

The regular monthly meeting of the Retirement Board of Allegheny County was held on December 17, 2015, in Conference Room 1, 1st floor, Courthouse, Pittsburgh, Pennsylvania at 12:15p.m.

When the roll call of the Board members was made Board members John Weinstein, Ted Puzak, Chelsea Wagner, Jennifer Liptak, Walter Szymanski and Frank DiCristofaro were recorded as being present.

Also present were Tim Johnson, Executive Director; Brian Gabriel of CDBPM Law; David Lindberg and Felicia Bennet of Wilshire Associates.

PUBLIC COMMENT

There was no public comment

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve the minutes of the November 19, 2015, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, to accept the October 31, 2015 Financial Statements. The reports are generated by the Controller's Office (Board Secretary).

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet

APPROVAL OF INVOICES

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. DiCristofaro to accept the invoices the Board has received since the November 19, 2015 Board Meeting.

PENSION APPLICATIONS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Dicristofaro to approve the Pension applications filed with the Retirement Office in the month of October. The following applications have been filed.

- Early Voluntary – 3
- Full Retirement – 4
- Disability – 1

EXECUTIVE DIRECTOR'S REPORT

Mr. Johnson provided his monthly status report of the Retirement Board, highlighting the following:

Regularly benefit cash flow is calculated by looking at Retiree payroll including refunds and that number is compared to our contributions each month. If you look at that number YTD there is \$1.38 going out for every \$1.00 coming in and for that reason there will be a recommendation later in the meeting from Wilshire with regard to raising cash for benefit payments.

Mr. Johnson also reviewed highlights of the Dashboards through 11/30/2015 and recognized that the Board made fifteen investment allocations so far this year totaling just under \$70,000,000. Mr. Johnson will be including a list of all of the 2015 highlights in his January 2016 report.

With regard to the budget there still remains 30% of the budget in the area of Fringe Benefits and Services as of the end of November with 92% of the year complete. The reasoning for that is, the Fringe Benefits were overstated in 2015 and we will not be using as much money for Fringe benefits in 2016 and also the Services are paid quarterly. Currently we are paid through the third quarter and we won't get the bills for the fourth quarter until the end of the fourth quarter.

In terms of Favored Nation and Investment Fees, that process has been handled and the real work was completed by the Consultants both Wilshire and Asset Strategy. The report, provided in Executive Session, has a summary of where we are with Favored Nation and Investment Fees.

There is also a report with an update for Retiree Reevaluation and Reexam. There are administrative guidelines in place and to date the Board's medical consultant has reviewed ten files the report, provided in Executive Session, shows all the details of reevaluations.

The following items were then discussed:

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. DiCristofaro to maintain the current contribution rate of the combined 18% that it currently stands.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to set the 2016 Refund Contribution Rate to 69 basis points.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to maintain the monthly third Thursday meeting schedule and publicize the scheduled dates.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to authorize Shubert & Associates renew the crime policy including employee theft and accept the premium charge of \$10,956 for a three year term.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Mr. Szymanski to authorize Shubert & Associates for the Fiduciary Bond Coverage for the Board in the amount of \$40,734

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro to authorize Shubert & Associates to cover the \$2,000,000 Public Official Policy at the rate of \$9,297 for a four year term.

REPORT OF THE SOLICITOR

Mr. Gabriel provided the board with the Monthly Confidential Report as of December 9, 2015.

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Szymanski to accept the recommendation of the hearing officer in regard to employee #090821 to deny the disability application.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Mr. Szymanski to approve the Administrative Guidelines for Disability Pensions.

Mr. Puzak asked if there is a timeline for reevaluation for disability redetermination. Mr. Gabriel said we try to make sure that the timeframes are short and mandatory but doesn't have an exact timeframe.

CONSULTANT'S REPORT:

WILSHIRE ASSOCIATES

Felicia Bennett, of Wilshire Associates, provided a brief Capital Market update for the month of November.

The FED decided to raise rate December 16, 2015 one quarter of a point and the markets responded positively to that announcement. YTD U.S. Equity is positive.

David Lindberg, of Wilshire Associates, provided a brief Monthly Performance Review update through November 30, 2015.

There is a slight format improvement, based on the decision last month to change the Private Equity Benchmark. The report is now a lot easier to follow.

Overall we have had nice value added relative to the Total Fund Benchmark.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner to liquidate some things for cash flow purposes per a memorandum from Wilshire. One item was liquidating \$2,705,835 held by a terminated manager, The Swathmore Group. Second, in order to bring the real estate allocation back into an acceptable range, \$15 million will be raised from the Morgan Stanley Prime Real Estate Fund to be scheduled on March 31, 2016.

There were a few comments on the Fee Analysis that was reviewed in Executive Session.

NEW BUSINESS

There was no new business

ADJOURNMENT

The Board meeting was adjourned by Mr. Weinstein at 12:47pm

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Chelsa Wagner', with a long horizontal flourish extending to the right.

Chelsa Wagner,

Secretary