

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, April 18, 2013, in the Gold Room, 4<sup>th</sup> Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00 p.m.

When the roll call of the Board Members was made, Board members Liptak, Puzak, Szymanski, Wagner and Weinstein were recorded as being present. Board members Fitzgerald and Gallagher were absent.

Also present were Tim Johnson, Executive Director; Felicia Bennett, David Lindberg and Chris Shelby of Wilshire Associates; Ed Boyer of Asset Strategy; and Rich Miller and Brian Gabriel of Campbell, Durant, Beatty, Palombo & Miller.

#### **APPROVAL OF BOARD MINUTES**

The Board unanimously approved a motion by Ms. Wagner, duly seconded by Mr. Szymanski, to approve the minutes of the March 21, 2013, Board Meeting.

#### **APPROVAL OF MONTHLY FINANCIAL STATEMENTS**

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to receive and file the monthly financial statements from February 28, 2013.

#### **APPROVAL OF APPLICATIONS AS PRESENTED**

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Szymanski, to approve 32 Retirement applications.

#### **APPROVAL OF DISABILITY PENSION APPLICATION**

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to approve the Disability application of Rebecca Winguard.

#### **APPROVAL OF INVOICES**

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Szymanski, to approve the following invoices:

Asset Strategy	\$23,750.00	April 1, 2013
BNY Mellon	\$35,000.00	April 5, 2013
Campbell Durrant	\$6,111.80	April 4, 2013
Cowden	\$19,000.00	March 7, 2013
Eckert	\$5,000.00	March 13, 2013
PFM Group	\$8,333.33	March 31, 2013
PMG (Final)	\$1,632.00	February 28, 2013
Pyramis 4Q2012	\$8,301.62	January 25, 2013
Pyramis 4Q2012	\$66,163.66	January 18, 2013
Pyramis 4Q2012	\$29,380.38	January 18, 2013
Schneider Downs	\$4,000.00	March 28, 2013
Snow (Final)	\$7,378.00	March 7, 2013

Symons 4Q2012  
Wilshire 1Q2013

\$4,704.17  
\$53,925.00

January 14, 2013  
March 28, 2013

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Johnson provided the Board with his monthly status report of the Retirement Board. First, Mr. Johnson highlighted the first RBAC quarterly newsletter. Mr. Weinstein asked if it was to be distributed with paychecks. Mr. Johnson replied yes. Ms. Liptak asked if it could be distributed electronically. Mr. Johnson will look into it.

The Retirement Board office remains open until 6:00 p.m. Wednesday evenings through Spring and Summer.

Home page of RBAC website has been updated.

A list of disability applications, as requested by President Weinstein, is attached in this month's packet, as well as the Capital Calls since last Board meeting.

## **APPROVAL TO EXTEND TECHNICAL SUPPORT AGREEMENT WITH SCHNEIDER DOWNS**

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, to extend Technical Support Agreement with Schneider Downs by eight months to December 31, 2013.

## **REPORT OF THE SOLICITOR**

Mr. Miller provided to the Board the Solicitor's Monthly Confidential Report.

President Weinstein asked if they receive a right-to-know request, should they appoint Mr. Johnson as the right-to-know officer? Mr. Miller said yes, but Campbell, Durrant, Beatty, Palombo & Miller has and will continue to research the response. The RBAC has a policy in place. President Weinstein asked Mr. Miller & Mr. Gabriel to review the policy and bring an update to the next meeting.

## **CONSULTANT'S REPORT**

### **WILSHIRE ASSOCIATES**

Mr. Shelby provided a summary of the Capital Market review, the Monthly Performance Summary and the Real Estate interviews summary.

The US Economy added 88,000 nonfarm, payroll jobs to the books, dropping unemployment to 7.6% for the month of March. Business continues to expand the ISM non-manufacturing index to 54.4% for the 39<sup>th</sup> consecutive month of expansion. Consumer numbers increased by 1.3% due to new job growth. Gold is trading below \$1,400 per ounce; Housing rose by 7%, which is up 46.7% vs. a year ago.

US Equity markets had very strong equity market performance YTD, with the Wilshire 5000 up nearly 9.3% through yesterday's close. Mid Cap Stocks are outpacing Large and Small Cap

Stocks. Consumer Staples and Health Care lead US large cap sectors, all up over 15%. In the Non-US Equity Markets are not as strong as US Equity Markets, with an Emerging Markets having returned 5.1%. The 10-year Treasury yield is 1.73 % and continues to drop.

Overall, US Equity Managers performed strong in the month of March and are up near double digits. Mixed Non-US Developed up 4.5, Emerging markets are down over 5. In US Fixed income, YTD Barclay's aggregate is up 70 basis points vs. global markets down 1.7, but high yields still showing positive growth. Real estate is showing very strong returns up over almost 11%. Commodities are still having rough year and inflation index is up just a bit YTD.

Mr. Lindberg discussed the Monthly Performance Summary. Equity markets were strong and up 11% in the US, non-US were about 3% and bonds were about flat, so total fund had a return just under 4%. For Asset Allocation, the total market value is at \$778.6 million in assets, which is near the \$800 million mark. In the allocation at the end of the quarter, relative to the targets, an overweight in Equity of 5.9% and Fixed Income 2.2%, and an underweight in Alternatives - 10.3% and Cash & Equivalents 2.2%.

US Equity Composite for calendar TYD is 11.1% vs 10.91%. Large CAP indexes were roughly in the middle of the pack in terms of the universe. Composite overall was ahead by 20 basis points. Mellon Equity, Twin, Earnest and Emerald were the leaders, while Philadelphia Trust, Apex and Cleveland Capital lagged.

The Non US Equity Composite is lagging by roughly 1% for the QYTD. Baillie Gifford was ahead by about 16 basis points of value. Core Fixed Income has 15 basis point return for the Quarter, driven by Federated and CS McKee. Both of the High Yield managers outperformed their benchmarks in the month; the Composite outperformed its benchmark by 20 basis points. Each of the TIPS managers were about flat. The Commodities investments were 23 basis points behind. The total fund was 78 basis points ahead of the benchmark.

Mr. Puzak asked what would improve the investments, reducing the unemployment rate or reducing the national debt? Mr. Lindberg replied both are critical elements and would help.

Ms. Bennett discussed the Real Estate Manager search meeting from March 18, 2013. Two managers were interviewed. Oatkree Capital Management and Siguler Guff & Company both offer funds and are open for a while. Wilshire is recommending the Board consider both of these funds.

President Weinstein asked if it would change the fee structure. Ms. Bennett said fees are competitive within the market and would be divided between the two.

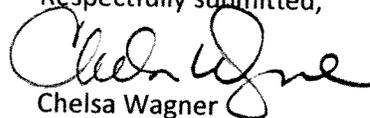
#### **ASSET STRATEGY CONSULTANTS**

Mr. Boyer stated that as a result of the manager meeting prior to the Board meeting, they will be back with a recommendation in May.

**ADJOURNMENT**

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to adjourn the meeting.

Respectfully submitted,



Chelsa Wagner

Secretary