



RETIREMENT BOARD MINUTES

Thursday, April 15, 2021, 11:00 A.M.

Willowbank Office Building
420 Holmes Street, Room 146
Bellefonte, PA 16823

I. CALL TO ORDER

The Retirement Board met via BlueJeans and the meeting was called to order by Commissioner Pipe at 11:02AM. In attendance were Retirement Board members, Commissioner Higgins, Commissioner Dershem, Treasurer Kennedy, and Controller Moser. Rob Rossi and Bob McGee from CS McKee; David Reichert, Michael Spadano, and Kris Seets from Korn Ferry; and, Terri Fisher, Deputy Controller, and Travis Walker, Auditor/Accountant, were also in attendance.

II. PUBLIC COMMENT

In accordance with the Sunshine Act, attendees will be given the opportunity to comment on matters of concern, official action, or deliberation before the Retirement Board. For items not on the agenda, the Retirement Board will accept public comment at the beginning of each meeting. For items that are on the agenda, the Board will accept public comment prior to each official action. Persons desiring to comment should raise their hand to be recognized by the Chair. Anyone addressing the Board will be given a five-minute time period in which to do so.

III. MEETING MINUTES

Minutes from the Thursday, March 4, 2021, Retirement Board Meeting.

On a motion from Controller Moser and seconded by Treasurer Kennedy, the meeting minutes for March 4, 2021, were approved.

IV. CORRESPONDENCE

None.

V. OLD BUSINESS

- RFP for Retirement Fund Investment Consultant.

The Retirement Board discussed next steps in the RFP process. Controller Moser confirmed the three final candidates as PFM, Vanguard, and Marquette, after obtaining clarification from each on their respective Cost Submittals. It was decided, upon a suggestion from Commissioner Pipe, to have the three finalists present their proposals and avail themselves for Q&A before a final decision was made. Controller Moser agreed to contact each of the firms to set up the presentation date and times.

VI. NEW BUSINESS

- A. CS McKee 1Q 2021 Investment Performance Results – Rob Rossi and Bob McGee from CS McKee presented the 1Q 2021 Investment Performance Results for the

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Centre County Retirement Fund. They noted that bonds (Fixed Income) lagged in 1Q but other areas of the portfolio outperformed the benchmark for the quarter. They also noted that an increase in interest rates by the Federal Reserve was not anticipated until late 2022, though earlier than previous projections of 2023.

Performance	QTD	YTD	1 yr	3 yr	5 yr	10 yr
Large-Cap Core Equity (12/31/1982)*	12.31%	12.31%	67.74%	16.01%	15.78%	12.42%
S&P 500	6.17%	6.17%	56.35%	16.78%	16.29%	13.91%
Intl Equity (MKIEX) (7/1/1994)*	8.36%	8.36%	47.28%	1.89%	6.76%	3.78%
EAFE	3.48%	3.48%	44.57%	6.02%	8.85%	5.52%
Fixed Income (12/31/1982)*	-1.66%	-1.66%	3.49%	4.47%	2.91%	3.38%
Blend Index	-1.61%	-1.61%	1.38%	4.17%	2.66%	3.03%
Total Portfolio (12/31/1982)*	6.15%	6.15%	35.20%	10.43%	9.91%	8.00%
Blend Index	2.27%	2.27%	27.94%	10.06%	9.34%	8.03%

- B. Korn Ferry – The Retirement Board was introduced to Michael Spadaro, a new member of the Korn Ferry team, by David Reichert. Michael presented to the Board actuarial assumption recommendations and the impact on the ADC for the County (see attachment PDF attachment, KF – Centre County – 2021.pdf).

Treasurer Kennedy asked for clarification if the goal of these assumptions was to reach 100% funding of the Retirement Fund. Michael confirmed that that was the goal.

Commissioner Pipe asked if the retirees from the conversion of Centre Crest to a non-profit in 2013-2014, were factored into these assumptions and if their impacts were already accounted for. Michael and David confirmed they were. Commissioner Pipe additionally asked if other counties that Korn Ferry works with are converting to the assumptions with Treasurer Kennedy additionally requesting how many have adopted all four. David noted of the 47 counties they work with, approximately 20-25 have already converted with others anticipated and that Korn Ferry’s goal was to have all of their clients convert to the new assumptions.

The Retirement Board decided to review the options and make a decision at the April 29, 2021, Retirement Board meeting and to have the answer back to Korn Ferry by approximately noon on that day for issuance of the valuation report.

VII. ADJOURNMENT

On a motion by Controller Moser and seconded by Treasurer Kennedy, the Retirement Board adjourned at 11:47AM.