

CITY OF PITTSBURGH COMPREHENSIVE
MUNICIPAL PENSION TRUST FUND

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BOARD MEETING

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BEFORE: Ralph Sicuro, Chair
 Michael Lamb, Controller
 Felicity Williams, Deputy
 Chief of Staff

 Mark DePasquale, Vice Chair
 Richard Ruffalo, Treasurer
 Jennifer Gula, Executive
 Director

MEETING: Thursday, May 4, 2023
 1:00 p.m.

Reporter: Danielle S. Ohm

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BOARD MEETING

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<p style="text-align: right;">Page 2</p> <p>1 LOCATION: City-County Building 2 Mayor's Conference Room 3 Fifth Floor 4 414 Grant Street 5 Pittsburgh, PA 15219 6 WITNESSES: None 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 4</p> <p style="text-align: center;">E X H I B I T S</p> <p>1 2 3 Page 4 Number Description Offered 5 NONE OFFERED 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 3</p> <p>1 I N D E X 2 3 DISCUSSION AMONG PARTIES 5 - 79 4 CERTIFICATE 80 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 5</p> <p style="text-align: center;">P R O C E E D I N G S</p> <p>1 2 ----- 3 CHAIR: 4 We'll get started, then. 5 Call the roll. 6 Mayor Ed Gainey. 7 No? 8 Council President, 9 Theresa Kail-Smith. 10 No? 11 Controller. Michael 12 Lamb. 13 MR. LAMB: 14 Here. 15 CHAIR: 16 Deputy Chief of Staff, 17 Felicity Williams? 18 MS. WILLIAMS: 19 Present. 20 CHAIR: 21 Ralph Sicuro. 22 MR. SICURO: 23 Here. 24 CHAIR: 25 Mark DePasquale.</p>

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1 MR. DEPASQUALE:
 2 Present.
 3 CHAIR:
 4 Rich Ruffalo.
 5 MR. RUFFALO:
 6 Here.
 7 CHAIR:
 8 Of course our Executive
 9 Director.
 10 MS.Gula: :43
 11 Here.
 12 CHAIR:
 13 Thank you.
 14 Next will be the public
 15 comment.
 16 Is there anybody wishing
 17 to speak under public comment?
 18 Seeing none, we have
 19 moved to approval of the
 20 Minutes. Everybody has received
 21 their minutes.
 22 Do I get a motion to
 23 approve the minutes from the
 24 last Board meeting?
 25 MR. LAMB:

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1 Move to approve.
 2 MR. RUFFALO:
 3 I'll second.
 4 CHAIR:
 5 Motion made by Mr. Lamb.
 6 Seconded by Mr. Ruffalo.
 7 Any discussion on the
 8 motion?
 9 Seeing none, all those in
 10 favor, signify by saying aye.
 11 AYES RESPOND
 12 CHAIR:
 13 Opposed?
 14 Motion moves.
 15 Next item is the election
 16 of officers.
 17 We'll take them one at a
 18 time. So first office position
 19 up is the Chair.
 20 Do we have any
 21 nominations for Chair?
 22 MR.RUFFOLO:
 23 I would nominate Ralph
 24 Sicuro as Chair. He's done a
 25 great job.

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1 MR.DEPASQUALE
 2 Second.
 3 CHAIR:
 4 Thank you.
 5 Any other nominations for
 6 Chair?
 7 Seeing no more. All
 8 those in favor, signify by
 9 saying aye.
 10 AYES RESPOND
 11 CHAIR:
 12 Opposed?
 13 Motion moved.
 14 Next will be Vice Chair.
 15 Any nominations for Vice
 16 Chair?
 17 MR.SICURO:
 18 I will nominate Mr.
 19 DePasquale as Vice Chair.
 20 MR.RUFFOLO:
 21 I will second.
 22 CHAIR:
 23 Thank you.
 24 Any other nominations for
 25 Vice Chair?

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1 Seeing none. All those
 2 in favor, signify by saying aye.
 3 AYES RESPOND
 4 CHAIR:
 5 Opposed?
 6 Motion moves.
 7 Next will be for
 8 Treasurer.
 9 MR.DEPASQUALE
 10 I nominate Mr. Ruffalo as
 11 Treasurer.
 12 MR.SICURO:
 13 Second.
 14 CHAIR:
 15 Any other nominations for
 16 Treasurer?
 17 Seeing none, all those in
 18 favor signify by saying aye.
 19 AYES RESPOND
 20 CHAIR:
 21 Any opposed?
 22 Thank you.
 23 Next will be for
 24 Secretary.
 25 MR.SICURO: 2:47

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<p style="text-align: right;">Page 10</p> <p>1 I'll nominate Felicity 2 Williams as Secretary. 3 MR.DEPASQUALE: 4 I will second. 5 CHAIR: 6 Any other nomination for 7 Secretary? 8 Seeing none, all those in 9 favor signify by saying aye. 10 AYES RESPOND 11 CHAIR: 12 Opposed? 13 Motion moves. 14 That closes our 15 nominations and election 16 officers. 17 Thank you all. 18 19 CHAIR: 20 Okay. 21 Next we'll be moving on 22 to the Executive Director of the 23 Board. 24 MS.GULA: 3:14 25 Hey, everyone. The</p>	<p style="text-align: right;">Page 12</p> <p>1 2 CHAIR: 3 Next will be our report 4 from our consultant James 5 Wesner. 6 MR. WESNER: 7 Great. 8 Thank you, Mr. 9 Chairman. 10 Good afternoon, everyone. 11 We'll go through an update on 12 the broad market environment 13 first, and then we will discuss 14 the performance of the 15 portfolio. 16 Behind Exhibit 1, just a 17 quick update on Marquette. The 18 only thing I wanted to mention 19 on that is that our annual 20 client symposium is Friday, 21 September 15th. We'd love to 22 host all of you in person in 23 Chicago. We will also have a 24 virtual option as well. 25 So always a great event.</p>
<p style="text-align: right;">Page 11</p> <p>1 funding of the pension is 995 2 million, which is 65.0 percent 3 funded as of March 31st, 2023. 4 The return on the portfolio over 5 the last 12 months ending March 6 31st, '23 is -4.8 percent for 7 the invested portfolio and 0.9 8 percent -0.9 percent for the 9 composite. 10 Year to date the 11 portfolio is 4.5 percent in the 12 invested portion and 3.5 percent 13 for the total fund. 14 The parking asset, which 15 is valued through 12/31/2022, is 16 valued at 335.8 million. 17 There's a statement in 18 your packet of the individual 19 pension funding levels and 20 overall liability as of 21 March 31st, 2022. 22 Anybody have any 23 questions? 24 CHAIR: 25 Thank you.</p>	<p style="text-align: right;">Page 13</p> <p>1 We have some outside speakers 2 and then several members of our 3 internal research staff would 4 present on, you know, various 5 topics. 6 So it's just the day, but 7 a nice way to maybe, you know, 8 kick off a weekend in Chicago. 9 Behind Exhibit 2 we'll 10 find the market environment. We 11 have a little bit more of a 12 robust, you know, presentation 13 on the market environment for 14 this meeting. 15 Obviously the markets 16 have been very volatile. That 17 volatility has, you know, been 18 going on since the beginning of 19 2022, and a lot of it has been 20 due to, you know, the high 21 inflation rates. 22 Inflation last summer, 23 you know, peaked at over nine 24 percent, and the Federal Reserve 25 has had to take significant</p>

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1 action in terms of raising rates
 2 to get inflation under control.
 3 So we'll walk through a
 4 few of the, you know, elements
 5 related to that and discuss the
 6 performance of, you know,
 7 various asset classes.
 8 But on the first page,
 9 page two, just overall, this is
 10 through the end of the first
 11 quarter. I think the most
 12 important takeaway here is that
 13 overall capital market
 14 performance has been positive
 15 for the first quarter. And
 16 really all parts of the market
 17 were positive in the first
 18 quarter after 2022 time period
 19 where most markets were
 20 negative.
 21 So last year we saw kind
 22 of the double whammy of equity
 23 and fixed income being down
 24 double digits in most cases.
 25 For 2023 thus far, you know,

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1 we've seen relatively
 2 significant moves to the upside
 3 for both stock and bonds.
 4 Equities, as, you know,
 5 depicted in the top part of the
 6 chart, the blue kind of more
 7 royal blue color, U.S. equities,
 8 the SP up seven-and-a-half
 9 percent.
 10 We're up a bit more than
 11 that through April. May have
 12 been a little bit of a choppy
 13 start, you know, with the Fed
 14 further increase interest rates
 15 yesterday and the market is
 16 taking a little bit of a
 17 downturn.
 18 International markets,
 19 which is the middle section,
 20 kind of that darker gray, kind
 21 of more consistently positive,
 22 even in U.S. markets, up in the
 23 range of four to eight percent.
 24 And then fixed income, which is
 25 depicted by the lime green bars,

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1 different parts of fixed income
 2 across the board up about three
 3 percent.
 4 And that's a pretty
 5 significant move to fixed
 6 income.
 7 Just a reminder that last
 8 year 2022 was really the worst
 9 year on record for fixed income,
 10 and core bonds were down 13
 11 percent.
 12 So the important things
 13 with bonds is, A, the interest
 14 rates have stabilized, you know,
 15 they're not going up at the pace
 16 they went up last year. And B,
 17 kind of more importantly, is the
 18 idea that right now in fixed
 19 income, we're actually getting a
 20 yield.
 21 So whether it's
 22 short-term bonds, kind of what
 23 you can get at the bank in terms
 24 of deposits or CDs, or whether
 25 it's longer-term bonds, we're in

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1 a period for a long period of
 2 time where fixed income was
 3 giving us kind of zero to two
 4 percent. We were in a very low
 5 yield environment.
 6 Well, now we're in an
 7 environment where, as of
 8 yesterday, the Fed funds rate is
 9 between five-and-a-quarter
 10 percent. So for holding cash,
 11 essentially, you earn a
 12 meaningful return. So that's a
 13 really important differential
 14 between where we were a year ago
 15 and where we stand today.
 16 Page three just
 17 highlights inflation figures. I
 18 think the most important thing
 19 is the green line towards the
 20 right-hand side of the chart.
 21 You can see how inflation peaked
 22 last summer, as I mentioned
 23 earlier, at nine percent, we've
 24 come off pretty significantly.
 25 We are still much higher than

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1 the Fed target.
 2 So the Federal Reserve
 3 targets a two percent inflation
 4 rate. We are still in that five
 5 percent to six percent range.
 6 But what the Fed did signal
 7 yesterday is that they're going
 8 to now wait and see how the
 9 interest rate increases that
 10 they've already put in place
 11 continue to bring down
 12 inflation. So they're not
 13 likely to raise rates again for
 14 the next several months.
 15 They want to see
 16 inflation continue to come down,
 17 but they know there's a lag
 18 between when they implement an
 19 interest rate increase and when,
 20 you know, the impact on the
 21 economy actually take place. So
 22 it's a little bit kind of an art
 23 and science, I'd like to say, in
 24 trying to manage that process.
 25 Page five is another

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1 inflation chart. And I think
 2 the important takeaway from the
 3 chart on page five is just that
 4 we haven't had significant
 5 inflation environments for quite
 6 a while. So if we go back to
 7 the two most recent inflation
 8 periods, significant
 9 inflationary period, we have to
 10 go back to 1974 and 1980.
 11 So you had to go pretty
 12 far back to look at those
 13 environments. They were driven
 14 by other factors compared to
 15 what we had with time, with
 16 supply chain issues and coming
 17 out of a pandemic. But the
 18 important thing to note is if
 19 you look at the light kind of
 20 yellowish line, this
 21 environment, we peaked --- we
 22 kind of ramped up to our peak
 23 inflation faster and we've come
 24 off faster. So the hope is that
 25 since we ramped up faster, we'll

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1 continue to come off those high
 2 inflationary figures and get
 3 back in that two to three
 4 percent range more quickly and
 5 hopefully towards the end of the
 6 year.
 7 Pages six and seven
 8 discuss the employment
 9 environment. And this is
 10 something where we've seen a bit
 11 of a disconnect. Typically when
 12 the Federal Reserve starts to
 13 raise interest rates, and
 14 they've been raising interest
 15 rates now for well over a year,
 16 you typically see a slowing of
 17 the economy. And with that
 18 slowing of the economy, you
 19 typically see unemployment
 20 increase.
 21 What's different about
 22 this environment is that while
 23 interest rates have gone up and
 24 the economy has slowed to some
 25 extent, we haven't seen a

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1 meaningful change in
 2 unemployment. Unemployment
 3 remains around three-and-a-half
 4 percent. The private payroll
 5 numbers for April came out
 6 yesterday from ADP. They were
 7 surprisingly strong.
 8 The government
 9 unemployment figures for April
 10 come out tomorrow, and we're
 11 likely to see additional job
 12 gains, job growth. So it's
 13 hard ---. The Fed is in a kind
 14 of a challenging position.
 15 They're not seeing the economy
 16 flow in terms of the labor
 17 front, but we are seeing other
 18 parts of the economy flow.
 19 So they're in a little
 20 bit of a tough spot there.
 21 On page nine, I wanted to
 22 talk briefly about some of the
 23 bank failures that have been in
 24 the headline, and obviously this
 25 has come back into the headline

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1 again just in the last few days.
 2 Back in September --- I'm
 3 sorry, back in March, we saw the
 4 failure of SVB, Silicon Valley
 5 Bank and Signature Bank. Those
 6 were two of the largest bank
 7 failures in U.S. history. Just
 8 over this past weekend, we saw
 9 the failure of First Republic
 10 and be acquired by JPMorgan.
 11 And now we're seeing a few
 12 others today even still be in
 13 the headlines, most notably
 14 PacWest.
 15 What's shown on page nine
 16 are the number of bank failures
 17 for each of the years going back
 18 over the last 15 years. And
 19 while the bank failures in 2023
 20 have been meaningful in terms of
 21 the size of the institutions
 22 that have failed, what you'll
 23 notice is when you go back to
 24 2008 through 2014, '15, there
 25 were numerous bank failures in

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1 each of those years. And
 2 obviously 2009 through 2011, you
 3 saw almost a hundred plus bank
 4 failures in each of those years.
 5 So while this situation
 6 is serious and it's having
 7 meaningful impact on the economy
 8 and just the availability of
 9 credit as a whole, we aren't
 10 anywhere near where we were
 11 during the great financial
 12 crisis. So I think a lot of
 13 lessons have been learned,
 14 lessons are still being learned,
 15 but I think it's always
 16 important to have it all in
 17 context.
 18 The one takeaway, though,
 19 with the bank failures and how
 20 it connects with the Federal
 21 Reserve raising interest rate is
 22 when you have these bank
 23 failures, the willingness of the
 24 surviving banks to lend is
 25 restricted. They're going to be

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1 more conservative.
 2 So right now, if you were
 3 going to the bank, you're a
 4 small business and you're going
 5 to the bank to get a loan,
 6 you're going to have to show a
 7 lot better financials, you're
 8 going to have to show a lot more
 9 strength in your business than
 10 you would have six months ago.
 11 So it's almost like
 12 another couple of interest rate
 13 increases, in terms of how it
 14 slows down the economy. So the
 15 Federal Reserve has had to look
 16 at this and say, you know, we
 17 can't rate too much more in
 18 terms of the Fed funds raise,
 19 because there's also this
 20 banking situation going on and
 21 we need to make sure that our
 22 economy and small businesses
 23 have the ability to borrow and
 24 grow and invest in themselves.
 25 So all these things are

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1 somewhat related.
 2 Page 13 just highlights
 3 just a few things in terms of
 4 the fixed income market. We
 5 talked about how interest rates
 6 have increased significantly
 7 over the course of the last
 8 year.
 9 I think one important
 10 takeaway is the right-hand chart
 11 on page 13 is where yields are
 12 right now. And where yields are
 13 right now ---. So below
 14 investment grade fixed income in
 15 many cases is yielding eight
 16 percent to ten percent.
 17 So high-yield bonds,
 18 senior secured bank loans, there
 19 is a very attractive yield
 20 environment within fixed income
 21 right now. Even investment
 22 grade fixed income, which is
 23 managed in your portfolio by
 24 managers like Federated and
 25 BlackRock, the yields there are

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1 still over four percent. So the
 2 positive thing is you build a
 3 portfolio to meet your assumed
 4 rate of return. It's a lot
 5 easier when fixed income is
 6 yielding four-and-a-half percent
 7 than when it was yielding less
 8 than two percent last year.
 9 So 2022 is painful in
 10 terms of the negative returns
 11 for fixed income, but it does
 12 put us in a more positive
 13 environment going forward in
 14 terms of yield.
 15 Then just jumping forward
 16 a few pages. Again, I'll point
 17 you to page 16. One thing that
 18 we have in your portfolio here,
 19 and enough that could be a
 20 discussion point under new
 21 business, is we utilize passive
 22 investing or index investing for
 23 our large cap U.S. equity.
 24 One thing that's depicted
 25 on this chart here is what this

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1 chart is showing is the number
 2 of active managers who beat the
 3 benchmark. And what we've seen
 4 over time is that especially in
 5 large cap U.S. equity is a
 6 challenging environment for
 7 active U.S. equity managers to
 8 beat the benchmark. Most
 9 notably in large cap growth,
 10 which is the LCG notation there,
 11 kind of the third set of bars
 12 over, you'll see that for the
 13 year-to-date period, which is
 14 light gray, and the 2022 time
 15 period, which is dark gray, only
 16 about 30 percent of managers
 17 beat the benchmark in that
 18 space.
 19 And that's been a
 20 statistic that's held really for
 21 the last decade. So kind of our
 22 philosophy is if the likelihood
 23 of managers beating the
 24 benchmark is very low, let's use
 25 the time, let's use the manager

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1 fee dollars elsewhere in the
 2 portfolio to find out --- to
 3 find areas of excess return.
 4 And then in areas like
 5 large cap equity, let's utilize
 6 more passive investing
 7 strategies, whether it's
 8 indexing or whether it's
 9 enhanced indexing. So we'll
 10 talk about that in a moment.
 11 Currently we do have
 12 almost exclusively indexed large
 13 cap equity exposure.
 14 So it's just a couple of
 15 other charts that I'll mention
 16 briefly. If we jump all the way
 17 forward several pages, I'm going
 18 to jump forward to page 25 and
 19 hit on a few asset classes that
 20 have been really in the news
 21 recently.
 22 One is real estate.
 23 That's what's on page 25. Real
 24 estate came off a very strong
 25 year in 2022. It was one of the

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1 few areas of the portfolio that
 2 was positive and strongly
 3 positive. But as interest rates
 4 have increased and as office
 5 properties in particular have
 6 struggled to renew leases and
 7 make sure that the tenants are
 8 coming back and running the same
 9 footprint, we've seen real
 10 estate have a bit of a headwind
 11 the last couple of quarters.
 12 And so what we wanted to
 13 show on page 25 was comparing
 14 the state of the real estate
 15 market today to where it was at
 16 the end of 2007. So basically
 17 before the great financial
 18 crisis.
 19 And one of the main
 20 things is the left-hand chart is
 21 showing that occupancy or
 22 utilization within most parts of
 23 the real estate market are
 24 significantly better now than
 25 they were back in 2007. So

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1 industrial properties,
 2 multifamily properties, retail
 3 properties, the current vacancy
 4 rates are highlighted. It's a
 5 blue kind of outline bar.
 6 They're all kind of around four
 7 or five percent.
 8 Office properties are a
 9 little bit higher than they were
 10 back in 2007. And that's not
 11 surprising, because we know a
 12 lot of people have not returned
 13 to the office. A lot of people
 14 are continuing the work from
 15 home option for their employees.
 16 TRUSTEE:
 17 Just quickly, you're
 18 saying on this chart that 12
 19 percent of the office space is
 20 vacant on the national level?
 21 MR. WESNER:
 22 Exactly. The end of
 23 2007, as you can see the gray
 24 bar there, that's kind of inside
 25 the blue outline. So back in

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1 2007, it was only about ten
 2 percent. So we do have a
 3 slightly higher vacancy rate now
 4 in office than we did back in
 5 2007. You can see the others
 6 are all less.
 7 So industrial, for
 8 example, in 2007, the vacancy
 9 rate was around eight percent,
 10 and now we're at four percent.
 11
 12 MR. WESNER:
 13 So office still had one
 14 of the larger vacancy rates, but
 15 it was still kind of in that,
 16 you know, kind of seven to nine
 17 percent range.
 18 TRUSTEE:
 19 It's not significant?
 20 MR. WESNER:
 21 It's not significant, but
 22 it has increased. And what
 23 we're still waiting to see is
 24 the lease renewals. So groups
 25 that had a five year, seven year

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1 lease going into COVID, now it's
 2 saying, do people want to have a
 3 smaller footprint.
 4 In Chicago, what we've
 5 seen from Google and Meta and
 6 other kind of large technology
 7 companies is we've seen them
 8 sublet their space. And so
 9 you've seen groups go down from
 10 massive footprints in very new
 11 buildings to trying to sublet a
 12 couple of the floors that they
 13 currently had because their
 14 leases are very long term, so
 15 they're still paying on them,
 16 but they don't need that space.
 17 That's also a sign of
 18 potential further weakness in
 19 office.
 20 And then on the
 21 right-hand table there or the
 22 right-hand chart, this is
 23 showing the percent of inventory
 24 that's under construction. So
 25 what it shows is that there's

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1 much more construction now
 2 industrial multifamily housing
 3 than there was in the past. And
 4 that's because there's continued
 5 demand in that space.
 6 Actually, I was talking
 7 to one of the analysts, the
 8 analyst that works on your
 9 account here, and he and his
 10 wife couldn't find an apartment
 11 in downtown Chicago because as
 12 soon as one came available, they
 13 couldn't even see it. It was
 14 already gone.
 15 And so we have a lot of
 16 new multifamily housing under
 17 construction there. The
 18 question then comes to, how do
 19 you do conversions? How do you
 20 convert it maybe was an office
 21 building into multifamily
 22 housing? There's a lot of
 23 things that are going to be in
 24 flux in the real estate space
 25 going forward.

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1 TRUSTEE:
 2 But that conversion is
 3 still calculated in this
 4 inventory.
 5 MR. WESNER:
 6 If it had not been
 7 converted yet, it would still go
 8 up as a vacant space. And then
 9 once it went into the
 10 construction process, it would
 11 be kind of in the right-hand
 12 table, and then eventually come
 13 online and come out of the
 14 office inventory calculations.
 15 And then returns, which I
 16 think ties it all back together
 17 to be on page 26. We're also
 18 expecting more muted returns
 19 from real estate going forward.
 20 The office struggles will be
 21 offset by some of the strength
 22 and resiliency in industrials
 23 and apartments. But we do
 24 expect that over the next
 25 several years that we're going

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1 to see real estate numbers be
 2 more in that four to five
 3 percent range. So we're not
 4 going to see the four to five
 5 percent a quarter that were
 6 having 12 months ago.
 7 And then the final thing
 8 that I'll just wrap up with, I'm
 9 just going to hit page 30 real
 10 quick, because this is one of
 11 the most common questions we get
 12 right now is, what's the next
 13 opportunity? And obstacles in
 14 your portfolio. You've embraced
 15 utilization of alternative
 16 investments, but one of the
 17 alternative investment classes
 18 where you've seen not only some
 19 of the best performance
 20 recently, but some of the best
 21 potential going forward is
 22 private debt.
 23 So you have private
 24 equity within your portfolio.
 25 Private debt is the idea of

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1 private investment funds loaning
 2 money to small and middle-market
 3 businesses. And as the banks
 4 pull back from that space,
 5 because of the bank prices that
 6 we've seen, the opportunity set
 7 is growing.
 8 And also what we've seen
 9 in the chart on the right-hand
 10 side of the page is that the
 11 yield on these types of
 12 investments right now is over
 13 ten percent. Because short-term
 14 rates have increased so
 15 significantly, many of these
 16 loans, the yield that they have,
 17 or the interest rates that they
 18 pay, is a combination of short
 19 term interest rates.
 20 Used to be known as
 21 LIBOR. Now it's known as a
 22 SOFR, plus a spread plus a
 23 premium. And what's depicted
 24 here on this chart on the
 25 right-hand side of the page is

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1 at the beginning of 2022, the
 2 short-term rates were zero. So
 3 you didn't get you see a little
 4 0.5 there, but no bar. You got
 5 zero from short-term rate, but
 6 then you got the premium, or we
 7 call it the spread, which was
 8 highlighted in gray, which
 9 is five-and-a-half to
 10 six-and-a-quarter percent.
 11 Where we were at the end
 12 of the first quarter, you see
 13 there's actually a blue bar now.
 14 And that blue bar, as the Fed
 15 increased interest rates
 16 yesterday, is now up to five
 17 percent, plus the spread on top
 18 of it, which is the gray bar.
 19 That gets you to over ten
 20 percent yield. So this is
 21 certainly not a risk-free asset
 22 class. With all fixed income we
 23 saw last year ---. There is
 24 risk in stocks, there's risk in
 25 bonds, but this is one of the

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1 more attractive opportunities
 2 that we're seeing right now. So
 3 as we continue to talk through
 4 things, this will be an asset
 5 class that you'll talk about
 6 more and more as we go forward.
 7 TRUSTEE:
 8 Exposed to it yet?
 9 MR. WESNER:
 10 No, you really don't have
 11 any direct exposure. You have
 12 private equity, but you do not
 13 have private debt currently in
 14 your portfolio.
 15 TRUSTEE:
 16 And the private equity,
 17 that's what we do with the using
 18 \$10 million investments at a
 19 time. Is the private debt in
 20 the same fashion?
 21 MR. WESNER:
 22 Yes and no. There are
 23 some private debt managers that
 24 will do the same thing, where
 25 they will ask you to commit

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1 amounts to invest and then they
 2 will call that money as those
 3 investments are available.
 4 There are some other
 5 managers in the states that will
 6 call all of your money upfront
 7 and invest them in the existing
 8 pool of loans.
 9 One other thing I wanted
 10 to mention is that you do have a
 11 limited amount ---. Just in
 12 response to your question, you
 13 do have a little bit of exposure
 14 to the private debt within your
 15 EnTrust hedged portfolio. They
 16 can do some elements of private
 17 debt and private credit. And
 18 they have been doing a little
 19 bit in that space.
 20 So I shouldn't have said
 21 you have no exposure. You have
 22 limited exposure currently, but
 23 they will be increasing their
 24 allocations to that space as
 25 well.

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1 Any questions on the
 2 market environment? I know we
 3 went through a lot of different
 4 topics there, but I thought it
 5 was important since the market
 6 cap is so volatile.
 7 TRUSTEE:
 8 How this works compared
 9 to the outside --- outside
 10 ranges.
 11 MR. WESNER:
 12 In terms of the overall
 13 market?
 14 Well, in terms of your
 15 portfolio, your portfolio has
 16 ranked, you know, very strongly
 17 versus peer groups in terms of
 18 other public pension funds. So
 19 we'll hit that in a moment.
 20 But in terms of just kind
 21 of just a broad economy, you
 22 know, certainly we've seen just
 23 kind of the Midwest and the Mid
 24 Atlantic, at times they weren't
 25 going up as much. And so as

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1 things have slowed down, they
 2 don't appear to have slowed down
 3 as much versus some markets like
 4 San Francisco or New York or
 5 even Miami that were really
 6 flying high. Some of those have
 7 really slowed down quite
 8 significantly, especially San
 9 Francisco.
 10
 11 MR. WESNER:
 12 So I'll direct you behind
 13 page --- tab three, Exhibit 3.
 14 And on page four, just to give
 15 you a quick review of some money
 16 that has been moved recently.
 17 So in the last quarter,
 18 we have funded the Palisade
 19 small cap core investment. That
 20 was your investment with kind of
 21 your --- where we had terminated
 22 or --- not terminated. We had
 23 moved the money away from
 24 Gaiacuda because they exited the
 25 business. And then you selected

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1 Palisade, a woman-owned firm,
 2 as your new small-cap manager.
 3 They received \$20 million and
 4 that was funded back in
 5 February.
 6 The Gridiron investment,
 7 which is for one of your local
 8 managers, all that documentation
 9 has now been completed. The
 10 account is being opened at PNC
 11 and that account should fund
 12 within the next week or so. So
 13 that will be up and running in
 14 your next report.
 15 All of your managers ---
 16 I skipped over the previous
 17 page, all their managers are
 18 currently in good standing.
 19 And then your Executive
 20 Director noted your total value
 21 just in excess of \$995,000,000
 22 as of the end of March. That's
 23 depicted on page five.
 24 In terms of our asset
 25 allocation, we know that it's a

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1 little challenging to stay right
 2 on our asset allocation here
 3 because we do have the parking
 4 asset, which is obviously a
 5 liquid, and we can't rebalance
 6 money back into it. So we are
 7 technically a bit overweighted
 8 to equity, but we will continue
 9 to trim that and monitor that.
 10 The positive here is that
 11 your cash flow in this portfolio
 12 has remained very strong. And
 13 so new investments like Gridiron
 14 or monthly benefit payments, you
 15 have not had to sell any
 16 investments. And I can't
 17 emphasize how important that is,
 18 that when we have, you know,
 19 down markets, your kind of
 20 position of strength that you're
 21 in and not having to sell
 22 investments really does allow
 23 those investments to kind of
 24 recoup their value over time and
 25 lead to better performance over

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1 the long run.
 2 So just want to emphasize
 3 that's very important and not
 4 particularly common in the
 5 defined benefit world.
 6 I'll jump forward to
 7 performance figures. And those
 8 begin in kind of a more
 9 comprehensive fashion on page
 10 12.
 11 And what you can see on
 12 page 12 are the performance
 13 figures. Again, some of these
 14 were highlighted by your
 15 Executive Director. There's a
 16 three month, the most recent
 17 quarter, and the total
 18 fund portfolio was up
 19 three-and-a-half percent. Just
 20 a reminder, that includes the
 21 parking asset, which kind of
 22 goes up at a steady seven
 23 percent annualized rate of
 24 return.
 25 One thing that's

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1 important to note is that in
 2 strong up periods, like the
 3 first quarter, that will be
 4 slightly dilutive to overall
 5 performance, but in down periods
 6 like 2022, it will be accretive
 7 to overall performance.
 8 So in the long term, if
 9 you look at the ten-year
 10 numbers, your ten-year numbers
 11 are still exceptionally strong
 12 for both. So the top line,
 13 which includes the parking
 14 asset, your ten-year net of fees
 15 return is 7.7 percent. That
 16 puts you in the top 11 percent
 17 of the public pension plan peer
 18 group.
 19 If you look at just the
 20 invested portfolio, the ten-year
 21 return is 7.2 percent, which
 22 puts you in the top 32 percent
 23 of the public pension plan peer
 24 group. Both obviously very
 25 strong numbers.

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1 And over the short term,
 2 strong figures as well. I think
 3 a lot of the shorter-term period
 4 you see a little bit more
 5 volatility, obviously, but very
 6 consistent return over the long
 7 run across the board. So I
 8 think you have an appropriate
 9 asset allocation, and your
 10 managers have done a relatively
 11 good job.
 12 Within the fixed income
 13 composite. Your fixed income
 14 composite, although it's
 15 negative over the last year, you
 16 have weathered the storm better
 17 than most, partly because you
 18 have an allocation of shorter
 19 duration fixed income with the
 20 Vanguard Ultra Short Bond Fund.
 21 And if you look at the ten
 22 years, your fixed income
 23 composite is in the top
 24 percentile of the peer universe.
 25 Not a particularly

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1 glamorous number, at 2.2 percent
 2 over ten years, but that's the
 3 environment that we've come out
 4 of in terms of bonds. Bonds
 5 have been a very low returning
 6 asset class over the last ten
 7 years. This next ten years
 8 should be better.
 9 U.S. equities you've been
 10 kind of more median or
 11 benchmark-like in terms of
 12 overall performance. Obviously
 13 part of it is because you have
 14 the benchmark for your large cap
 15 equity allocation. Mid-cap
 16 equities with Frontier, they had
 17 a very nice first quarter,
 18 basically doubling the
 19 benchmark. For the first
 20 quarter of the year, they were
 21 up seven-and-a-half percent
 22 versus a benchmark that was up
 23 3.4 percent. And then Palisade,
 24 with their first kind of first
 25 month on the books, they just

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1 marginally beat the benchmark,
 2 still down 4.6 percent. The
 3 benchmark was down 4.8 percent.
 4 The emerging manager
 5 portfolio performance here, very
 6 benchmark-like, twin Capital
 7 kind of more kind of hovering
 8 around the benchmark around as
 9 an enhanced index strategy.
 10 CIM, which is your small
 11 cap manager, kind of continuing
 12 to struggle. The first quarter
 13 of the year was a better
 14 performance for them, but their
 15 longer-term performance is still
 16 relatively weak. That's one
 17 we're obviously going to
 18 continue to monitor closely.
 19 International equity
 20 managers, kind of the middle of
 21 page 13. This continues to be
 22 one of the best performing parts
 23 of your portfolio, whether it be
 24 the first quarter of the year,
 25 we're up 8.6 percent or the last

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1 one year, where you were
 2 basically flat and the benchmark
 3 was down five percent. You've
 4 been in the top decile of peer
 5 rankings in terms of your
 6 international equity strategies,
 7 really, over all time periods.
 8 So that is quite exceptional
 9 there for your international
 10 equity strategy.
 11 MSS is the largest
 12 position there, but Bake Street
 13 and ABS have also done a very
 14 nice job over the long term.
 15 With global equity over
 16 the last one year, with your ESG
 17 focused strategy with Federated,
 18 it's obviously been a more
 19 challenging environment for ESG
 20 strategies, especially over last
 21 year, where energy stocks
 22 performed better, ESG strategies
 23 which have a lower exposure
 24 there did not perform as well.
 25 You saw better performance there

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1 for the first part of 2023.
 2 And then just wrapping up
 3 with some of the alternative
 4 strategies on the hedge fund
 5 side.
 6 Hedge funds, 2022 was a
 7 period where traditional hedge
 8 funds performed very well, and
 9 strategies like parametric and
 10 what we call defensive equity
 11 lagged a little bit in the first
 12 part of this year. Hedge funds
 13 have not performed as well and
 14 defensive equity strategies have
 15 performed much better.
 16 So continue over the long
 17 term, a parametric strategy
 18 continues to be kind of the
 19 leader in your head space. And
 20 as I mentioned, the EnTrust
 21 reverse strategy is now going to
 22 be deploying more money in terms
 23 of some private credit.
 24 So that is going to
 25 further diversify the portfolio

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1 and hopefully lead to better
 2 returns in the future as well.
 3 And then just wrapping up
 4 with real estate, you have the
 5 RREEF America II fund and the
 6 Barings Core Property Fund. The
 7 struggles with real estate, your
 8 portfolio certainly has not been
 9 immune to those. But if you
 10 look at the long-term numbers,
 11 real estate has certainly been
 12 exceptionally accretive to
 13 portfolio performance,
 14 especially when compared to
 15 fixed income.
 16 So we've gotten about
 17 six-and-a-half percent per year
 18 out of real estate for the last
 19 seven years, where fixed income
 20 has given us really just about
 21 five percent. So we're going to
 22 continue to see volatility here.
 23 We do have redemption
 24 requests, partial redemption
 25 requests in for Barings, just to

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1 trim the real estate allocation
 2 down a bit. And we view that
 3 RREEF is stronger of those two
 4 managers. So just wanted to
 5 make sure that you were aware of
 6 that.
 7 And then the final page
 8 I'll hit is this page 20. And
 9 this is just the private market.
 10 In the highlight here, private
 11 markets, we only have this
 12 information on a quarterly
 13 basis, but do want to at least
 14 highlight the fact that you have
 15 committed significant dollars to
 16 private markets over the last
 17 several years and those
 18 investments have had, you know,
 19 very strong returns. If you
 20 look at the second and third
 21 lines there, the Crescent
 22 Mezzanine Partners strategy,
 23 you invested in two of those
 24 funds, one back in 2013, one in
 25 2016. Both of those funds had

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1 eight to nine percent net IRR,
 2 so significantly higher than
 3 what you had from, you know,
 4 fixed income --- other fixed
 5 income type investments.
 6 And then you see the
 7 Secragus and the other
 8 strategies kind of going down.
 9 We don't report performance the
 10 first couple of years of private
 11 equity. This is not really
 12 meaningful yet, but you do see
 13 the Secragus portfolio, which is
 14 a 2019 investment, and the net
 15 IRR is over 25 percent.
 16 So these aren't huge
 17 positions within your portfolio,
 18 but they have been very positive
 19 in terms of performance. And so
 20 we will continue to make
 21 investments in those private
 22 markets going forward.
 23 So just wanted to
 24 highlight that. I don't hit
 25 that at many of our meetings.

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1 So just wanted to put that out
 2 there and on the table.
 3 The final, you know, 25,
 4 30 pages are all the details
 5 made to the managers. As you
 6 know, I don't go through that on
 7 a regular basis, but just wanted
 8 to highlight that.
 9 And then the final thing
 10 that it's not really noted in
 11 here, but just wanted to hit it
 12 under the broad portfolio is in
 13 terms of our kind of DEI
 14 reporting for the managers.
 15 So we had spoken at some
 16 previous meetings about putting
 17 out a questionnaire and a matrix
 18 essentially to the managers that
 19 you have in your portfolio on
 20 the diversity they have within
 21 their organizations, their
 22 utilization of women minority
 23 owned brokerage firms, and what
 24 their plans are to add continued
 25 diversity to their

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1 organizations.
 2 It's a lot of information
 3 and so we wanted to come back
 4 just to the Board and make the
 5 recommendation that we review
 6 that at a subcommittee level,
 7 because it's, again, a
 8 meaningful amount of data on
 9 newer managers. And then
 10 potentially come back to the
 11 Board at the September meeting
 12 with any recommendations and
 13 findings from that analysis.
 14 MS.GULA:
 15 Thank you. I think you
 16 answered my question. It was
 17 about how we then take what is
 18 supplemented, and then make that
 19 part of the public record and
 20 public information. So you're
 21 recommending that we take the
 22 information we've received thus
 23 far, review it in a
 24 subcommittee, and then at our
 25 next Board meeting, I guess it's

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1 three months, we would have that
 2 public discussion?
 3 MR. WESNER:
 4 Yes.
 5 MS.GULA:
 6 Okay.
 7 CHAIR:
 8 Before we move on the
 9 recommendations, is there any
 10 other questions for James on his
 11 overall report?
 12 All right, seeing none.
 13 What's up?
 14 Seeing none, we have a
 15 recommendation to formulate a
 16 subcommittee to go over the DEI
 17 questionnaire and feedback from
 18 our fund managers.
 19 So at this time I want to
 20 entertain anybody that would
 21 like to participate ---. We
 22 usually have three people
 23 participate in that
 24 subcommittee.
 25 Are there any members on

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1 the Board who would like to
 2 participate in the subcommittee?
 3 Okay. So we have three
 4 willing participants for the
 5 subcommittee, Ms. Williams; Mr.
 6 Ruffalo and Mr. DePasquale.
 7 And we assume we'll get
 8 together with our Executive
 9 Director and coordinate a time
 10 to meet to go over those reports
 11 and provide us with feedback.
 12 All right.
 13 What would be an
 14 estimation of how long you
 15 prepare all that for us to
 16 start?
 17 MR. WESNER:
 18 We can get a kind of
 19 summary of preliminary findings
 20 out to the subcommittee over the
 21 course of the next couple of
 22 weeks.
 23 CHAIR:
 24 Just a rough estimate.
 25 MR. WESNER:

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1 The questionnaire has
 2 already been submitted to all
 3 the managers and we have most
 4 all the responses back.
 5 CHAIR:
 6 Yeah, we ---.
 7 MS.WILLIAMS:
 8 To make sure I heard you
 9 accurately there. You said that
 10 we received responses back from
 11 all of our managers.
 12 Is there anyone
 13 outstanding that we did not
 14 receive responses from?
 15 MR. WESNER:
 16 We have a few managers
 17 that we're following up with,
 18 but we have most all the
 19 responses back.
 20 MS.WILLIAMS:
 21 Okay.
 22 CHAIR:
 23 Okay.
 24 Seeing nothing else for
 25 our consultant, we'll move into

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1 our Solicitor's report.
 2 MR. FRANK:
 3 Thank you.
 4 The Board will recall at
 5 the February meeting, we
 6 authorized our Securities
 7 Counsel, Robbins Geller, to
 8 institute a suit of security
 9 fraud against the Avaya
 10 Holdings Corp.
 11 Our Counsel did file a
 12 motion for the fund to be the
 13 lead plaintiff in the class
 14 action of the Southern District
 15 of New York. There were eight
 16 other class members seeking to
 17 be the lead plaintiff, but the
 18 Fund suffered the largest loss
 19 on the stock of anyone who has
 20 applied. We're hopeful,
 21 therefore, that we will be
 22 selected to be the lead
 23 plaintiff, which is something we
 24 want for a variety of reasons.
 25 I would hope that maybe in the next
 two months the Court will

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1 decide.
 2 On the Carlisle suit, our
 3 Counsel did file an amended
 4 complaint. As expected, the
 5 defense filed a Motion to
 6 Dismiss. This is the first
 7 response to pleadings that
 8 typically a defendant will file
 9 in a securities case.
 10 Our response to the
 11 Motion to Dismiss is due July
 12 14, and our Counsel is working
 13 on the response. And I will
 14 review it before it is filed.
 15 As Mr. Wesner indicated,
 16 we have completed the paperwork,
 17 and we signed the agreement for
 18 Gridiron, so the legal documents
 19 are in place, as the manager.
 20 As you know, all of our
 21 professional service providers
 22 must provide a disclosure that
 23 lists political contribution
 24 gifts to city officials, et
 25 cetera. We

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1 received most of them. There
 2 were three that we did not get.
 3 Checking the emails over
 4 the last few days I think we're
 5 close to getting that.
 6 So please report any
 7 questions.
 8 CHAIR:
 9 Any questions for our
 10 Solicitor?
 11 Thank you, sir.
 12 Seeing none, we'll go
 13 into presentation.
 14 We have one resolution,
 15 a resolution authorizing payment
 16 for professional services
 17 rendered by Frank, Gale, Bails &
 18 Pocrass, P.C. in the amount of
 19 \$2,889 for the month of February
 20 2023 through April 2023.
 21 MR. LAMB:
 22 Move to approve.
 23 CHAIR:
 24 We have a motion to move.
 25

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1 MR. DEPASQUALE:
 2 Second.
 3 CHAIR:
 4 We have a second. Motion
 5 made by Mr. Lamb and seconded by
 6 Mr. DePasquale.
 7 Any discussion on the
 8 motion?
 9 Seeing none, all those in
 10 favor, signify by saying aye.
 11 AYES RESPOND
 12 CHAIR:
 13 Opposed?
 14 Motion moves.
 15 Thank you. We have no
 16 continued business.
 17 We'll move on to new
 18 business. We have two items
 19 under new business.
 20 First is the extension of
 21 the JD service contract with
 22 Allegheny County.
 23 For those of you who
 24 remember, what was it, two years
 25 ago, I believe it was, we had

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1 selected Allegheny County to run
 2 our JD Service Center for the
 3 three funds. That system has
 4 been working out very well for
 5 them.
 6 As one of the office ---
 7 you know, I would have a hand in
 8 that, and we had recommended
 9 from the three pension --- an
 10 extension of that. So before
 11 the Board, because the contract
 12 did go through this Board, we
 13 are looking to extend that
 14 contract.
 15 Is it for a one-year
 16 extension?
 17
 18 MR. FRANK:
 19 One-year extension, at
 20 the option of the election of
 21 Fund. It expires on June 30th,
 22 2023. So we need a motion today
 23 to extend that for one year.
 24 CHAIR:
 25 Can I get a motion to

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1 extend for one year?
 2 MR. LAMB:
 3 I move to extend for one
 4 year.
 5 CHAIR:
 6 Motion made by Mr.
 7 Lamb.
 8 Seconded by?
 9 MR. DEPASQUALE:
 10 Second.
 11 CHAIR:
 12 Mr. Ruffalo or Mr.
 13 DePasquale.
 14 Any further discussion on
 15 the motion?
 16 TRUSTEE:
 17 Are there any issues
 18 there?
 19 CHAIR:
 20 No. Quite --- frankly
 21 speaking, again, as a
 22 representative from the Fire
 23 Pension Office, all three had
 24 brought some changes to the
 25 county that we would like to see

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1 from the operating side.
 2 They've made them all, and
 3 everybody seems to be very happy
 4 with how things are operating.
 5
 6 TRUSTEE:
 7 From the Municipal
 8 Pension Office, they're very
 9 happy with what they've achieved
 10 for their side of things.
 11 CHAIR:
 12 Seeing no other
 13 questions, all those in favor,
 14 signify saying aye.
 15 AYES RESPOND
 16 CHAIR:
 17 Opposed?
 18 Motion moves.
 19 Next is the consideration
 20 for an RFP for S&P 500 index
 21 manager.
 22 And James, would you like
 23 to speak on it, before we have
 24 any motion made or you need to
 25 have a motion made from the

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1 parties?
 2 MR DEPASQUALE:
 3 We can begin. I think
 4 that would be informative.
 5 CHAIR:
 6 Okay.
 7 MR. WESNER:
 8 Currently your S&P index
 9 strategy represents about
 10 \$175,000,000 of portfolio assets
 11 under management. And we
 12 thought it would be a good
 13 opportunity, especially in light
 14 of some of the changes and
 15 enhancements that we've made to
 16 our investment policy statements
 17 regarding the utilization of
 18 women and minority owned
 19 investment managers to put out
 20 an RFP for our S&P 500 index
 21 strategy, allowing, you know,
 22 all parties, even the
 23 incumbents, to submit for this,
 24 to make sure, you know, we were
 25 analyzing a group of managers

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1 that were more diverse. And you
 2 know, making sure we're finding
 3 the lowest cost, best option out
 4 there for the fund.
 5 So this would be
 6 something where, you know, the
 7 Solicitor would work with us in
 8 terms of drafting the RFP. It
 9 would be posted and then we
 10 would, you know, bring the
 11 findings back to the Board at
 12 the next meeting.
 13 CHAIR:
 14 Jim, you mentioned
 15 earlier on your index fund when
 16 you were talking about also
 17 enhanced indexing.
 18 Can you give us a brief
 19 difference between the two?
 20 MR. WESNER:
 21 Sure.
 22 So you know, you do
 23 have --- one of your local
 24 emerging managers can often call
 25 it enhanced index strategies.

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1 Sometimes it's called more
 2 quantitative strategies, which
 3 are looking for doing more of a
 4 kind of quantitative analysis on
 5 investments to give, I'd say a
 6 benchmark-like but a strategy
 7 maybe a little bit more upside,
 8 a little bit more alpha, in
 9 terms of performance versus a
 10 benchmark.
 11 What you have with the
 12 three --- your current strategy
 13 is a traditional index strategy,
 14 which we consider to be asking
 15 the manager to essentially
 16 replicate the index. So not
 17 trying to do anything to get any
 18 more or less return, but to
 19 basically give you that exact
 20 market exposure.
 21 So this RFP would be for
 22 a traditional index strategy.
 23 CHAIR:
 24 All right.
 25 Can we entertain a motion

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1 to put out an RFP for an S&P 500
 2 index manager?
 3 MR. RUFFALO:
 4 I will make that motion,
 5 to the RFP manager.
 6 CHAIR:
 7 Motion made by Mr.
 8 Ruffalo.
 9 Do I have a second?
 10 MR. LAMB:
 11 Second.
 12 CHAIR:
 13 Seconded by Mr. Lamb.
 14 MR. FRANK:
 15 May I make a comment?
 16 CHAIR:
 17 Yes.
 18 MR.
 19 FRANK:
 20 I don't want to intrude.
 21 But I know a problem had been on
 22 the local manager RFP, that we
 23 did not get any minority or
 24 diversity response ---. And if
 25 that was your goal, I would
 suggest that we put into the RFP

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1 that that will be a significant
 2 factor in the award, if that's
 3 what you want to do.
 4 CHAIR:
 5 Are you describing a
 6 weighted type of scoring?
 7 MR. FRANK:
 8 I think we could leave
 9 that to the subcommittee.
 10 CHAIR:
 11 Okay.
 12 MR. FRANK:
 13 But I think we put the
 14 applicants on notice that is a
 15 significant factor in the award.
 16 MS. WILLIAMS:
 17 Just a question on that.
 18 Did we not tell you about
 19 our policy ---? It was part of
 20 our policy ---.
 21 I apologize. That ---
 22 our Solicitor as breaking up a
 23 little bit of what I was able to
 24 hear.
 25 I also had an RFP

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1 question. I'm not sure if it's
 2 appropriate right now to ask,
 3 but I want to make sure I got
 4 that out.
 5 CHAIR:
 6 Right now would be a good
 7 time.
 8 MS. WILLIAMS:
 9 Okay.
 10 So similar to the fact
 11 that we are asking all of our
 12 current managers to provide
 13 their DEI reporting, is it worth
 14 including in this RFP something
 15 similar?
 16 I don't know if it has to
 17 be as extensive, but we should
 18 consider that something similar
 19 in this RFP so that we are aware
 20 of any incoming managers that we
 21 would select.
 22 MR. FRANK:
 23 Ms. Williams, can you
 24 hear me?
 25 MS. WILLIAMS:

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1 Yes, I can.
 2 MR. FRANK:
 3 All right.
 4 We always include an RFP
 5 for them to disclose their
 6 diversity and how they were
 7 trying to work for diversity.
 8 And what I was saying
 9 that I would add to this RFP, if
 10 it is the Board's desire, that
 11 we would advise the applicants
 12 that diversity will be a
 13 significant factor in the award
 14 of the contract, which is going
 15 a little bit further than we've
 16 done in the past.
 17 MS. WILLIAMS:
 18 I like that.
 19 MR. WESNER:
 20 And we can also attach,
 21 you know, or have the
 22 spreadsheet that we circulated
 23 to your existing managers. We
 24 can have that spreadsheet as an
 25 exhibit or required exhibit for

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1 those responding to the RFP.
 2 MS. WILLIAMS:
 3 Just remind me, again,
 4 how much --- is this for the
 5 index --- RFP?
 6 MS. WILLIAMS:
 7 How much total? Maybe
 8 you could find how much total?
 9 MR. WESNER:
 10 Total index fund
 11 exposure, it is 175,000,000 of
 12 the basically \$1 billion in
 13 total assets of the plan. So
 14 this mandate alone is about 17
 15 percent of total fund assets.
 16 CHAIR:
 17 Normally, it will be the
 18 subcommittee recommendation for
 19 the Board to how much we would
 20 be allocating to whatever
 21 recommendation or
 22 recommendations they make for
 23 the full Board to then vote on.
 24 MS. WILLIAMS:
 25 I guess the reason I'm

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1 asking that what I want to do is
 2 I want to make sure that we are
 3 requiring having folks
 4 understand again what our goals
 5 are around DEI. But I also
 6 don't want to create a burden to
 7 make responses --- overburden
 8 stuff, right, for people to
 9 respond to RFPs.
 10 So I was trying to weigh
 11 between what the potential
 12 allocation was versus what we're
 13 asking people to do.
 14 So I guess that's a
 15 question, as a review or
 16 Solicitor review ---.
 17 Jamie would it be
 18 burdensome to add these
 19 additions to our RFP to fully
 20 respond?
 21 MR. WESNER:
 22 I think it is a fair and
 23 reasonable request for a mandate
 24 of this size.
 25 MS. WILLIAMS:

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1 Yeah.
 2 That's what I was
 3 thinking.
 4 CHAIR:
 5 My question was, since we
 6 had a motion, not suggesting
 7 that what we just discussed be
 8 included in the motion or would
 9 it be a separate matter?
 10 MR. FRANK:
 11 I think Mr. Ruffalo made
 12 the motion, and he can accept
 13 that as an amendment.
 14 MR. RUFFALO:
 15 We can accept it. Yes, I
 16 agree to accept the amendment to
 17 it.
 18 MR. FRANK:
 19 Which would mean that we
 20 would state that a significant
 21 factor in the award would be
 22 their diversity.
 23 CHAIR:
 24 Is there any further
 25 discussion on the amended


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1 motion? Amended motion.
 2 Seeing none, all those in
 3 favor signify by saying aye.
 4 AYES RESPOND
 5 CHAIR:
 6 Opposed?
 7 Motion moves. Thank you.
 8 Next, I would ask that we
 9 formulate the subcommittee to
 10 review the RFP responses once
 11 they come in. I don't know what
 12 the timeline would be, but do I
 13 have any volunteers to sit on
 14 the subcommittee to review the
 15 responses for the RFP.
 16 MS. WILLIAMS:
 17 I will volunteer.
 18 CHAIR:
 19 Thank you.
 20 Any other volunteers?
 21 MR. RUFFALO:
 22 I will. Again, if no one
 23 else wants it.
 24 MR. DEPASQUALE:
 25 I'll volunteer.

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1 CHAIR:
 2 We have our subcommittee,
 3 then, Ms. Williams, Mr. Ruffalo
 4 and Mr. DePasquale.
 5 Again, coordinate with
 6 our Executive Director and our
 7 Solicitor when the responses are
 8 ready.
 9 MR. FRANK:
 10
 11 My goal would be to have
 12 completed the RFP review,
 13 including
 14 subcommittee recommendation for
 15 the September meeting ---.
 16 CHAIR:
 17 That concludes our agenda
 18 items.
 19 Is there anything else
 20 before we have a motion to
 21 adjourn?
 22 Seeing none, can I get a
 23 motion to adjourn?
 24 MR. LAMB:
 25 So move.
 MR. DEPASQUALE:

1 Second.
 2 CHAIR:
 3 Motion made by Mr. Lamb.
 4 Second by Mr. DePasquale.
 5 All those in favor
 6 signify by saying aye.
 7 AYES RESPOND
 8 CHAIR:
 9 All right, everybody.
 10 Thank you very much.
 11 * * * * *
 12 MEETING CONCLUDED
 13 * * * * *
 14
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1 CERTIFICATE
 2
 3 I hereby certify, as the stenographic
 4 reporter, that the foregoing proceedings were
 5 taken stenographically by me, and thereafter
 6 reduced to typewriting by me or under my
 7 direction; and that this transcript is a true
 8 and accurate record to the best of my ability.
 9 Dated the 7 day of June, 2023
 10
 11 
 12 _____
 13 Danielle Ohm
 14
 15
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 25

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