

The regular monthly meeting of the Retirement Board of Allegheny County was held on February 19, 2015, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00p.m.

When the roll call of the Board Members was made, Board members John Weinstein, Ted Puzak, Frank DiCristofaro, Walter Szymanski, Rich Fitzgerald and Jennifer Liptak were recorded as being present. Board member Chelsa Wagner was present shortly after roll call.

Also present were Tim Johnson, Executive Director; Felicia Bennett, Calvin Born and Jonathan Berger of Wilshire Associates; Ed Boyer of Asset Strategy; and Brian Gabriel of Campbell, Durant, Beatty, Palombo & Miller.

#### **PUBLIC COMMENT**

No Public Comment

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

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to approve the minutes of the January 15, 2014, Board Meeting.

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

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to receive and file the monthly financial statements from December 31, 2014.

#### **APPROVAL OF INVOICES**

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

<b>VENDOR</b>	<b>DATE</b>	<b>AMOUNT</b>
APEX CAPITAL MANAGEMENT	10/31/14 - 12/31/14	\$ 9,824.32
CIM INVESTMENT MANAGEMENT	10/31/14 - 12/31/14	\$ 17,757.61
CS MCKEE INVESTMENT MANAGERS	10/31/14 - 12/31/14	\$ 15,547.59
EARNEST PARTNERS	10/31/14 - 12/31/14	\$ 29,627.59
EMERALD ADVISERS	10/31/14 - 12/31/14	\$ 27,438.28
FRAGASSO FINANCIAL ADVISORS	10/31/14 - 12/31/14	\$ 10,083.00
FUSION INVESTMENT GROUP	10/31/14 - 12/31/14	\$ 2,955.33
PENN CAPITAL	10/31/14 - 12/31/14	\$ 66,907.86
PHILADELPHIA INTERNATIONAL	10/31/14 - 12/31/14	\$ 37,872.21
SWARTHMORE GROUP	10/31/14 - 12/31/14	\$ 4,506.22
TWIN CAPITAL MANGEMENT	10/31/14 - 12/31/14	\$ 22,133.83

Total Invoices for February Approval

\$ 244,653.84

## **APPROVAL OF APPLICATIONS AS PRESENTED**

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to approve 18 Early Voluntary applications, 27 Full Retirement applications and 1 Service Time Buyback for February 2015.

## **EXECUTIVE DIRECTOR'S REPORT**

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

- Introduced Mr. Jim Allen, Executive Director of the PA Association of Public Employee Retirement Systems (PAPERS) and past executive of the PA Municipal Retirement System. Mr. Allen came in from Harrisburg to visit with pension fiduciaries and administrators.
- There was a record number of 45 retirements in February compared to 14 retirements last month.
- There were seven Capital Calls totaling \$785,614.49 since the last board meeting.
- Reminded the board that funds were awarded to three managers last month. One is open and funded and documents for another were brought in to be signed by the board president after today's meeting.
- The termination made last month by the board of Thornburg Investment Management has been fully executed.
- A new automatic call distribution is underway. The new system helps maximize call volume and to get members to the appropriate person for assistance.
- Announcement of the COLA was mailed to 3647 retirees and 566 surviving spouses last week. COLA takes effect in the February payroll. The retirement office received a number of calls and e-mail to thank the board for this increase.
- The web calculator was successfully demonstrated to the board on January 29, 2015. There are approximately six improvements that need to be completed. These changes will be done by end of month and then released to the County DCS to load onto the server. After it is loaded it will be tested by Human Resources, County Executive, Treasurer and Controller Offices before its release to members.

Mr. Johnson proposed two action items for board approval.

- An approval of employee travel to Maine on March 29<sup>th</sup> and 30<sup>th</sup> for the Data Administrator to receive training. Expenses for this trip are not to exceed \$2000 and funding is designated in the budget.

The Board unanimously approved this motion by Mr. Puzak, duly seconded by Mr. DiCristofaro.

- A proposal to approve an extension on the current contract with Asset Strategy which expires in March 2015 at \$105,000 per year. Mr. Johnson provided the board a proposal to extend the current contract beginning on April 1, 2015 to end March 31, 2018 with the same terms and conditions as outlined in the current contract.

The Board unanimously approved this motion by Mr. DiCristofaro, duly seconded by Ms. Wagner.

## REPORT OF THE SOLICITOR

Mr. Gabriel provided the board with the Monthly Confidential Report.

Ms. Wagner requested if a copy of the paperwork could be provided to the board members for the next meeting in regards to the Pay to Play State Legislation as well as updated copies of the January 2011 new SEC "pay to play" limitations and rules. Mr. Gabriel informed Ms. Wagner that the State Legislation was an amendment to Act 205, which applies to municipalities but not to the RBAC and that he will provide updated information regarding the SEC "pay to play" limitations and rules in next month's report.

## CONSULTANT'S REPORT

### WILSHIRE ASSOCIATES

Mr. Born and Mr. Berger provided a summary of the Capital Market Review. The U.S. Equity Markets finished the year strong despite a flat December. The index was up 5.26% for the fourth quarter and 12.71% for 2014. The Large-Cap index was up 4.98% versus the US Small-Cap Index. The second half of 2014 brought shifts in two major economic factors, oil prices and the U.S. Dollar. Oil began a steep decline after June 2014 and the U.S. Dollar rose shortly after the drop in oil. In the Non U.S. Equity Markets Europe closed 2014 with muted gains as regional economic growth slowed down in relation to the U.S. economy. Inflation rates have fallen. The U.S. dollar's appreciation against other world currencies in 2014 reduced dollar-based investors' gains. The Real Estate-related equities ended 2014 with a strong fourth quarter.

Ms. Bennett discussed the Monthly Performance Summary for the periods ending January 31, 2015. Total Market Value to date was \$828,992 putting the MTD at -.53 basis points. U.S. Equity lagged slightly at -2.84 putting it -.07 basis points behind its benchmark. Non U.S. Equity hit its benchmark .20 MTD. The Core Fixed Composite was at -0.25 basis points MTD below its benchmark while TIPS Managed a 3.26 putting it .11 basis points ahead. Commodities were lagging at -3.34 basis points MTD. Noted was Fragrasso Large Core who managed -4.57 putting it -1.57 basis points behind its benchmark. Thornburg is in the process of being restricted so it currently shows no values.

Ms. Bennett provided The Retirement System of Allegheny County Statement of Investment Policy to the board for approval. The Board unanimously approved a motion to adopt this policy by Mr. Szymanski, duly seconded by Ms. Wagner.

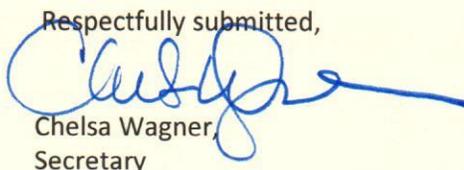
## NEW BUSINESS

Nothing to report.

## ADJOURNMENT

The Board unanimously approved a motion Mr. Szymanski to adjourn the meeting.

Respectfully submitted,



Chelsa Wagner  
Secretary