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Transcript of Pension Board Meeting

Date: December 7, 2023
Case: CMPTF Board Meeting, In Re:

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CITY OF PITTSBURGH PENSION BOARD MEETING
Pittsburgh, Pennsylvania
Thursday, December 7, 2023
1:01 p.m.

Job No.: 514733
Pages: 1 - 63
Recorded By: Jacob Balistreri

Pension Board Meeting, held at the location of:

PITTSBURGH MAYOR'S OFFICE
414 Grant Street
Pittsburgh, Pennsylvania 15219

Pursuant to agreement, before Jacob Balistreri, Court Reporter.

A P P E A R A N C E S

RALPH SICURO - CMPTF Chairperson, Fireman's Relief and Pension Fund Representative
MARK DEPASQUALE - CMPTF Vice Chairperson Municipal Pension Fund Representative
RICHARD RUFFOLO - CMPTF Treasurer, Policemen's Relief and Pension Fund Representative
FREDERICK N. FRANK, ESQUIRE - Solicitor, Attorney for CMPTF
ED GAINEY - Mayor
JENNIFER GULA - Director/Treasurer of Finance, City Of Pittsburgh
JASON FRANKEN - Foster & Foster
PAUL BAUGHER - Foster & Foster
DON TRIVELINE - Palisade Capital Management
RACHAEL HEISLER - Deputy Controller
MICHAEL E. LAMB - City Controller
JAMES WESNER - Investment Consultant
ROBIN THOMPSON - Attendee
JOHN SMALLS - Attendee

C O N T E N T S

E X H I B I T S
(Attached to transcript)

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PROCEEDINGS

(Whereupon, the court reporter was duly sworn.)

MR. SICURO: Okay. We'll call the meeting to order. The first item is roll call. Mayor Gainey, Council President Theresa Kail-Smith, Controller Michael Lamb.

MR. LAMB: Here.

MR. SICURO: Deputy Chief of Staff Felicity Williams; Ralph Sicuro, here; Mark DePasquale.

MR. DEPASQUALE: Here.

MAYOR GAINEY: Hello, hello, everybody. How you doing?

MR. SICURO: Rich Ruffolo?

MAYOR GAINEY: How is everybody?

MR. SICURO: Here?

MR. RUFFOLO: Here.

MAYOR GAINEY: How you doing? How is everybody, good?

MR. SICURO: Note that Mayor Gainey is here.

MAYOR GAINEY: Hey, just real -- yeah. Just real quick, everybody. I know Felicity usually sits in -- I'm going to be able to sit in

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for, like, 20 minutes. Her uncle, who was like her father, died --

MR. SICURO: I'm sorry.

MAYOR GAINEY: -- and so, of course, the family is in flux right now. So I'll be able to sit in for, like, 20, 25 minutes in case there's anything we need to vote on or anything like that. But I would like for you all to just offer, you know, some prayers to her and the family.

MR. SICURO: Absolutely.

MS. KEIL-SMITH: Absolutely.

MAYOR GAINEY: Thank you.

MR. SICURO: All right. Public comment. Do we have anybody here for public comment? I'm seeing none. Approval of the minutes? I'm going to ask Frederick to address the issue.

MR. FRANK: Our former reporter made a series of errors in the minutes, and I have been trying for weeks to get them corrected. The only really significant error is misspelling Xponance throughout. I would suggest that you approve the minutes subject to my request of correction.

MAYOR GAINEY: I'm sorry, what were they misspelling?

MR. FRANK: Xponance, the -- the company.

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So --

MR. SICURO: All right. We hear from our Solicitor. Do we have a motion to accept, under his recommendation, to finish correcting these?

MR. LAMB: I would move to approve the minutes, given -- or -- or with the corrections as recommended by the Solicitor.

MR. DEPASQUALE: I'll second that motion.

MR. SICURO: Motion has been made by Mr. Lamb, seconded by Mr. DePasquale. Any discussion on the motion?

MR. RUFFOLO: Well, obviously, we didn't get to read them, and I didn't either, and it's just coming in now, so I just want that noted. I -- I do agree. I mean, I could probably have went on at the meeting and everything, so I approve, and I'll vote in the affirmative.

MR. SICURO: Understand. Any other --

MR. FRANK: I will -- I will send the corrected minutes when they come in.

MR. SICURO: Thank you.

MR. DEPASQUALE: Thank you.

MR. SICURO: Any other discussion? Seeing none, all those in favor, signify by saying

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aye.

COUNCIL: Aye.

MR. SICURO: Opposed? Motion moves. Next is bills and communication. First, is our report from our executive director. Ms. Gula?

MS. GULA: Good afternoon. The funding of the pension is 1.004 billion dollars, 67.67 percent funded as of September 30th, 2023.

MAYOR GAINEY: What's that percentage again, 60 what?

MS. GULA: 67.67 percent. The return on the portfolio over the last 12 months ending 09-30-23 is 11.3 percent for the invested portfolio and 9.8 percent for the composite portfolio. Year-to-date, the portfolio is 4.4 percent in the invested portion and 5.3 percent for the total fund. The parking asset, which is valued through 09-30-23 is valued at 3. -- or 333.9 million. That's actually down from where we were last year. There is a statement in your packet of the individual pension funding level and the overall liability as of 09-30-2023. Does anybody have any questions?

MR. LAMB: I -- I'm sorry, I -- I didn't -- I missed that number. The -- the amount of the

invested portfolio is how much?
MS. GULA: The invested is --
MR. LAMB: Seven something?
MS. GULA: In which part, the year-to-date, or --
MR. LAMB: Yeah -- well, no. What's the amount in the invested portfolio on whatever date you offered us?
MS. GULA: Oh, 9.8 percent -- oh, 11.3 percent for the invested and 9.8 percent for the composite.
MR. LAMB: I'm sorry, what was the -- what was the raw -- I'm sorry, what -- what was the amount, the market value?
MS. GULA: Oh, the amount, the market value? I thought you meant the percentage.
MR. LAMB: The market value of the invested portfolio.
MS. GULA: Seven --
MR. WESNER: No; it would have been $670 million --
MS. GULA: Oh, there it is.
MR. WESNER: -- in September.
MS. GULA: Thank you.
MR. LAMB: In September and that -- they

did -- November was up to 704; is that right?
MR. WESNER: Correct.
MR. LAMB: Okay. Thank you.
MR. WESNER: We thank you. We have -- the materials that are in front of you will reflect updated numbers. We wanted to be very conscious of bringing you preliminary November figures because November was a very strong month. And as the Controller just outlined, you know, you had an over 30 --almost $35 million increase in assets from the end of September to the end of November.
MR. LAMB: The only reason I bring it up is that I believe that this is the first time in the history of this Fund that we have had an -- an amount in excess of $700 million in our invested portfolio, which is really impressive, given where we came from, you know, 10, 12, 15 years ago. So congratulations, everyone.
MS. GULA: Look how many years we hovered around 50, and now we're pushing 70 percent funded.
MAYOR GAINEY: That's great. That's right.
MS. GULA: That's huge.
MR. SICURO: That's great.
MAYOR GAINEY: That's great.

MR. LAMB: It's amazing. Yeah.
MAYOR GAINEY: What was the total 12 years ago, dollars?
MR. LAMB: Well, we were -- when I started here, we were 25 percent funded. We are now 67 percent funded, which is really amazing work.
MR. WESNER: So I can comment that 10 years ago, the beginning market value of the invested portfolio was $368.3 million. Since that time, you've had about $8.5 million in cash outflows, which highlights how you've funded your pension very well. So you've been basically cash flow neutral over that time period, and you've had $311 million of investment earnings in that ten-year period. And again, I can't emphasize enough the importance of the fact that those investment earnings have been able to compound and you haven't had to sell off assets to meet benefit payments. So the steps that you've taken as an -- as a city, as a municipality, have really had a positive impact on the performance response.
MR. SICURO: Thank you. Does that complete your report? Okay.
MR. RUFFOLO: Can we get a copy of the ratio page? I don't have one and we normally get

them.
MAYOR GAINEY: Congratulations to you all. Congratulations. That's a lot of work, a lot of work. Congratulations. Please.
MR. SICURO: All right. Next we'll hear from our investment consultant for our third quarter review. Okay.
MR. WESNER: Thank you, Mr. Chairman. And so, we'll go -- we'll start behind Exhibit 1.
(Exhibit 1 was marked.)
MR. WESNER: And just a real quick update. We had our investment symposium back in September, the information here to be able to -- you know, you can log on and watch any of the segments from our investment symposium on our website. It was a great event. You know, you had -- had a few folks here able to attend. So you know, always a great way to hear from other Marquette folks other than me. So appreciate the support there.
Behind Exhibit 2 will be the market tracker for the month of November.
(Exhibit 2 was marked.)
MR. WESNER: As I was mentioning, November was an exceptionally strong month. If you

think back to our last conversation in September, we were starting to have a more challenging market, and the market continued to decline throughout September and most of October. Most of this was driven by the consistently increasing interest rate environment. And at the -- towards the end of October, we did hit a point where the ten-year treasury hit 5 percent, so -- which was the highest in a very long period of time, you know, going back to pre-Great Financial Crisis.

(Exhibit 2 was marked.)

And what we then saw was the Federal Reserve, in their meeting on November 1st, make comments that the market interpreted as they may be done raising rates. The bond market then proceeded to see rates drop significantly. And during the month of November, we saw interest rates drop over 70 basis points. (Coughs) Excuse me. So the ten-year treasury was down to 4.3 percent. Now, it's down even further to 4.1 percent, 4.15, and what that does is it pushes the bond market higher. It also pushes the equity markets higher.

So we saw this very broad-based rally during the month of November. And as you can see here for the month of November figures, it doesn't

matter whether it was bonds, whether it was stocks; in most, all markets were higher. There was a few parts of the commodity market that were lower, but again, all in all, very strong period for capital markets globally.

So we'll start with fixed income returns in the upper right-hand part of the page. And not to bring up a sore subject, but bonds last year were down 13 percent, so 2022 bonds were down 13 percent, and through the end of October, bonds were down again this year. So bonds, which are typically the anchor of a portfolio, really struggled. You can see in November, the broad bond market in the first row there, up 4.5 percent in the month of November. That is an exceptionally strong months for bonds. You know, sometimes we get -- bonds get overlooked because of the volatility in equities, but 4.5 percent return on a single month for bonds -- investment-grade bonds is exceptionally strong.

If you go down -- about halfway down that table, you see long government credit. These are longer bonds. So think of 20, 30-year government bonds, up almost 10 percent in a seven months. They're more sensitive. Longer bonds are more

sensitive to interest rate changes. And you can see that on a three-year basis, even with the strong month of November, long bonds are still down 11 percent annualized over the last three years. So bonds have shown a lot of volatility, which is uncharacteristic for that asset class.

You kind of go down a little bit further down that table. You'll see high-yield and bank loans. These are below investment-grade parts in the market, but they've been, far and away, the best-performing parts of the bond market year-to-date. And you can see year-to-date high-yield bonds are up 9.5 percent; bank loans are up 11.3 percent. So these are areas that, federated, one of your active managers on your bond portfolio can invest in, and, as you can see, that's really been a creative to portfolio performance.

And then if you look at the yield curve, which is the chart just below that table, it just highlights, you know, where we are in terms of rates, interest rates, and interest rates as a whole, you know, aren't too much different than where they were last year. Most of the pain was felt last year in terms of rates. A year ago, it's

the light gray line is where interest rates were. You know, we ended November at the black line. It's hard to differentiate a little bit between the black line and the dark blue line. The dark blue line is the end of October. So you can see that solid shift down from the blue line to the black line. That was the interest rate move in November, and that's what caused all that positive performance in the table above.

So now we'll go look at the real volatility in the market, the equity markets. So this is the left-hand side of the page. We'll start with the US markets, and -- and the top of the page, the S&P 500 up 9 percent in the month of November. We continue to see growth stocks leading the way. A couple statistics that I think are very interesting. One is that in terms of the S&P 500, obviously, 500 names in that index, the top 10 names are now well over 30 percent of that index, so getting close to 35 percent, and these are the names. These are Apple, Microsoft, Nvidia, Google, Amazon. They're predominantly large cap tech names.

Another chart that our research team put out that just, you know, really caught my eye was those largest companies, particularly Apple and

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Microsoft, which have market caps over $2 trillion. Those single companies, as a percentage of the broad global equity benchmark, the MSCI World benchmark, Apple alone has a larger market capitalization than every single Chinese stock in the benchmark and a larger market capitalization than every single UK based-company in the benchmark. So it really puts into perspective how the global markets have been driven by US large cap growth names.

If you look at the blue squares in this page, this is just the US Market, but it splits the US market up into large cap and small cap and growth versus value. And you'll see the upper right-hand blue square, large cap growth up 36.6 percent year-to-date. Small cap value, the lower left-hand square, only up 2 percent. So you have almost a 35 percent differential between the best performing and worst performing parts in the market. Large cap growth has just really dominated. Those companies have become more and more expensive, but they're continuing to put up very strong growth figure, and the markets have rewarded them, especially with interest rates now starting to come down.

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So as we look forward into 2024, there's a lot of discussion about whether, you know, small cap stocks can rally back, whether international stocks can rally back. There have been discussions that have been had year after year after year over the past decade, but large cap growth has continued to outperform. We always say valuations will matter eventually. In the short term, the stock is worth what someone else is willing to pay for it, but valuations cannot stay out of balance for, you know, long periods of time, so, eventually, we would think that value stocks and international stocks should start to outperform US stocks.

International equities are highlighted in the middle table there on the left-hand column. The top benchmark -- (coughs) excuse me. The top benchmark is the broad global benchmark, which is about 55 percent US, 45 percent international. The ACWI X US benchmark which is the second row there, that's the broad international benchmark. So if you look at the November performance, spot on with the US, up 9 percent, but if you look at year-to-date, international markets are only up 10 percent. The S&P 500 was up 20 percent. So the

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US has outperformed international stocks by about, you know, 100 percent, doubled that return.

Some of the headwinds. International stocks, technology is a very modest percentage of the international equity markets. So what I mean by that is, where in the US markets technology makes up almost a third of the stock markets, internationally, technology is only about 10 to 12 percent of the stock market. So when growth is leading, technology is leading, the international indices and markets just don't have as much -- many technology names. And if you think about that, and I ask you to name a -- a technology stock that's not based in the US, yep, you might -- one might not immediately come to mind; where if I say name a technology company in the US, you got a handful of names that come -- you know, slip off your tongue very easily. So it's just something important to keep in mind.

Emerging markets as well have underperformed this year. China has been a huge underperformer. The Chinese market is down. Even after November, it's still down 9 percent year-to-date, and annualized over the last three years, the Chinese market is down 17 percent

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annualized. So just some important things to keep in mind.

MR. DEPASQUALE: Is there a reason for that? Is it -- is it COVID? What -- what -- is it --

MR. WESNER: It was -- part of it was the way they dealt with COVID, that severity of their lockdowns and not, you know, building kind of herd immunity the way, you know, we did here in the US and in other countries around the world. And then, also, they have a lot of troubles within the banking system. Their real estate market and the international market has looked at the Chinese market to say, your numbers that you're putting out in terms of economic growth, we don't have a lot of confidence in those numbers. So the markets have not rewarded them with a lot of the incoming capital. A lot of investors also have said -- you know, private investors have said, we don't feel comfortable putting our market -- money in China. And, you know, it just takes one event. And we obviously saw with Russia, Russian stocks went basically to zero with the invasion in Ukraine.

If you would see a Chinese invasion of Taiwan, that concerns investors. So investors

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are -- are much more conservative about moving money into Chinese markets right now. And then one final comment, obviously, in -- in terms of international markets You know, not only -- I -- I mentioned the conflict in Ukraine, but the conflict in the Mideast now. There's just a lot of geopolitical uncertainty, which increases the risk premium for investors in international equities, so you have to demand a higher return, which means that pushes prices down. The other parts of the market, you know, hedge funds have continued to perform, you know, relatively well. Most notably, defensive equity, which is a part of the market that you have exposure to in your portfolio, and you can see there's -- it's the bottom line in that hedge fund table -- up 13 percent year-to-date.

A couple headwinds within your portfolio -- or, really the only headwind within the portfolio, has been real estate. Real estate has struggled. And this is in the bottom left-hand side of the page. Real estate is down. You know, most managers are down at 8 to 12 percent year-to-date, active managers. Most of that's driven by office. In your portfolio, I would say you have one manager that's performed consistently

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better than the other manager. I'll comment on them in a moment. But we do have a larger redemption request in from the underperforming manager; we've just been slow to get liquidity back out. And then I will talk about asset allocation in a moment, just to give you an update in terms of where we see things moving going forward. Any questions on the broad market?

So behind Exhibit 3 is the November flash report.

(Exhibit 3 was marked.)

MR. WESNER: And -- and so, this is a preliminary report. There's a few managers where we did not have performance information available, and so you will see zeros when we go to the performance page. But if you look at where we stood at the end of November, it was right about 1 billion, 39 million give or take, and I think it will go up a little bit more, obviously, when we get those additional managers reporting. One thing that's important to note -- and then you'll see it with the asset allocation discussion we'll have in a moment -- is the parking asset -- so it's kind of one of the first lines there; it's the second row down -- and you'll see that valuation at $333.9

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million. But more importantly is the portfolio value; it's 32 percent of your portfolio.

We've always -- it's always been challenging to try to conduct the asset allocation studies for the rest of the portfolio because you have this static asset. So it's always been a challenge that we've discussed here, and we've obviously managed to work around it, but we'll talk about the asset allocation in a moment because that percentage is continually going down. If you look at the negative $6.688 million in the three-month cash flow, that's just the regular quarterly payment that we get from the parking asset. So it's not that the parking -- the value goes down, but it's part of the cash flow that has been -- is part of the resolution that was passed to pass along those revenues. You can see the invested portfolio, again, at just short of $705 million.

Performance. If we go over to Page 5, the returns here, so your executive director put in returns through the end of September. You can see, obviously, we're materially higher than those figures. So the total fund year-to-date is up 8.4 percent, so, you know, well above your assumed rate of return, and the invested portfolio is up 9

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percent year-to-date, and I would anticipate both of those figures to go up a little bit more when we get some of the, you know, finalized performance for November.

So how have you generated the strong performance? On the fixed income side, you can see that fixed income. You're almost double the benchmark up 2.9 percent year-to-date versus 1.6 percent for the benchmark. One of the drivers there, prior to rates starting to increase last year, we were strategically overweight to shorter-term bonds, and that's helped your portfolio over the last, you know, kind of, 18 months or so. We'll discuss some changes there when we look at the asset allocation in a moment.

In terms of US equities, your active managers have done, you know, a pretty good job overall in terms of allocations. One thing I will remind you of, as you can see there under US equity, we still have the State Street S&P 500 Index Fund, the SSGA. We are just now finalizing the move-over of assets from the State Street Fund over to Xponance, which is your MWDBE-owned manager, and that will be happening before the end of the year. So you will have that large portion

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of your portfolio now managed by Xponance, an African-American-owned investment firm based out of Philadelphia.

Frontier, an active mid-cap strategy, and you see significant outperformance. And then Palisade, which is your newest manager -- this is the woman-owned firm that we hired earlier this year -- you can see modestly outperforming over the last three months, but that's been a tougher asset class to be in. So that's why, overall, your US allocation is a bit below the broad US benchmark.

The emerging manager portfolio, Gridiron, which is one of your newer managers there, obviously, a local firm, you know, nicely beating the benchmark. Their strategy has been really nice because it's beaten the bond benchmark in both up markets for bonds and down markets for bonds. So that's been a strong performer. Twin Capital, you know, very strong performance there, just modestly underperforming the benchmark year-to-date. And then, CIM, another local firm we're using, it's modestly underperforming year-to-date as well.

If you look at Page 6 with international performance, year-to-date, we're outperforming by

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about 2 percent. You can see up 12.3 percent versus a benchmark up 10.1, and that's also with a zero currently in there for ABS, which is one of your emerging market managers for the month of November. The benchmark was up 8 percent. So we could see a very nice upside there in terms of performance.

A couple other strategies just to highlight under hedge funds. I mentioned the parametric strategy. Good to see you, Mr. Merritts. If you're under the hedge fund strategies, I'll highlight the parametric strategy of 14.2 percent. The ASB strategy, which is the top one, does not have the November number in there. It does have the benchmark figures in there. So that's why you see what looks like a larger underperformance, is because there was no figure in for November yet. The same thing with Entrust. One thing, just a reminder, with Entrust, is that -- that is in a more diversified hedge strategy. They are -- we are increasing your allocation to some of their higher-yielding strategies. They have a maritime fund that's been a very strong performer, and we are increasing the allocations there. So we think that portfolio is

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nicely positioned going forward.

And then real estate --I hate to end on the kind of negative note, but real estate obviously has been a very challenging environment. The most common question we got in real estate is, are we at the bottom yet? Probably not. Office is still going to take a few more quarters to bottom out, but multifamily housing and industrials have performed quite well, so that is a kind of silver lining there.

The only other thing I wanted to highlight within the quarterly report -- and this will go behind Exhibit 5; I'm just going to jump around real quick -- was rankings.

(Exhibit 5 was marked.)

MR. WESNER: And so I'm going to point you over to Page 9, behind Exhibit 5, and this just highlights a few of the things that Control of Land was just highlighting in terms of your performance and your funding ratio. If you look at the top row there for the total fund composite over the last 10 years, you've had an annualized performance net of fees of 7.4 percent. That puts you in the top 6 percent of the public fund universe. So, obviously, some of that comes from the stability of

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the parking asset.

But if you go down to the next section and just look at your invested portfolio, your invested portfolio is still in the top third of the peer group. And these are figures as of the end of September when, you know, you were penalized for having more equities and more risk. So if you look at these numbers year-end, I really think the invested portfolio numbers are going to jump up nicely, but you should be very proud of the -- the total fund composite at the top to be in the top 6 percent of the public fund universe.

And then, the final thing in this book, there's, obviously, as you know, a lot of details in this book. Fees are in the back. You are also executing a strong performing plan with below average fees. So I'll just kind of leave you with that statement. The details are all in the back. There's all types of information in here in terms of the growth of the assets and the like, but just wanted to give you those few details from that section.

MR. DEPASQUALE: Well, what is the strategy when real estate finally does bottom out? I mean, downtown real estate and office real estate isn't coming back. Well, you know, I know you mentioned in the past we've been moving into the warehouse aspect, the Amazons and -- and so forth is what's keeping us strong. Do we have a -- a plan to move out of office space real estate?

MR. WESNER: So we've seen the -- so the two funds that you have are both diversified funds. So they're going to have a combination of office, industrials, retail, multifamily housing, and other, which can be, you know, life science buildings, senior living facilities, student housing, just a lot of other pieces. Office used to be almost a -- almost 30 percent of the benchmark; now, office is 18 percent of the benchmark. So the real estate landscape is changing, and so what the active managers are doing is they are selling off the properties that, as you're kind of alluding to, probably won't come back because they might be lower quality buildings in less desirable areas, and they want their portfolios of office investments to be higher quality buildings in better performing markets.

There are still pockets of strength within office. We have a few pockets in Chicago where, you know, a few blocks makes a big

difference, but it's definitely going to be a continued evolution within the industry. We won't ever -- I'll never come back and say you're going to have no office in the portfolio, but I think the percentage of office is going to continue to decline.

MR. DEPASQUALE: Is there a projection where the strength will be in that market over the next decade other than the warehousing?

MR. WESNER: Yeah. And so, it's -- it's a lot of specialized facilities. So one example is life sciences, where you can have a -- there's a lot of life science buildings up in Boston, for example, which you might look at it from the outside and it might look like an office property, but, inside, it's all customized for research for pharmaceutical companies, for example, and there's huge demand for that. Because that's a -- a -- a -- a job where you can't work from home, so the demand for that office space continues to be strong.

Now, we've seen a rebound, obviously, in hotels. We all know folks are traveling more so off -- our hotel properties have also, you know, rebounded quite significantly, so there are still a lot of pockets of opportunity out

there, and it's actually a perfect lead-in -- the question is a perfect lead-in to asset allocation.

So if you look behind Exhibit 4, we just have a quick highlight of asset allocation.

(Exhibit 4 was marked.)

MR. WESNER: We're not asking for any action today. We'll come back and ask for action at the February meeting. But it goes to the -- the point that was just made, that opportunities are going to be created when you have a market dislocation that we change in real estate or other asset classes; so what changes can we make to the portfolio to give us a higher potential rate of return in the future with, more importantly, less volatility. So it's just a reminder for everyone that we conduct asset allocation studies on a periodic basis. We don't always -- when we conduct new asset allocation studies, we don't always bring them to the Board. Sometimes we discuss them with staff. Sometimes we discuss them internally and say no changes are needed right now.

But wanted to present some options today and just begin the education process on a new asset class that we are recommending for many of our clients. So on Page 3 is just a highlight of

some different portfolios that we'd like to discuss going forward. When we do the formal asset allocation study in February, the offerings might look slightly different, and we want to take the feedback that we get from today's conversation into account when we're forming these portfolios.

But if we look at the asset allocation today and what we're seeing with many clients versus a couple of years ago, one of the biggest changes we're seeing is that bonds are now yielding, you know, 4 to 5 percent. Two years ago bonds were yielding 2 percent. So you didn't want very many bonds in the portfolio because it made it very hard to reach a 7 percent assumed rate of return. Well, now we can have more fixed income in the portfolio, and what does that do? It reduces the volatility of the portfolio, and it gives us more certainty that we can meet our investment objectives.

So the current policy is what's highlighted in the first column, Portfolio A. It really just breaks out in more detail some of the sub-asset classes, but the most important changes are in Portfolios B, C, and D. And what's highlighted in the red and the green in B, C, and

D, is anything that's highlighted in red is a decrease from Portfolio A, and anything that's green is an increase from Portfolio A. And so, what you'll notice in Portfolios B, C, and D, all of them have more fixed income because that's a very easy way to take down volatility in your portfolio. All of them also have less equity exposure. Again, kind of the same theory of you're swapping equity for fixed income; you're going to have less volatility.

And then, more importantly, in the bottom section, you'll see some green for Portfolios C and D, adding more alternatives. We've definitely seen alternatives be a very important part of diversifying the portfolio, and areas like private debt, private credit have been one of the best performing asset classes, and we think it has some of the best potential, going forward, to be a continual strong asset class.

As a reminder, you do have existing exposure to private equity. It's been, probably, your best performing asset class over the last decade plus. Private debt is just what the, kind of, name alludes to, private credit. It's bonds, it's fixed income, but it's in the private market.

In that private market, you have a manager that will purchase these securities for you, negotiate with underlying companies, make these loans, and then they're able to achieve higher rates of return because, you know, they negotiate that into the terms of the agreement. So we're seeing yields right now in that private credit space of, you know, 10 to 14 percent. Even the conservative managers this year are putting up, you know, 12 percent yields, so it's a very nice way to diversify the portfolio.

And another important thing -- and -- and -- and Mayor Gainey made the point earlier about that you were talking about performance, and I said something about cash flows; because your cash flows are neutral and you don't need to sell assets on a regular basis, you can take on a little bit more what we call illiquidity risk and be compensated for that and, right now, you get compensated very nicely for that illiquidity risk. So it's just further highlights how the -- all the steps that you took as a board and a municipality, you know, in the past decade to show up your finances allows you to make more investments in these asset classes.

And so, the next page just highlights the performance changes --

MR. SICURO: Just before we move off of that page, so I assume each portfolio is still geared to get a targeted rate of retirement?

MR. WESNER: That is correct.

MR. LAMB: Which is what?

MR. WESNER: 7 percent of something.

MR. SICURO: And does each one of these decrease our volatility? Is that the goal on each one of these?

MR. WESNER: If you flip the page --

MR. SICURO: Oh.

MR. WESNER: -- I'll give you the answer to the question. So if -- if you look at what's highlighted on Page 4, it says, As we run the asset allocation model and give the potential annualized returns on a ten-year basis -- you can see that, you know, the portfolios are all a little bit different in terms of performance, but especially if you compare Portfolio A versus some of the other portfolios. Portfolio A has one of the higher returns, but also has one of the highest risk levels. And you can see, as you go to Portfolios B, C, and D, you see decreasing risk levels. And

for Portfolio D, you actually see the highest rate of return, just barely, over Portfolio A. But the most important thing is the bottom row, which is a risk-adjusted return figure. You want -- higher is better, and you can see that Portfolio D has the highest risk-adjusted return. So it's just the idea that for each unit of risk that you're taking, you want to maximize the return. So Portfolio D is kind of the direction that we would like to -- like to go.

I'm not going to go through it today because I know, you know, it wouldn't be mindful of time, but there's a couple pages on the private credit market. And, you know, as we select managers, we have several managers that have made it through our diligence process and, similar to private equity, you would be investing in a -- a limited -- limited partnership for an investment in private debt. So again, this is really just more of a primer to kind of just introduce -- or reintroduce the discussion on asset allocation to make sure that we can, again, build a portfolio that's going to give you the highest potential for meeting your assumed rate of return going forward.

MR. LAMB: That's -- so the only thing I

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would caution about that is that, that longer-term investment which reduces your liquidity, would require the City to at least continue to do what it's doing on the investment side, right?
MR. WESNER: In terms of contribution.
MR. LAMB: Right. So -- so the contribution level would have to stay at or near the benefit payout level for us to be able to be invested in that kind of long-term illiquid investment?
MR. WESNER: Yeah.
MR. LAMB: Which is a good thing. I'm just saying, moving forward, that's what the -- the City is going to have to make that decision.
MR. WESNER: And there are some vehicles within the space that have better liquidity profiles than others. So there are ways to take that into account, and it'll be a discussion of the confidence that you have in terms of liquidity and potential needs. And as we interact with managers in this space -- and this is a growing space within the capital markets -- we've put a lot of pressure on investment managers to come up with some unique structures so that, for private debt, they have better liquidity than the traditional private

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equity. So I mean, your -- your point is well taken because a lot of pension plans are in a challenging liquidity position and they need better liquidity from their alternative asset classes.
MR. LAMB: They -- they should be able to stagger those investments, just like you do on others.
MR. WESNER: Yeah. And a lot of them are creating open-end fund structures. So it's more like real estate, and what we've seen for those who have created those, that even in down markets, they haven't had the liquidity lockups that we've seen in the real estate funds. So it's given us more confidence that if someone says they have monthly or quarterly liquidity, they're very likely to have that when you need the money. So it's a -- a good -- good point to take into account.
MR. SICURO: Any other questions for James?
MR. DEPASQUALE: I have to say that, ladies and gentlemen, I wasn't here on board when the parking tax was -- was brought in. It -- it goes away at some point in time. So is it set up kind of like training wheels, by the time it goes away that the rest of the Fund is -- is holding its

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own? What happens to that dollar value when we no longer --
MR. LAMB: Can I answer that question?
MR. SICURO: Sure.
MR. DEPASQUALE: That is the right thing from that whole side of the room.
MR. LAMB: So think about it this way. Today, our investment portfolio is worth $700 million. The total portfolio is worth 1 billion. 30 years from now, it should be -- we should have that money -- that money is what we're gaining over that time, right? So we -- we're taking the time value of money of that parking asset and playing that out. It's worth 300 and some million dollars today. As that money comes in, theoretically, and I think, really, the investment portfolio grows and that the parking asset shrinks, then at some point, the parking asset goes away and you've got a billion dollars in the investment portfolio --
MR. DEPASQUALE: Okay.
MR. LAMB: -- hopefully more. But I -- yeah.
MR. DEPASQUALE: Thanks. That's helpful.
MR. SICURO: Best person to answer the question --

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MR. DEPASQUALE: Yeah.
MR. FRANK: -- before he leaves.
MR. WESNER: Sorry, Mr. Chairman, I have one -- one other quick thing that the Solicitor just reminded me of. I just wanted to give the Board a quick update on the DEI discussions that we've continued to have with the DEI Subcommittee that was instrumental, obviously, in selecting Xponance as your diverse-owned index provider. We are continuing to have discussions and evaluations for all of the managers within your portfolio on their firm diversity characteristics. And we have had subcommittee discussions on implementing new requirements or targets for investment managers for organizational diversity for things like minority brokerage utilization, so continuing to evaluate various DEI initiatives and finding the best ways to memorialize those initiatives in your investment policy statement going forward.
MR. SICURO: Thank you very much. The --
MR. RUFFOLO: I was just getting an eye into that. I was going to bring that up also. I'm glad you did. We met back in October, the Subcommittee, and we had a good meeting, and the research is going to continue on diversity. We

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don't have all the numbers yet, obviously, but the Subcommittee is going to continue to work on that. So I appreciate you're out there.

MR. DEPASQUALE: Yeah, we'll pick that back up after the 1at of the year. So --

MR. SICURO: The asset allocation recommendation, you believe you'll be ready for the next meeting to make the full recommendation presentation on that?

MR. WESNER: Yes.

MR. SICURO: Okay. I see no other questions. Thank you for your report. We'll now move to our Solicitor's report.

MR. FRANK: Thank you, Mr. Chairman. Good afternoon and happy holidays to everyone. You'll recall, the last meeting, we selected Xponance as our S&P index fund manager. As required under the State Pension Act, I prepared a summary of the reason for the selection of Xponance versus the other applicants, and it was posted on the Finance Department website. We then had to enter into a formal agreement with Xponance confirming the terms of them serving as manager for our S&P index fund, and this took longer than I would've liked because Xponance wanted to use a

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third-party collective investment trust where our funds would actually be deposited. I explained to them there had to be an agreement directly between the Fund and Xponance confirming our terms and that the participation in the collective investment trust would be governed by those terms. I was able to get the execution of a separate agreement between Xponance and the funds confirming those terms and I think that's resolved.

There also was a Right-to-Know request directed to the City regarding the award of the Xponance contract, and I've assisted the City Right-to-Know Law officer on responding. I clarified with her that it was not the City, but the Fund that awarded the contract to Xponance, as the fund is an independent entity. As noted, we had the meeting of the DEI subcommittee, which I attended. On the Carlyle Group class action, we are waiting for the Court to rule on the defendant's motion to dismiss. And in the Avaya case, we are waiting for the Court to rule on the motion for the Fund to be the lead plaintiff in that action. I've had the normal activities of forwarding possible class action claims to our custodian to make those claims. Are there any

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questions?

MR. SICURO: Any questions?

MR. RUFFOLO: The -- so the Xponance issue is resolved --

MR. FRANK: Yes.

MR. RUFFOLO: -- correct?

MR. FRANK: Yes.

MR. RUFFOLO: And -- and that was all done on -- on your part that we don't need to take any other -- or further action --

MR. FRANK: Correct.

MR. RUFFOLO: -- correct? Okay.

MR. FRANK: It was self-executing, because the Fund approved it, and then I was charged with making the contract according to those terms.

MR. RUFFOLO: Okay. Thank you.

MR. SICURO: Thank you, Mr. Frank. Next item is presentation of papers. You all have a resolution before you. I will read the resolution: Resolution to authorize the payment for professional services rendered by Frank Gale Bails, Murcko & Pocrass, P.C., in the amount of $4,660.00 for the months of May 2023 through July 2023.

MR. FRANK: That's not the right number.

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MS. KEIL-SMITH: That's not the right number.

MR. SICURO: All right. That's all I have in front of me.

MR. FRANK: All right. That's --

MR. SICURO: Do we have a corrected version?

MR. FRANK: Yeah. It should be the resolution authorizing for September through November in the amount of $6,367.50.

MR. LAMB: That was all emailed to us.

MR. FRANK: Yeah. And I provided the underlying bill, so that's the correct number.

MR. SICURO: All right. Hold on, because I have two different things. I have the Resolution Number 4, which tells me from May to July, I have on our agenda August through July, and you're saying it should be?

MR. FRANK: September through November.

MR. SICURO: September through November. Was the amount correct?

MR. LAMB: No.

MR. FRANK: The amount is $6,367.50.

MR. SICURO: I'm sorry; give me one more second.

MR. FRANK: $6,367.50.
MR. SICURO: -- 50 cents. Do I need to read it again or are we good to --
MR. RUFFOLO: They were emailed to us.
MR. LAMB: They were. Last time we were here, we saw the invoice.
MR. RUFFOLO: Yes.
MR. DEPASQUALE: Yeah, they were.
MR. SICURO: Okay. So now, we have the corrected resolution before us. The one I would --
MR. LAMB: I would move to approve the resolution as presented with the new dates and amounts.
MR. DEPASQUALE: Second.
MR. SICURO: We have a motion made by Mr. Lamb, seconded by Mr. DePasquale. Any discussion on a motion? Seeing none, all those in favor signify by saying, aye.
COUNCIL: Aye.
MR. SICURO: Opposed? Motion moves. All right. We have no continuing business, so we'll go into new business. We have Foster & Foster here to make their 2023 pension valuation presentation. Jason, do you want to join us? You can sit here; it's fine.

MR. FRANKEN: All right. Yeah. Good afternoon, everybody. I apologize for my voice. I don't know what's going on with it, but -- so for those I haven't met, my name is Jason Franken. This is my colleague -- colleague, Paul Baugher. We're with Foster & Foster. As you know, this is our first valuation that we're presenting, so just a little bit of the process we went through: Once we were hired, we went back and -- and replicated the -- you know, the -- the last valuation results from 2021, and we, you know, went -- basically, we went through the results, ran all the numbers to make sure that we were consistent with -- with your prior actuary. Through the process, there were a couple of -- of things that we noticed. One, first off, the -- the liabilities -- all the liabilities were within 1, 1.5 percent, so they were, you know, consistent with our expectations.
There was, however, an issue that we uncovered with the calculation of the minimum municipal obligation. There -- there was some of the amortizations that were being -- that weren't being handled correctly, and so it -- it -- generally, it ended -- it resulted in an understatement of the municipal minimum obligation.

The good news is that the City had been contributing way in excess of that amount, so it didn't -- it didn't result in any issues for the Fund at all. We -- they did -- the prior actuary did issue revised reports for 2021, and we had to refile -- you know, we had to, you know, refile the -- the -- all the appropriate filings to disclose the -- the -- the new number. So we -- like, so we did that after we were hired.
Now, you know, this -- this year rolls around and we've completed the -- the 2023 evaluation for all three of -- of the funds. We have -- you know, in -- in your packets, the reports are there, and then -- and then there is a -- a PowerPoint presentation where we have a summary, you know, sort of -- rather than walking -- trying to walk through three different reports at once, we're -- we're just going to focus on the -- the PowerPoint. This is, obviously, our first meeting. It's -- it's a separate document. It's -- it's right here, right here.
MR. RUFFOLO: Thank you. Green.
MR. DEPASQUALE: Yes, got it.
MR. FRANKEN: So we're going to, like I said, focus on the PowerPoint, just a high level

summary of the results. You know, like I said, we -- we work with hundreds of plans all across the country, but I know each individual plan is -- is unique. So to the extent that there are things that you want to focus on or wanted to discuss, please let us know; but, otherwise, I'm going to turn it over to Paul so you don't have to listen to my scratchy voice. He's going to -- he's going to walk through all -- all of the evaluation results. And like I said, we're happy to answer any questions that you may have.
MR. BAUGHER: So we've got -- I don't know -- six pages here. It won't take long guys. But Page 1 just talks about what we do when we do evaluation, okay? So every couple of years, for you all, we gather data, we gather assets. We then use all that information to come up with liabilities. We take that data, we use the assumptions and use that to say, okay, when are each of these members expected to retire, expected to die, those kinds of things, to figure out cash flows into the future. We then discount them back to today to come up with your liability, and then use the methods that you all have selected to then determine what your annual contributions would be,

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okay?
So it's -- there's a lot of work that goes into it, but, really, that's the long and short of it, just figuring out what you're going to pay in the future, and then allowing you to -- allowing us to determine what contributions you're going to need, so that, like we've been talking today, as you get to those future points, you'll have the money that you need to pay those benefits, okay?
If you go to Page 2, really, just looking at a high level what changed from the 2021 to the 2023 valuations, and there's not much. The assumptions and methods, there was no changes there. As far as the plan or benefit changes, there was a -- a contribution rate change for the municipal plan that we reflected, but there was nothing in the police and fire plans that was needed. The biggest change on the page, you'll see there down at the bottom, is the transition of actuarial services that Jason was talking about. And like Jason was saying, you -- we show -- in this table at the bottom, we've got, really, two main liability measures, the PBB, which is measuring sort of the value of all the benefits

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you'll ever pay from the plan, and then the AAL, the actuarial accrued liability, sort of the value that people have earned to date, okay?
So there are actives that might have 10 years of service that you expect to work 15 more years. We're not looking at their entire 25-year history; we're just looking at what they've accrued to date. And so, you can see on -- for all three plans on both those measures what their -- their ratios are of their numbers versus our numbers. And as we note in that sub-bullet, we're really looking to have everything within 2 percent on a PBB basis, 5 percent on an AAL basis. Everything is under 1.5 percent, so we did fine as far as the transition. There's no concerns as far as what the prior actuary was doing or anything with their calculations, okay?
We go to the next page. We've got a couple pages here summarizing the financials in terms of this page is handling the funded status and the unfunded liabilities. This -- this chart here on the -- on the left is showing the funded status for all three plans showing the last three valuations. Just -- I like to do that just so you can see how you're progressing, which you all have

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been talking about today. You can see all three plans are actually improving over the last three valuations, which is great. We fully expect that to continue, based on what we're seeing here.
So the municipal plan is right about 77 percent now; and you can see the other two plans there as well, with police at 70 and fire at 64, okay? So all their funded status -- to no surprise then, as those was funded statuses go up, then when you look on the right, the unfunded liability, that liability minus your assets, sort of what do you have left over to pay for past accruals, those are shrinking as well. So as your funded status goes up, thankfully, your unfunded liability is going down as well. So there's less to pay off for past underfunding or plan experience, okay? Any questions on funded status? Okay. Let's go to the next page.
So this page is talking about contributions in two pieces. So contributions, if you just look at the math of it, there's two components of a contribution calculation. There's going to be something called a normal cost, which we're showing here on the left. That's the value of accruals people or actives are earning during a

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year, so what's the value of that one year of service that the people are earning. And so, for each of the plans, you can see that it's fairly stable from the last valuation to this one. I will -- I did want to note that -- pretty much, that we aren't going into member demographics here. We could give you all sorts of numbers, but we gave you 100 pages of valuation reports, so I -- I -- the numbers are there if you want them.
But one thing to note and we verify it even with you all's staff, the police active count went down about 170 members from the 2021 valuation to the 2023; not a surprise for -- hopefully, it's not a surprise to you all. It's certainly not a surprise to us. We're seeing that with police departments around the country. But we just want to make it clear that as we then start talking about contribution amounts going down, you'll see on the right, police is going down. The biggest chunk of that is just the fact that your payroll went down, so those normal cost accruals are going down as well.
MR. DEPASQUALE: So this is reflecting a loss of staff?
MR. BAUGHER: Exactly.

MR. DEPASQUALE: The current active staff?

MR. BAUGHER: Yep. And so, there's good news. If you get those actives back, this contribution will go up. But I -- I think based on what I'm hearing on police departments around the country, you'd sooner have the people than worry about the contribution going on. So just something to keep in mind. We're -- we're showing here on the right, then, the ARC, the recommended contributions, the amounts you're funding -- you are actually funding versus the minimum. And so, these amounts are -- are generally going up, but you need to keep in mind, these are for 2022 and 2024. The 2024 ARC is still based on the 2021 valuation, just due to the timing of things.

So I added the sub-bullet here up at the top that we expect for all three funds, the 2025 ARC to go down. It's going to be not much, about $1 million, maybe, per fund, but that's $3 million in total of just better experience that is flowing through. So, again, as those funded statuses are going up, you should expect these recommended contribution amounts to go down because there's less of a shortfall to make up. Okay. Any

questions there?

Okay. Last page, Page 5 here, assumptions. This is not an exciting page. And as -- I -- I really like putting it together because you can see that you're very stable across all your plans. And, as actuaries, Jason and I haven't talked about this, but we really have no concerns as far as these assumptions are -- are -- in relation to these assumptions. Your interest rate is right around where industry standards are right at now. The salary and the mortality and the demographics were all reviewed in 2021, and they're using the best available information we have. There's really no concerns as far as these assumptions are related to, and so when we come back to do the 2025 valuation, really, not anything we're going to really be pushing to -- to change.

MR. FRANKEN: And -- and you'll notice that there -- it is -- a -- a lot of these assumptions are based on the 2021 experience study. Generally, experience studies are done every five years, typically, for -- for a plan your size -- for plans your size. During the experience study, we review all of the assumptions to make sure they're still consistent with experience and future

expectations in the industry. So, here, we would anticipate doing not an experience study after your next valuation to make sure that the assumptions are -- are consistent, but as -- as Paul mentioned, you know, we have no concerns with the assumptions that are being used currently.

MR. SICURO: Just to be clear, our next experience study would be for the 2020 -- or -- sorry -- our next valuation would be 2025 --

MR. FRANKEN: Yes, sir.

MR. SICURO: -- which you'll begin conducting that in -- in '25?

MR. FRANKEN: Yes, sir.

MR. SICURO: And then, for the value -- or experience study, which will be the following year?

MR. BAUGHER: Yeah.

MR. SICURO: So as soon as you quit the -- finish the one, you're going to start the next one?

MR. BAUGHER: Yeah. Yep. Yep.

MR. FRANKEN: And then, it'll probably be reflected in the '27 valuation report.

MR. SICURO: Yeah. Thank you.

MR. FRANKEN: So that's all we had. If

there's questions, we're happy to address them at this time. So you've got big books to read too, if you're -- if you're -- yeah. If you're -- if you can't sleep, keep it on your nightstand and that might help. So any -- any questions for us?

MS. GULA: No.

MR. FRANKEN: You guys are being easy on us.

MR. DEPASQUALE: I just mentioned I am -- I -- I -- I represent the Municipal Board and the office is very pleased working Foster & Foster.

MR. FRANKEN: Okay. Well, we're glad to hear that.

MR. DEPASQUALE: They have high grades for you.

MR. FRANKEN: That's great. Well, I appreciate that. And like I said, to the extent you have any questions, my email and phone number and stuff are in the back. Don't hesitate to reach out to me or Paul.

MR. SICURO: Thank you very much. No further questions. Thank you for your presentation.

MR. DEPASQUALE: Thank you.

MR. BAUGHER: Thank you.

MR. DEPASQUALE: Have a nice safe

holiday.
MR. SICURO: Okay. Our next item under new business is proposed dates for the 2024 meetings. We verified it. These are all good for -- these are our normal Thursday meetings. I'll read the dates off. February 1st, 2024; May 2nd, 2024; September 5th, 2024; May 5th, 2024. Do I have a motion to --
MR. DEPASQUALE: Did you say you --
MS. GULA: The last one is December.
MR. DEPASQUALE: Will you give them again real quick?
MR. SICURO: Yes. What did I say?
MS. GULA: May.
MR. SICURO: Oh. December 5th, 2024. Do I have a motion to set these dates for our calendar for 2024?
MR. DEPASQUALE: So moved.
MR. RUFFOLO: I'll second.
MR. SICURO: Motion made by Mr. DePasquale and seconded by Mr. Ruffolo. Any discussion? Seeing none, all those in favor signify by saying, aye.
COUNCIL: Aye.
MR. SICURO: Opposed? Motion moves. So

one last thing I'd like to do before we adjourn is to take a second to recognize our City Controller and longtime Board member, Mike. Sixteen years, you've been with us?
MR. LAMB: Yeah.
MR. SICURO: Sixteen years. I just wanted to say a few things to express my gratitude for your commitment and dedication to the employees of Pittsburgh, ensuring their retirement security throughout your -- your contributions to the comprehensive Municipal Pension Trust Fund Board. But most notably in -- in 2010, your direct involvement in crafting the dedicated parking tax legislation stands as a testament to your foresight and strategic thinking.
That -- this -- this has to be the single most significant impact to our pension system, ultimately saving our pension system and securing the financial well-being for countless employees. Your dedication, thoughtful insight, and diligent actions have been instrumental to guiding this Board and protecting our assets. The impact of your service will undoubtedly resonate for long into the future, and we wish you continued success in whatever you pursue.

MR. LAMB: Thank you very much. It's been an honor.
MR. SICURO: Thank you, Mike.
MR. LAMB: I -- I'm glad that you said that. I -- I thought you were going to say that I protected your ass.
MR. SICURO: By Pittsburgh, yes.
MR. LAMB: You know, it's a little tough. Hey, listen, I -- I thank you very much for that. And I before we close, I will say this. You know, over the last 16 years, we were -- we saw some very interesting financial times for this city, and the fact is that where we stand today is, in large part, because of the work that's been done around this table. You know, the -- the -- the -- as I mentioned earlier, I think when I came on board that we were 25 percent funded in our pension fund, and, today, we're not only -- not only are we 67 percent funded, but -- but -- and growing, we've also set aside funds to pay for our OPEB benefit as well, and that's -- that's -- there aren't too many municipalities across the country that have done that.
And so, I -- I really credit the work around this Board as probably the biggest factor in

the turnaround -- the financial turnaround of this city. So I was -- I'm glad that I was part of it and congratulate all you for your great work. Bringing on Marquette when we did was -- was -- was a big part of that too, and Jamie and his group just have done really great work for us. So thank you.
MR. SICURO: Thank you for your service for us.
MR. RUFFOLO: Likewise. And thank you also -- I've been here just as long with you, just a few years before you. All the hard work you've done both professional and personal, all the subcommittee work, it's -- it's put us where we're at today. You've been a very, very important person on this -- this Committee --
MR. LAMB: Thank you.
MR. RUFFOLO: -- and we're going to miss you.
MR. LAMB: Thank you.
MR. RUFFOLO: Good luck and stay healthy.
MR. DEPASQUALE: It's been enjoyable working with you, Michael.
MR. LAMB: Thanks.
MR. DEPASQUALE: We've learned a lot.

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You've been very helpful --

MR. LAMB: Thank you.

MR. DEPASQUALE: -- with a lot of initiatives.

MR. SICURO: Well, that concludes our meeting for today. Do I have a motion to adjourn?

MR. LAMB: So moved.

MR. DEPASQUALE: Second.

MR. SICURO: Motion made by Mr. Lamb, seconded by Mr. DePasquale. All those in favor signify by saying aye.

COUNCIL: Aye.

MR. SICURO: Thank you, everybody.

(Off the record at 2:04 p.m.)

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CERTIFICATE OF COURT REPORTER - NOTARY PUBLIC

I, Jacob Balistreri, the officer before whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings were fully sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

Jacob Balistreri
____
JACOB BALISTRERI, NOTARY PUBLIC
FOR THE COMMONWEALTH OF PENNSYLVANIA
December 21, 2023

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CERTIFICATE OF TRANSCRIBER

I, Karen M. Galvez, do hereby certify that this transcript was prepared from the digital audio recording of the foregoing proceeding; that said proceedings were reduced to typewriting under my supervision; that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; and that I am neither counsel for, related to, nor employed by any of the parties to the case and have no interest, financial or otherwise, in its outcome.

Karen M. Galvez
____
KAREN M. GALVEZ
PLANET DEPOS, LLC
December 21, 2023

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