

Retirement Board Meeting
February 12, 2018

Present:	Commissioner	Thomas Chernisky Mark Wissinger
	Controller	Ed Cernic Kristine Segear Dana Descavish
	Treasurer	Lisa Kozorosky
Absent:	Commissioner	William Smith

Pledge of Allegiance

Commissioner Chernisky called the meeting to order at 10:02 a.m.

Motion was made by Mark Wissinger to approve the minutes from the Retirement Board meeting held on February 5, 2018. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

Ed Cernic reviewed the retirement summary. There are currently 1,105 retirees as of February 7, 2018. January's retirement payroll was \$1,108,444.83. Commissioner Wissinger asked what the retirement hospitalization number on the retirement payroll represented. That number is the total amount of deductions received from retirees for their healthcare benefits. For January it was \$32,257.46. There are 33 Laurel Crest employees still eligible to start their pension at any time due to the sale of Laurel Crest in 2009. Ed noted that Dana Descavish is available to go to different County offices and educate the employees on the retirement plan and the retirement estimator that is available on the County website. Most recently she presented to the Tax Assessment office.

Diana Karpen provided the Ameriserv Report. As of close of business on Friday, February 9, 2018, the value of the fund was \$195,778,054.01. All managers are under the 3% cash balance threshold. Ed questioned if all the accounts are under 3%, why is there 4.24% in the cash equivalents? Frank will look into this. Lisa Kozorosky asked who is supposed to watch the accounts and make sure they are under 3%. Frank Burnette advised that it is his responsibility. Motion was made by Ed Cernic to accept Ameriserv's report. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0.

Frank Burnette advised the Board that so far this year January was up 3.25% and through the close of business on February 9, 2018 the fund is down 5.2%. In 2017, the total funds' gross return was 15.25% versus its benchmark of 13.90%. The fund's 3.8% allocation to MLP's have been impacted by lower energy prices and the MLP index was up 17% over the last 9 weeks. This manager remains on "watch status". Frank will provide at the next quarterly meeting a brokerage commissions review. Currently the asset allocation is 65.6% equities of which 12.6% is in foreign equities, 24.3% fixed income and 10.1% non-traditional. Ed questioned Frank as to where on the Ameriserv's report is the Chartwell investment. It is possible that the Chartwell investment is embedded in the cash equivalents balance. Both Diana and Frank will research this further. Ed also questioned the balance on CS McKee which is currently at \$20,946,755. This fund is used to draw the \$800,000.00 from monthly and needs to remain above \$20 million. Frank will look into rebalancing this fund.

Jeff Sparling, CFA from Vanguard presented to the board. Cambria County currently invests in large cap growth and value and international growth with Vanguard. For 2017, the Russell 1000 Growth Fund returned 30.12% versus its benchmark of 30.21% and the Russell 1000 Value Fund returned 13.60% versus its benchmark 13.66%. The International Growth Fund is overseen by two fund managers. They are Baillie Gifford

Overseas Ltd. and Schroder Investment Management. For 2017, the Fund returned 43.16% versus its benchmark of 27.19%. The investment has done exceptionally well. The investment was slightly overweight in emerging markets which attributed to the performance. For 2018, emerging markets are still leading the way.

Frank Burnette continued with his report. The next quarterly meeting is May 14, 2018. CS McKee and Ameriserv will be attending. The Fund's performance at five years was 9.10% and the first quarter return was 4.37, net of fees.

- Motion was made by Ed Cernic to accept Frank Burnette's and Vanguard's reports. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0.

Old Business:

1. The prospective Investment Consultant's interviews are scheduled for February 19, 2018 from 9:30 a.m. through 12:30 p.m. in the Commissioner's Meeting room, 3rd floor.

New Business:

1. Motion was made by Ed Cernic to ratify the action taken by the Commissioner's office at the recommendation of the Controller's office on the following February retirees: Ellen Wolf, John Natcher, Daniel Murtha, Jeffrey Nigborowicz, Joseph Felix, Julie Korenoski, Dianne Gray and Eric Sossong. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0.

The next Retirement Board meeting will be held on Thursday, March 15, 2018 immediately following the 10:00 a.m. Commissioner's Meeting in the Commissioner's Meeting room 3rd floor.

Motion was made to adjourn the meeting by Lisa Kozorosky. Meeting adjourned at 11:09 a.m.

Ed Cernic, Jr.