

The regular monthly meeting of the Retirement Board of Allegheny County was held on July 21, 2016, in the Gold Room, 4th floor, Courthouse, Pittsburgh, Pennsylvania. The meeting was called to order at 12:10pm.

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

Also present were Brian Gabriel of CDBPM Law and Executive Director, Timothy Johnson.

PUBLIC COMMENT

There was no public comment

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski, to approve the minutes of the June 16, 2016 Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by, Mr. Dicristofaro, duly seconded by Mr. Szymanski to accept the May 31, 2016 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

There were no invoices received since the June 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 June. The following applications have been filed.

- Early Voluntary – 10
- Full Retirement – 19
- Modifications – 3
- Disability – 2

The Board unanimously approved motions by Mr. Puzak, duly seconded by Mr. Szymanski to approve the Disability Applications of Members #088042 and #080949. It is the recommendation of three

designated physicians these members are totally and permanently disabled from any gainful employment in Allegheny County.

EXECUTIVE DIRECTOR'S REPORT

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

This year there is a growing number of retirements and new hires compared YTD 2015. There are 39 more employees that have retired to date this year over last year and 86 more members have come into the plan.

There are 14 Capital Calls listed since the June meeting and they total \$1,600,000.00. There are 55 total Capital Calls and they total \$13,000,000.00 for the year so far. YTD 2015 there was 45 Capital Calls totaling just over \$13,000,000.00.

Half way through the year about 43% of the budget has been consumed.

There is a Disability Re-evaluation Status Report that has been included in the book. This report gives a summary of all the members that are in the pool, the criteria for the selection and their status.

Mr. Johnson provided a copy of his resignation letter and a transition plan and a matrix of the staff's duties and a contract administration schedule.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to extend Wilshire's consulting contract for an additional three years at \$190,000.00 a year adjusted annually based on the CPI.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner to accept Mr. Johnson's resignation.

Mr. Puzak, Ms. Wagner, Mr. Fitzgerald and Mr. Weinstein all thanked Mr. Johnson for his service.

SOLICITOR'S REPORT

Mr. Gabriel provided the board with the Monthly Confidential Report as of July 14, 2016.

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

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Dicristofaro to adopt the decision of the Hearing Officer, Paul Gitnik, to reduce member #086118 retirement allowance by 34% because he is no longer totally and permanently disabled.

CONSULTANT'S REPORTS:

WILSHIRE ASSOCIATES

Calvin Born, of Wilshire Associates, provided a brief Capital Market update for the month of June. Following the UK German selloff towards the end of June, after the announcement that the UK decided to withdraw from the European Union, there was a significant recovery at rally that lasted through July. The end of June the Wilshire 5000 YTD was up 4%, through July 20, 2016 that number is a positive 7.8%. Large Cap index outperformed Small Cap index by roughly 8% through the end of June.

MSCI AC World ex U.S. was -1% as of June 30 and as of today YTD it is at .4% positive. The MSCI EAFE Index was a negative 4.4% as of June 30 and as of yesterday it is negative 3.7%. Emerging Markets have had a nice recovery since a negative 2015 and as of June 30 they are a positive 6.4% and as of yesterday they are a positive 9.7% YTD.

Fixed Income Markets have remained strong. The Barclays U.S. Aggregate as of June 30 was at a positive 5.3% and through yesterday they are at a positive 5.4%. The Barclays U.S. TIPS have also seen an upswing from a 6.3% positive to a 6.4%. High Yield was at a positive 9% as of June 30 and YTD at a positive 12%.

The Wilshire US RESI was at a positive 12% as of June 30 and YTD a positive 14.3%. Commodities have had a nice recovery, as of June 30 they were a positive 13.25% and the Alerian MLP Index has also had a nice recovery and is at a positive 15.5% through yesterday.

ASSET STRATEGY CONSULTANTS

Ed Boyer, of Asset Strategy Consultants, stated they would be back in September with a report of the Alternative Investments. The report will compare if we are better off in some of these Alternative Investments given what we could have been doing.

NEW BUSINESS

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to cancel the August 2016 Board meeting and resume in September 2016.

The Board unanimously approved a motion by Mr. Weinstein, duly seconded by Mr. Puzak to appoint Janice Vinci to be the Interim Transition Director, effective July 22, 2016, until the Retirement Board Executive Director's position is permanently filled.

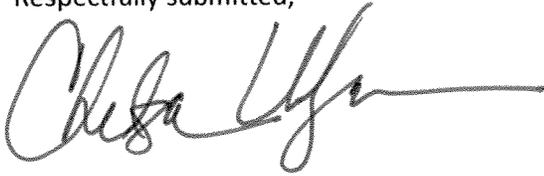
Mr. Weinstein asked Ms. Liptak, Mr. Puzak, Mr. Dicristofaro, Ms. Vinci and Ms. Weiss to be the sub-committee of the Board to select the next Executive Director. Ms. Liptak was asked to serve as the Chair of the committee.

Mr. Weinstein thanked Mr. Johnson for his many years of service and presented him a Certificate of Appreciation on behalf of the Board. Mr. Johnson also gave his final remarks and thanked the Board for their well wishes.

ADJOURMENT

Meeting was adjourned at 12:40pm

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