



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting

February 5, 2025 at 9:00 a.m.

In the Commissioners' Public Meeting Room

Board Members in Attendance:

Commissioner David Kessler, Commissioner Laura Burke, Commissioner Amy Webster, Controller A. C. Stickel, Treasurer James Carothers

Non-Board Members in Attendance: Bruce Erb (via Phone), Lindsay Dempsie, Alicia Tiracave, Brad Hampton – Marquette Associates, Pat Wing – Marquette Associates

Media in Attendance:

Board Members not in Attendance:

Quorum: Present

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

Moment of Silent Refection: Led by Commissioner Kessler.

Pledge of Allegiance to the Flag: Led by Commissioner Kessler.

Roll Call: The roll was called by Commissioner Kessler. Bruce Erb joined via phone.

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

Approval of Minutes: A motion was made by Commissioner Kessler and seconded Treasurer Carothers by to approve the minutes from the January 8, 2025 Retirement Board meetings. The motion was unanimously carried.

Marquette Associates: Quarterly Investment Performance Report: Brad Hampton & Pat Wing from Marquette Associates presented the Fourth Quarter 2024 Investment Performance Report, reviewing the global economic environment, capital markets performance, and the Retirement Fund (the "Fund").

The Fund had an investment return of -0.8% for the quarter (all returns are net of investment management fees), which was in line with the policy benchmark. Mr. Hampton noted, the return in the fourth quarter, equated to a \$295,000 investment loss. During the quarter, the Fund benefited from its largest position in the Vanguard Total Stock Mark Index, while a slight value tilt in the U.S. equity was a slight detractor. Real estate & fixed income were additive to the quarter. Mr. Hampton noted the calendar year for 2024 was +11.4%, exceeding the plan's actuarial assumed rate of return of 7.0%.

Mr. Hampton reviewed the current asset allocation, noting the slight overweight to U.S. equities given the strong relative outperformance of the asset class, while noting the overweight was addressed with

the December rebalance which was additive. Mr. Hampton noted that Real Estate underweight is something to address, as there have been positive developments out of the real estate market. Mr. Hampton reviewed the cash flows for the quarters, noting that the fund harvested gains from U.S. equities year-to-date, providing liquidity for the monthly benefit needs. Mr. Hampton reviewed the funds peer group rankings in a national database of public funds of all sizes. Mr. Hampton noted the fund ranked in the top 39th percentile during the quarter. Over the trailing three-years, the fund is performing in the 23rd in the same national database.

Mr. Hampton reviewed the manager performance, noting the U.S. equity composite was the best absolute performer during the quarter, noting that while the value tilt detracted, Vanguard performed well amongst value managed funds. Mr. Hampton noted that the non-U.S. equity was challenged during the quarter, noting the negative backdrop in October & November with a resurging U.S. dollar, concerns over tariffs, and political uncertainty in Europe. Mr. Hampton noted, on a relative basis, the non-U.S. composite outperformed on a relative basis in Q4 & 2024. Mr. Hampton concluded the 2nd quarter review with a review of the real asset & fixed income portion of the portfolio, which rising rates hurt interest rate sensitive assets in Q4. Mr. Hampton noted that the Fixed Income composite is less sensitive to rates via lower duration, so the negative performance was not as large as the broad fixed income market. Mr. Hampton noted that Real Estate posted a positive performance for the second consecutive quarter. This transitioned to the deeper look into the Real Estate market.

2025 Real Estate Market Update: Mr. Hampton presented an update with the recent trends in the commercial real estate market. Mr. Hampton reviewed updates regarding economic trends that have affected the valuation of real estate assets, particularly, higher interest rates, inflation costs, and shifts in demand, particularly in the office sector. Mr. Hampton commented that after two years of negative returns, there are positive signs that real estate is trending upwards via higher cap rates, increased transaction volumes, and a shift towards more industrial, multi-family, and specialty real estate over traditional office. Mr. Hampton reviewed the allocation of property type and location for the two real estate managers, Clarion & Principal, noting the underweight to office have helped relative performance. Mr. Hampton concluded with a reminder of the actions taken in 2022, which have helped the fund during the negative performance period in 1.) Redemption in the Clarion Lions Property fund (CLP) of \$240,000, of which \$140,000 has been received to date and 2.) Dividend reinvestment had been turned off in favor of receiving the distribution in cash in the same CLP fund. Mr. Hampton noted the relative benefit this had been in reducing the real estate allocation after a strong performance year in 2022. Mr. Hampton proposed a three-step approach to increase the allocation back to target over time: 1) rescind the outstanding \$110,000 redemption request from the CLP fund 2) turn on Dividend Reinvestments in the CLP fund and 3) Over the next 2-3 months look to invest \$300,000 total in real estate to get the fund back in line with its 7% policy target. Mr. Hampton noted that the first investment included in the proposed rebalance would be \$140,000 in the Principal U.S. Property fund, while CLP would benefit from the \$110,000 canceled redemption and opting in to the dividend reinvestment for the CLP fund.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Treasurer Carothers, and unanimously carried to approve the reissuing of funds to real estate accounts.

Rebalancing Proposal: The Controller's Office determined that \$65,000 is needed from the Fund to meet February distribution payments. Mr. Hampton presented a rebalancing option to the Board that proposed a redemption of \$205,000 from the Vanguard Total Stock Index. \$140,000 would be held in cash until the first available date to invest the proceeds in the Principal U.S. Property Fund. Mr.

Meeting of February 5, 2025 continued.

Hampton also proposed that the two prior items concerning the Clarion Lions Property (CLP) fund, 1) Rescind the \$110,000 outstanding redemption request and 2) turn on the dividend reinvest for the CLP fund, be carried out during the month as well.

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 the next several months of distribution payments

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

Administrative Fees: As presented in attachments A were made into a motion for approve by Controller Stickel and seconded by Treasurer Carothers. The motion was unanimously carried.

Litigation Checks: There were none.

Retirements: Attachment C were made into a motion for approve by Controller Stickel and seconded by Treasurer Carothers. The motion was unanimously carried.

Applications for Membership, Refunds, Rollover, and Beneficiary Payments for January 2025 were set forth in the agenda for the information of the board.

Contributions made to the Retirement Fund in January of 2025 were set forth in the agenda for the information of the Board.

Totals for the Monthly Retirement Distribution for January 2025 were set forth in the agenda for the information of the Board.

The Monthly Financial report will be provided once available.

Adjournment: There being no more business to discuss a motion was made by Commissioner Kessler to adjourn and was seconded by Controller Stickel and unanimously carried, the meeting was adjourned at 10:04 a.m.

**The next regular meeting of the Retirement Board will be
March 5, 2025 at 9:00 a.m. in the Commissioner's Public Meeting Room.**

Respectfully Submitted,



August C. Stickel IV
Secretary