



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting

November 1, 2023 at 9:00 a.m.

In the Commissioners' Public Meeting Room

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, Allison Senkevich, Angela Wagner, Pat Wing; Marquette Associates, Brad Hampton; Marquette Associates

Board Members not in Attendance:

NONE

Quorum: Present

Media in Attendance:

NONE

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

The roll was called by Commissioner Bruce Erb.

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 October 4, 2023 Retirement Board meeting. The motion was unanimously carried.

Quarterly Investment Performance Report: Brad Hampton from Marquette Associates presented the Third Quarter 2023 Investment Performance Report, reviewing the global economic environment, capital markets performance, and the Retirement Fund (the "Fund").

The Fund had an investment return of -2.4% for the quarter (all returns are net of investment management fees), matching its policy benchmark return of -2.4%. Year-to-date, the Fund had an investment return of 4.8%, underperforming the policy benchmark by 1.0%. During the quarter, the Fund benefited from a slight value tilt in the U.S. & Non-U.S. equity holdings. Interest-rate sensitive areas of the portfolio, such as Real Estate & Listed Infrastructure, detracted from performance, while the fund benefited from positions in Private Credit. For the quarter, the Fund ranked in the 25th percentile in a national database of public funds of all sizes and in the 17th percentile in a national database of public funds with less than \$50 million of assets. Over the trailing three-years, the fund is performing in the 34th and 23rd percentile respectively.

Meeting of November 1, 2023 continued.

Mr. Hampton presented a review and analysis of the Fund's equity investments. Within U.S. & Non-U.S. Equities, the Fund has historically had a tilt towards value stocks, which is intended to be a more conservative approach. The Fund has scene outperformance by the non-U.S. equity composite year-to-date, driven by positive absolute performance of each of the managers, namely Schroders & DFA. Both managers posted the lowest drawdown of the equity managers during the quarter of -1.3% and -1.5% respectively.

Mr. Hampton moved the discussion to the interest rate sensitive areas of the portfolio: Real Estate, Infrastructure, Credit, and Fixed Income. Mr. Hampton discussed the sentiment shift towards a 'higher-for-longer' rate environment that took place during the 3rd where large move upwards in the 10-year Treasury Yield took place, noting that longer duration assets such as long bonds & infrastructure assets fared the worst as a result. Mr. Hampton noted that floating rate instruments such as Private Credit, along with High Yield Credit, were the two areas to post positive returns during the quarter. Mr. Hampton finished with noting the shorter duration exposure in U.S. Fixed Income helped both during the quarter & year-to-date.

2023 County Data Base Report: Mr. Wing presented to 16th edition of the 2023 PA County Pension Plan Report to the board. Mr. Wing began with a review of report noting a total of 53 counties participated in this year's report, which compares actuarial assumptions such as: Assumed Rates of Returns, Salary Increases, Mortality Tables, COLAs, and Valuation Methods. Mr. Wing moved on to investment return and funded ratio comparisons in the report, noting the Fund has slightly exceeded both the average & median returns the trailing 5- & 10-year periods. Mr. Wing mentioned that Risk-Adjusted returns were added to the 2023 report, which the fund exceeded the average & median returns, when adjusted for the assumed volatility taken over the trailing 10-year period. Mr. Wing concluded with the vendor review section.

Rebalancing Proposal: The Controller's Office determined that \$170,000 is needed from the Fund to meet November distribution payments. Mr. Wing presented a rebalancing option to the Board that proposed a redemption of \$235,000 from the Vanguard Intermediate-Term Treasury Fund & \$45,000 from the Federated Money Market Fund, while using a portion of the proceeds to purchase \$110,000 of the Vanguard Total Stock Market 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, where equities have become slightly underweight. Second, it would raise the necessary liquidity to meet November 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.

BNY Mellon as Custodian Agent: Commissioner Erb stated Controller Stickel and he have meetings scheduled with 2 possible Custodian Agents: M&T Wilmington Trust and Principal Financial Group. The information presented from each meeting will be discussed at the next meeting.

Meeting of November 1, 2023 continued.

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: No litigation checks received this month.

Monthly Financial Report: Controller Stickel provided the October 2023 financial report for the information of the Board.

Totals for the Monthly Retirement Distribution for 2023 were set forth in the agenda for the information of the Board.

Contributions made to the Retirement Fund in 2023 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 9:49 a.m.

The next regular meeting of the Retirement Board will be held on Wednesday, December 6, 2023, At 9:00 a.m. in Commissioners' Public Meeting Room.

Respectfully Submitted,



August C. Stickel IV
Secretary