**Board Members in Attendance:** Commissioner Bruce Erb, Commissioner Laura Burke, Treasurer Jim Carothers, Controller A.C. Stickel, Commissioner Amy Webster

**Board Members not in Attendance:**

NONE

**Quorum:** Present

**Non-Board Members in Attendance:**

Nicole Hemminger, Allison Senkevich, Patrick Wing; Marquette Associates, Bill Torre; Marquette Associates

**Media in Attendance:**

Kay Stephens-Altoona Mirror

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

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 Controller Stickel and seconded by Treasurer Carothers to approve the minutes from the January 5, 2022 Retirement Board Meeting. The motion was unanimously carried.

**Marquette Associates:**

**Quarterly Performance Review:** Pat Wing and Bill Torre from Marquette Associates presented the Fourth Quarter 2021 Investment Performance Report, reviewing the global economic environment, capital markets performance and the Retirement Fund (the “Fund”).

The Fund had an investment return of 5.2% for the quarter (all returns are net of investment management fees), outperforming its policy benchmark return of 4.7%. Outperformance by active equity managers and the Fund’s real estate manager, along with an underweight to emerging markets equities drove the outperformance.

For 2021, the Fund had an investment return of 14.2%, outperforming its policy benchmark by 0.9% (14.2% vs. 13.3%). Further, the investment return was well ahead of the 7.0% actuarial assumed rate of return.

**Investment Policy Statement Addendum:** Per discussion at the January Retirement Board meeting, Mr. Wing drafted and presented an addendum to the Investment Policy Statement for the Board’s approval. The amendment included:

* Increasing the cash target from 1% to 2%, while decreasing the bonds target from 22% to 21%
* Changing the “Infrastructure” asset class to “Listed Real Assets”, along with amending the asset class guidelines

After discussion by the Board, a motion was made by Controller Stickel, seconded by Commissioner Webster, and unanimously carried to approve the Investment Policy Statement Addendum.

**Rebalancing Proposal:** The Controller’s Office has determined that $145,000 is needed from the Fund to meet February distribution payments. Mr. Wing presented a rebalancing option to the Board that proposed a redemption of $325,000 from the Vanguard Intermediate-Term Treasury Fund, a redemption of $200,000 from the Principal U.S. Property Account and a purchase of $190,000 of the Fidelity Global ex U.S. 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. Second, it would raise the necessary liquidity to meet February distribution payments.

After discussion by the Board, a motion was made by Treasurer Carothers, seconded by Controller Stickel, and unanimously carried to approve the proposed rebalancing.

**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**: A motion was made by Controller Stickel and seconded by Treasurer Carothers that the Litigation Checks be accepted as set forth in the agenda. The motion was unanimously carried.

**Monthly Financial Report**: Controller Stickel provided the January 2021 financial report for the information of the board.

Totals for the Monthly Retirement Distribution for 2022 were set forth in the agenda for the information of the board.

Contributions made to the Retirement Fund in 2022 were set forth in the agenda for the information of the board.

**Adjournment:** There being no more business to discuss, the meeting was adjourned at 9:45 a.m.

**The next regular meeting of the Retirement Board will be held on March 2, 2022**

**at 9:00 a.m. in Commissioners’ Public Meeting Room.**

Respectfully Submitted,



August C. Stickel IV

Secretary