



# BLAIR COUNTY RETIREMENT BOARD

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

## Blair County Retirement Board Meeting

October 8, 2020 at 9:30 AM

### By Conference Call

**Board Members in Attendance:**

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

**Non-Board Members in Attendance:**

Nicole Hemminger, Jennifer Sleppy Pat Wing – Marquette & Associates Dave Reid – CBIZ Retirement Plan Services<sup>1</sup>

**Board Members not in Attendance:**

N/A

**Media in Attendance:**

Kay Stevens, Altoona Mirror<sup>2</sup>

**Quorum:** Present

**Call to Order:** Commissioner Bruce Erb called the meeting to order at 9:32 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.

**Roll Call:** The roll was called by Controller Stickel.

**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 Burke and seconded by Treasurer Carothers to approve the minutes from the September 10, 2020 Retirement Board Meeting. The motion was unanimously carried.

**Asset Allocation:** Mr. Wing briefly reviewed the discussion held and the decisions made at the September Retirement Board meeting, before listing the items for continued discussion. He then presented a review of valuations across the Retirement Fund's (the "Fund") current asset classes, including fixed income, high-yield bonds, real estate, and equities. In sum, the subdued return outlook for both fixed income and real estate is driving many institutional investors, including Pennsylvania Counties, to consider asset allocation changes in order to increase the probability of hitting their respective actuarial assumed rate of returns. Given that, Mr. Wing presented two portfolio allocations

<sup>1</sup> Mr. Reid was not present for the October 8 meeting. He joined us for the reconvened meeting on October 10, 2020

<sup>2</sup> Kay Stephens was not present for the October 8 meeting. He joined us for the reconvened meeting on October 10, 2020

Meeting of October 8, 2020 continued. . .

for the Board to consider, with the key difference being how much of the Fund would invest in real estate.

After discussion by the Board, it was determined that a 7% allocation to real estate was more appropriate for the Fund.

**Rebalancing:** The Controller's Office has determined that \$75,000 is needed from the Fund to meet October distribution payments. Mr. Wing presented a rebalancing option to the Board that raised \$75,000 for the distribution, along with other changes that moved the Fund closer to the agreed upon allocation targeting 7% to real estate. More specifically, the proposal included a redemption of \$465,000 from the Vanguard Total Stock Market Index Fund, a redemption of \$210,000 from the Vanguard Equity Income Fund, a redemption of \$230,000 from the Vanguard Mid-Cap Index Fund, a redemption of \$100,000 from the MFS International Intrinsic Value Fund, a purchase of \$890,000 of the Fidelity Global ex U.S. Index Fund, a redemption of \$42,500 from the Schroders International Multi-Cap Trust, a purchase of \$690,000 of the Nuveen Global Listed Infrastructure Fund, a redemption of \$670,000 from the Vanguard Intermediate-Term Treasury Fund, a redemption of \$630,000 from the Vanguard Short-Term Corporate Bond Index Fund, and a purchase of \$662,500 of the Federated Hermes High Yield Bond Fund.

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

**Interim Changes:** With the ever changing investment environment, Commissioner Erb suggested that the board consider authorizing two to three members the authority to make investment changes between retirement board meetings. These changes would only be authorized within the range established by the investment policy statement. No action was taken at this time.

**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:** There were no invoices submitted for September

**Litigation Checks:** There were no litigation checks received in September

Totals for the Monthly Retirement Distribution for 2020 were set forth in the agenda for the information of the board.

Contributions made to the Retirement Fund in 2020 were set forth in the agenda for the information of the board.

**Recess:** The meeting was recessed at 10:27 am until Friday October 9, 2020 at 11:30 am.

**Reconvened Meeting October 9, 2020:** Commissioner Erb reconvened the recessed meeting of October 8, 2020 at 11:03 am

**Roll Call:** The roll was called by Controller Stickel. All board members were present.

Meeting of October 8, 2020 continued. . .

**Actuarial Report:** Dave Reid presented information on the pension plan for the 2020 Plan Year. This included an overview of the actuarial valuation process, the primary plan provisions that the plan provides to 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 Pub-2010 General Amount-Weighted table with mortality improvement scale MP-2019. Mr. Reid noted that this assumption was updated from the prior mortality table. Mr. Reid noted that over the past four years, the Plan's active membership has increased from 453 active members to 460.

Mr. Reid reported that the County contributed \$4.2M in 2019 and will contribute \$4.5M in fiscal 2020. The Plan is projected to have a depletion date in 2042. Due to the projected depletion of the Plan's assets in the future the discount rate for GASB purposes was 4.52% as of December 31, 2019. The Plan is 26.11% funded on the GASB basis and 33.4% 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. Mr. Reid then presented projections of the Plan's assets based on an average of the past 5 years of contributions as well as under the current contribution goals of the County. A historical summary of actuarially determined contributions compared to actual contributions made by the County was also presented.

Lastly, Mr. Reid reported that an experience study of the Plan's historical experience compared to the actuarial assumptions is currently underway. The results of which will be communicated to the Board at a later date.

**Adjournment:** There being no more business to discuss, the meeting was adjourned at 10:27 a.m.

**The next regular meeting of the Retirement Board will be held on November 12, 2020  
at 9:30 a.m. by conference call.**

Respectfully Submitted,



August C. Stickel IV  
Secretary