

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, June 20, 2013, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00 p.m.

An executive session was held prior to the meeting.

When the roll call of the Board Members was made, Board members Puzak, Szymanski, Wagner and Weinstein were recorded as being present. Board members Fitzgerald, Gallagher and Liptak 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 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 May 16, 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 April 30, 2013.

APPROVAL OF INVOICES

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

Campbell Durrant	\$8,319.03	June 5, 2013
Cleveland Capital	\$8,412.92	April 1, 2013
Cowden Associates	\$19,000.00	June 3, 2013
Earnest Partners	\$25,141.56	April 9, 2013
Earnest Partners	\$22,417.52	February 1, 2013
Eckert Seamans	\$5,000.00	May 16, 2013
Federated	\$15,360.08	May 16, 2013
Mellon Capital	\$19,612.05	May 29, 2013
Penn Capital	\$72,905.42	March 31, 2013
PFM Group	\$8,333.33	5/1/13 to 5/31/13
PFM Group	\$8,333.33	4/1/13 to 4/30/13
Philadelphia International	\$84,576.47	April 23, 2013
Philadelphia Trust Co.	\$7,545.00	May 3, 2013
Schneider Downs	\$4,000.00	May 30, 2013
SSGA	\$2,262.05	May 1, 2013

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve 14 Retirement applications and 6 modifications.

REJECTION OF DISABILITY PENSION APPLICATION

Mr. Puzak moved, duly seconded by Ms. Wagner, to reject the Disability application of Faith Mountin. Members Weinstein, Puzak, Szymanski and Wagner voted in the affirmative.

REJECTION OF DISABILITY PENSION APPLICATION

Ms. Wagner moved, duly seconded by Mr. Szymanski, to reject the Disability application of Joseph Vrabel. Members Weinstein, Puzak, Szymanski and Wagner voted in the affirmative.

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 Tracey Holtzman.

EXECUTIVE DIRECTOR'S REPORT

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

- The chart on the first page of the report indicates the various benefits administered by the RBAC.
- The goal is to have a soft copy of the booklet a week before the monthly meeting and the hard copy the Monday before the RBAC meeting.
- The ERECT Fund 1 termination is complete.
- Job descriptions for Carol Uminski and Kelly Deasy are enclosed in this month's booklet.
- Summary of Pension Summit details is also enclosed.
- An analysis of the retirement life insurance data file, with comment from Mr. Johnson, is enclosed.
- Capital calls totaled \$1.7 million for the last month.
- Mr. Johnson presented the Emerging Manager Program at the Midwest Public Funds Summit in Chicago last weekend. Note: no funds from RBAC were used for Mr. Johnson's trip.

Ms. Wagner questioned how the Board works when voting on salaries. Mr. Johnson said he arbitrarily chose a range for the job description to avoid having to come back to the Board for an increase and the salaries are within the RBAC budget.

Ms. Wagner asked if the jobs were "new" to the RBAC. Mr. Johnson said yes because there were not up to date job descriptions that coincide with the jobs being performed.

Mr. Weinstein asked if there is a way to streamline the life insurance claims process for families of the deceased. Mr. Johnson said that the RBAC fills out the paperwork for Prudential, monitors the claim and follows up with the family. He could not identify the turn-around time. Mr. Weinstein asked if he could look into it for next month.

REPORT OF THE SOLICITOR

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

Ms. Wagner and Mr. Weinstein asked about the 1,900 shares, ranging in 2,500 – 25,000 and what is the value/exposure to the Board. Mr. Gabriel indicated that there isn't a hard dollar figure provided for the suit. He said you wouldn't know the value, other than the Class Action Council, and could not make a recommendation, but will look into it for next month.

CONSULTANT'S REPORT

WILSHIRE ASSOCIATES

Mr. Shelby provided a summary of the Capital Market review and the Monthly Performance Summary.

The US Economy added 175,000 nonfarm, payroll jobs to the books, increasing unemployment to 7.6% for the month of May. Business continues to expand the ISM non-manufacturing index to 53.7% for the 41st consecutive month of expansion. Consumer numbers increased by 7.3 points to 83.7 in May. Gold is trading down, around \$1,300 per ounce; Housing rose 6.8%, up over 28% year over year. Crude oil prices are trading down, near \$95 per barrel.

US Equity markets had very strong equity market performance YTD, with the Wilshire 5000 up 15.4% through yesterday's close. Health Care leads US large cap sectors, up 21.6%, while Material is the largest laggard, up 7.4%. The Non-US Equity Markets are not as strong as US Equity Markets, with an Emerging Markets having returned -10.3% YTD. The 10-year Treasury nominal yield is 2.33%.

Overall, US Equity Managers performed very strong in the month of May. Mixed Non-US Developed up 7%, Emerging markets are down over 10%. In US Fixed income, high yields still showing positive growth. TIPS are down over 6%. Commodities are still down around 5.1%.

Ms. Wagner asked what is influencing Health Care being up 21.6%. Mr. Shelby indicated it could be due to demographics, biotechs and population. It is too soon to see how it may be impacted by the Federal Health Care Policy.

Mr. Lindberg discussed the Monthly Performance Summary. Equity markets were strong and up 2% in the US for the month of May, but everything else was negative. Fund overall is down 19 basis points, but is 21 basis points ahead of the benchmark. For Asset Allocation, the total market value is just under \$785 million at the end of May. The low point of the fund in 2008 was at \$545 million, and is currently up about \$240 million- only approximately \$50 million short of its peak from 2009.

US Equity Composite for calendar YTD is up 15.67, ahead by 23 basis points. Earnest had good YTD numbers, and Philadelphia Trust showed improvement.

The Non US Equity Composite, although it was a negative month, was ahead by 1.2. Baillie Gifford and Philadelphia International, as well as Thornburg and Pyramis added some value this month. This was a negative month for Bonds. Both of the High Yield managers were near their benchmarks in the month. Each of the TIPS managers were near their benchmarks.

Ms. Bennett summarized the Recommended Cash Flows for June and July 2013.

ASSET STRATEGY CONSULTANTS

Mr. Boyer stated that the \$3 million for Green Spring is complete, Altair will be signed today for \$2.5 million and \$2.5 million Sound Point will be ready for signature by Monday. All funds are reporting in line, or as expected.

OTHER BUSINESS

APPROVAL TO ENTER A CONTRACT AGREEMENT WITH WILSHIRE CONSULTING

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to enter a three-year contract with Wilshire Associates at \$185,000 per year, with two one-year extension options.

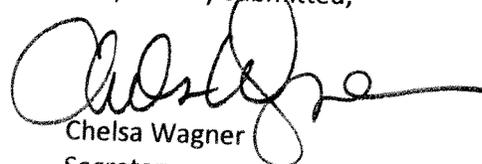
APPROVAL TO EXTEND CONTRACT AGREEMENT WITH DAVE MAYERNIK

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, to extend the contract with Mr. Dave Mayernik through December 31, 2013 at the same amount, but to include a provision that the months the legislature is not in session, the RBAC does not get charged.

ADJOURNMENT

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

Respectfully submitted,


Chelsa Wagner
Secretary