

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, December 19, 2013, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00 p.m.

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 and Liptak arrived a few minutes after roll call.

A moment of silence was observed for Mr. Gallagher.

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

PUBLIC COMMENT

Patricia Cray, President of the Allegheny County Retirees Association, expressed that she was not pleased that her request from the November meeting to increase the Cost of Living Adjustment (COLA) by \$25 per month, beginning January 2014, was not on today's agenda.

APPROVAL OF BOARD MINUTES

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

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, to receive and file the monthly financial statements from October 31, 2013.

APPROVAL OF INVOICES

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

FEDERATED	\$14,473.01	7/1/13 to 9/30/13
MELLON CAPITAL	\$20,027.93	7/1/13 to 9/30/13
PHILADELPHIA TRUST CO.	\$7,727.31	7/1/13 to 9/30/13

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Fitzgerald, to approve 8 Retirement applications from December 2013.

EXECUTIVE DIRECTOR'S REPORT

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

- A memorial for Mr. Gallagher has been added to the annual report.

- Total amount of Capital Calls: \$2,862,333.02
- Four recommendations were made this meeting: 2014 Operating Budget, extension of Actuarial Contract, 2014 Refund Rate and 2014 Public Meeting Schedule.

REPORT OF THE SOLICITOR

Mr. Gabriel provided to the Board the Solicitor's Monthly Confidential Report and had nothing further to report.

CONSULTANT'S REPORT

WILSHIRE ASSOCIATES

Mr. Shelby provided a summary of the Capital Market review.

The Federal Reserve announced on December 18th that they will scale down their large-asset purchasing program to \$75 billion per month. The ISM non-manufacturing index registered 53.9% in November for the 47th consecutive month of non-manufacturing sector expansion. November unemployment rate decreased to 7.0%; +203,000 nonfarm payroll jobs were added. Consumer sentiment increased to 75.1 in November, rebounding from recent lows. Gold is trading around \$1,200 per ounce; Housing starts increased by 22.7% in November, but are up 29.6% versus a year ago. Crude oil prices are trading near \$98 per barrel.

US Equity markets showed the Wilshire 5000 has gained +30.2% through yesterday's close. The S&P 500 is led by Consumer Discretionary sector, up 40.1% YTD; Telecommunications is the biggest laggard, up 9.6%. The Non-US Equity Markets had Emerging Markets having returned -5.9% YTD and Developed Markets having returned +14.7% YTD. The 10-year Treasury nominal yield is good, 2.89%.

Mr. Lindberg discussed the Monthly Performance Summary for periods ending November 30, 2013. The biggest weight differences are: overweight Public Equities but getting closer and closer to the target, and the under weights are Public Real Estate and Commodities, that still need to build out further. For Asset Allocation, the total market value is \$812 million at the end of November, good comeback in numbers and a good strong year. There have been some great returns in the Asset Classes, including US Equity, High Yield and the TIPS portfolio over the 5 year period. Overall, performance is positive just about everywhere in the fund.

Mr. Lindberg also discussed the preliminary Flash Report for period ending November 30, 2013. US Equity Composite was up over 30.47%. Fixed Income has been flat due to the rising rates for bonds. Total fund performance is about a 11% return through the end of November and is still over \$800 million.

ASSET STRATEGY CONSULTANTS

Mr. Boyer had nothing to report for this month.

NEW BUSINESS

APPROVAL OF 2014 RETIREMENT OFFICE OPERATING BUDGET

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Liptak, to approve the 2014 Retirement Office Operating Budget, including the hiring of the acting data administrator.

APPROVAL TO EXTEND THE ACTUARIAL CONTRACT

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Fitzgerald, to extend the Actuarial Contract with Cowden Associates by three years, to expire March 31, 2016.

APPROVAL OF 2014 REFUND RATE

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, to approve 0.14 as the refund rate for 2014.

APPROVAL OF 2014 PUBLIC MEETING SCHEDULE

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, to approve the 2014 Public Meeting Schedule.

APPROVAL TO EXTEND CUSTODIAL SERVICES CONTRACT WITH BNY MELLON

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski to extend the custodial contract with BNY Mellon by 90 days until 3/31/2014.

APPROVAL OF 2014 CONTRIBUTION RATE

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Ms. Wagner, to increase the contribution rate by .5% for employees and .5% for the County.

REPORT FROM DAVE MAYERNIK RE: PENSION BILL

Pension Bill Legislation, sponsored by Reps. Turzai and Dermody and Sens. Vulakovich and Costa, passed this week and is awaiting the Governor's signature. The Bill leads the Commonwealth in Pension Reform.

ADJOURNMENT

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, to adjourn the meeting.

Respectfully submitted,



Chelsa Wagner, Secretary