Donald K. Myers, Chairman
Myra L. Tammy Miller, Secretary

Members:
Jason Renshaw
Pat Fabian
Amanda C. Hiles

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Retirement Board

COUNTY OF ARMSTRONG

ARMSTRONG COUNTY RETIREMENT BOARD
Meeting Minutes
June 8, 2022, 10:30 AM

The meeting of the Armstrong County Retirement Board (The Board) was called to order by Commissioner Myers in the Commissioners' Conference Room on Wednesday, June 8, 2022 at 10:47 AM. The following attended, unless marked absent:

Board Members:
Commissioners Donald K. Myers (Chairman), Jason Renshaw (Member), Pat Fabian (Member) - ABSENT, Controller Myra L. Miller (Secretary), Treasurer Amanda Hiles (Member) - ABSENT

Guests:
Mr. Pat Wing, Consultant/VP, Marquette Associates
Mr. Aaron Poole, Financial Management Director
Mr. Dennis Phillips, Leader-Times Reporter
Mrs. Amanda Rybarik, Retirement Specialist

Commissioner Myers announced that the meeting was being electronically recorded.

Commissioner Myers led the Pledge of Allegiance.

It was motioned by Controller Miller, seconded by Commissioner Renshaw, and carried unanimously to approve the Minutes of the March 9, 2022 Retirement Board Meeting.

It was motioned by Controller Miller, seconded by Commissioner Renshaw, and carried unanimously to acknowledge the Peirce Park Group/Marquette Associates Cash Flow Summary Reports for 01/31/2022 – 04/30/2022. It was noted that during the same time period there was a net decrease in the Combined Asset Market Value of $5,542,344 (01/31/2022 - $82,926,245 to 04/30/2022 - $77,383,901).

It was motioned by Controller Miller, seconded by Commissioner Renshaw, and carried unanimously to acknowledge the Trade Transactions for **FEBRUARY 2022 – APRIL 2022.**

It was motioned by Controller Miller, seconded by Commissioner Renshaw, and carried unanimously to acknowledge the Retirement Summary for **MARCH 2022 – MAY 2022**.

It was motioned by Commissioner Renshaw, seconded by Controller Miller, and carried unanimously to acknowledge Retirement A/P Bills for **MARCH 2022 – ($44,575.20)**, **APRIL 2022 – ($13,467.05)**, and **MAY 2022 – ($7,991.11)**.

Controller Miller gave an additional acknowledgement on the 2022-2023 Fiduciary Liability Renewal that was signed during at public meeting. There was no action needed for this.

Controller Miller then presented a quote from Horizon Information Systems, Inc. for a retirement payroll software upgrade. The quote proposed programming at a rate of $135.00/hour with a guess of 2 to 6 hours for the upgrade. It was motioned by Controller Miller, seconded by Commissioner Renshaw, and carried unanimously to acknowledge to move forward with the retirement payroll software upgrade with Horizon Information Systems, Inc. at a rate of $135.00/hour but not to exceed 10 hours.

Mr. Wing presented an investment review, discussing the global economic environment, capital markets and performance of the Retirement Fund in Q1 2022. Notably, equity markets declined meaningfully amid investor concerns around inflation, monetary policy and the Russian invasion of Ukraine. Fixed income also posted historically poor returns, leaving a very poor environment for traditional asset classes (e.g., equities and fixed income).

The Fund had an investment return of -3.5% for the quarter (all returns are net of investment management fees), outperforming its policy benchmark return of -3.8%. Outperformance by the Fund was driven by value tilts within U.S. and Non-U.S. equities and outperformance by the fixed income managers. Mr. Wing noted that the Board approved diversification efforts over the past few years were very helpful in Q1, as Private Real Estate and Infrastructure posted positive returns amid high inflation, as would be expected.

He then reviewed year-to-date performance through May, noting that equity markets continued to decline meaningfully. The Fund, however, continued to outperform its policy benchmark during the first two months of Q2, returning -4.8% vs. a -5.4% return for the policy benchmark. Through May, the Fund posted a year-to-date return -8.1%, outperforming its policy benchmark by 0.9 percentage points (-8.1% vs. -9.0%).

Mr. Wing noted the importance of the asset smoothing from an actuarial perspective in light of poor returns thus far in 2022. More specifically, strong returns in the previous four calendar years would help offset the poor performance in 2022 (assuming markets ended the year essentially where they were at the end of May), as the actuarial gains from the earlier years have not been fully recognized yet. He mentioned the actuary would provide a more complete overview of that concept and will be presenting the 1/1/22 actuarial valuation report at the September meeting.

Finally, Mr. Wing noted that he and Mr. Poole continue to work with another provider's proposal regarding the County's 457(b) Plan. They will review the relative merits of the proposal with the Board at the next meeting in September, possibly setting up a presentation by the provider prior to the meeting.

It was motioned by Commissioner Renshaw, seconded by Controller Miller, and carried unanimously to adjourn the June 8, 2022 Retirement Board Meeting at 11:31 AM. The next 2022 Retirement Board Meeting will be in the Commissioners' Conference Room on Wednesday, December 14, 2022 at 10:30 AM, unless otherwise rescheduled and advertised.

Respectfully submitted,

Myra L. Miller

Myra L. Miller
Secretary/Controller

MLM