



BLAIR COUNTY RETIREMENT BOARD

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

Blair County Retirement Board Meeting

February 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, Pat Wing; Marquette Associates, Brad Hampton; Marquette Associates

Board Members not in Attendance:

None

Media in Attendance:

Kay Stephens, Altoona Mirror

Quorum: Present

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

Quarterly Performance Review: Pat Wing and Brad Hampton from Marquette Associates presented the Fourth Quarter 2022 Investment Performance Report, reviewing the global economic environment, capital markets performance, and the Retirement Fund (the "Fund").

The Fund had an investment return of 6.1% for the quarter (all returns are net of investment management fees), trailing its policy benchmark return of 6.5%. Underperformance by the Fund was driven by asset allocation, with an overweight to real estate detracting from performance given negative returns posted by the asset class. For the quarter, the Fund ranked in the 52nd percentile in a national database of public funds of all sizes and in the 65th percentile in a national database of public funds with less than \$50 million of assets.

Year-to-date, the Fund had an investment return of **-11.7%**, outperforming its policy benchmark by 0.8 percentage points (**-11.7%** vs. **-12.5%**). Year-to-date, the Fund ranked in the top 24% in a national database of public funds of all sizes and in the top 14% in a national database of public funds with less than \$50 million of assets.

Meeting of February 1, 2023 continued.

U.S. Equity Review: Mr. Wing presented a review and analysis of the Fund's U.S. equity investments. Within U.S. Equities, the Fund has historically had a tilt towards value stocks, which is intended to be a more conservative approach, and mid-cap stocks for increased return potential.

He noted how the outperformance of mid-cap stocks over the past year had left the Fund's U.S. equity exposure more heavily weighted to mid-cap stocks than was the case in previous years. He then reviewed current valuations across large-, mid-, and small-cap stocks within U.S. equities, noting that small caps appeared relatively attractive compared to their counterparts. Given that, Mr. Wing proposed, as a part of a larger rebalancing, the Board consider liquidating the Vanguard Mid Cap Index Fund and adding the Fidelity Extended Market Index Fund in its place. This action would lessen the overweight to mid-cap stocks and increase the exposure to small-cap stocks within U.S. equities.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Treasurer Carothers and unanimously carried to liquidate the Vanguard Mid Cap Index Fund and to add the Fidelity Extended Market Index Fund.

Rebalancing Proposal: The Controller's Office determined that \$115,000 is needed from the Fund to meet February distribution payments. Mr. Wing presented a rebalancing option to the Board that proposed a redemption of \$100,000 from the Fidelity Global ex U.S. Index Fund, a redemption of \$115,000 from the Schroders International Multi-Cap Trust, a full liquidation of the Vanguard Mid Cap Index Fund, a purchase of \$140,000 of the Vanguard Total Stock Market Index, a purchase of \$675,000 of the Fidelity Extended Market Index Fund, and a purchase of \$100,000 of the Vanguard Short-Term Corporate Bond 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. Finally, it would implement the revised U.S. Equity structure as presented and approved in the previous agenda item.

After discussion by the Board, a motion was made by Controller Stickel, seconded by Treasurer Carothers, 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 Commissioner Webster 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 Commissioner Webster 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.

Meeting of February 1, 2023 continued.

Monthly Financial Report: Controller Stickel provided the January 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 9:57 a.m.

**The next regular meeting of the Retirement Board will be held on March 1, 2023,
At 9:00 a.m. in Commissioners' Public Meeting Room.**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "August C. Stickel IV". The signature is written in a cursive style with a large, sweeping initial "A".

August C. Stickel IV
Secretary