer James Carothers, Deputy Controller Angela Wagner¹

Board Members not in Attendance:

Controller A. C. Stickel

Quorum: Present

Non-Board Members in Attendance:

Nicole Hemminger, Roberta Pucciarella, Helen Schmitt

Marquette Associates: Pat Wing

CBIZ Retirement Services: David Reid

Media in Attendance:

Kay Stephens, Altoona Mirror

Call to Order: Commissioner Erb called the meeting to order at 9:30 a.m. and noted that Deputy Controller Angela Wagner is present at today's meeting in the absence of Controller A. C. Stickel.

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

Approval of Minutes: A motion made by Commissioner Beam and seconded by Commissioner Tomassetti that the minutes from the October 10, 2019 Retirement Board meeting be approved as prepared. The motion was unanimously carried.

Discussion of 2019 Actuarial Report: Mr. Reid presented information on the pension plan for the 2019 Plan Year. This included an overview of the actuarial valuation process, the primary plan provisions for County employees and the primary assumptions used in the valuation of the Plan's liabilities. The assumptions include a discount rate of 7.00%, salary increase assumption of 4.00% per year, retirement ages ranging from age 55 up to age 80 and life expectancy based on the RP-2000 mortality table with projected mortality improvement using Scale AA. Mr. Reid noted that an updated mortality assumption for public employees will increase the Plan's liabilities by approximately 4% - 5% and will be implemented effective with the 12/31/2019 GASB 67/68 measurement and the 2020 actuarial valuation. Mr. Reid noted that over the past four years, the Plan's active membership has increased from 434 active members to 462.

Mr. Reid reported that the County contributed \$4.0M in 2018 and will contribute \$4.2M in fiscal 2019. The Plan is projected to have a depletion date in 2036-2037. Due to the projected depletion of the Plan's assets in the future the discount rate for GASB purposes was 5.49% as of December 31, 2018. The Plan is 27.50% funded on the GASB basis and 31.6% funded using the 7.00% discount rate. Mr. Reid also noted that roughly 1/3 of the plan's assets are comprised of members' accumulated deductions.

¹ The Deputy Controller is authorized to represent the Controller in his absence.

Mr. Reid then presented projections under various contribution scenarios demonstrating estimated future contribution requirements to achieve full funding of the plan over 20 or 25 years, assuming the active membership in the Plan grows along with growth in covered payroll. A historical summary of actuarially determined contributions compared to actual contributions made by the County was also presented.

Lastly, Mr. Reid discussed the need to perform an experience study of the historical demographic experience in the Plan as compared to the assumptions utilized in valuing the Plan. Studies should be done generally every 3-5 years unless changes in the plan's design or demographics require it to be done more frequently. The estimated cost is \$10,000 - \$12,500.

Q3 Investment Performance Report: Pat Wing from Marquette Associates presented the Third Quarter Investment Performance Report, reviewing the global economic environment, capital markets performance and the Retirement Fund ("the Fund). The Fund had an investment return of 0.9% for the quarter (net of investment management fees), outperforming its policy benchmark by 0.2% (0.9% vs. 0.7%). The Fund ranked above the median in a national database of public funds of all sizes for the quarter. Over the past year, the Fund ranked in the top 23%. Mr. Wing also provided and reviewed a Performance Update for the month of October. For the month, the Fund returned 1.5%, bringing its year-to-date return to 14.7%. The latter is well ahead of the Fund's actuarial assumed rate of return (7.0%).

Rebalancing Proposal: The Controller's Office has determined that \$250,000 is needed from the Fund to meet November distribution payments. Mr. Wing presented a rebalancing option to the Board that proposed a redemption of \$50,000 from the Vanguard Total Stock Market Index Fund, a redemption of \$100,000 from the Vanguard Equity Income Fund, and a redemption of \$100,000 from the MFS International Intrinsic Value Fund. The proposal would maintain the Retirement Fund's asset allocation close to the targets as set forth in the Investment Policy Statement. A motion was made by Treasurer Carothers and seconded by Commissioner Beam that the proposal be approved as presented. The motion was unanimously carried.

Monthly Financial Report: Presented by Deputy Controller Wagner for the information of the board.

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

Retirements, Refunds, Rollovers and Beneficiary Payment:

A motion was made by Deputy Controller Wagner and seconded by Commissioner Tomassetti that the Retirements, Refunds and Rollovers be accepted as set forth on the agenda. There were no Beneficiary payments. The motion was unanimously carried.

Administrative Fees: A motion was made by Deputy Controller Wagner and seconded by Treasurer Carothers that the Administrative Fees be accepted as set forth on the agenda. The motion was unanimously carried.

Litigation Checks: There were no litigation checks.

Meeting of November 14, 2019 continued. . .

Totals for the Monthly Retirement Distributions for 2019 and Contributions made to the Retirement Fund in 2019 were set forth on the agenda for the information of the board.

Adjournment: There being no further business to discuss, the meeting was adjourned at 10:36 a.m.

The Next Retirement Board Meeting Will Be Held on December 12, 2019 at 9:30 AM in Conference Room 2B.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "Robert A. Smith", written in a cursive style.

Secretary