

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, February 20, 2014, 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 Fitzgerald, Puzak, Szymanski, Wagner, Liptak and Weinstein were recorded as being present.

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

Mr. Joe Egan, retired heavy equipment operator for after 30 years with Allegheny County, was the only public comment for this meeting. Mr. Egan's comment focused on his concerns with the recent reduction from \$10,000 to \$4,000 in guaranteed free life insurance. Mr. Egan presented numerous documents to the Board, including his retirement agreement from 1998, a recent letter from the Board stating his funds would change and a receipt from a 2011 paycheck that showed \$40.00 coming out of his retirement funds for life insurance. He felt that the County had promised the \$10,000 and was "stealing it" back.

Mr. Egan stated that he was going in for cancer surgery and concerned that he would not be able to be buried appropriately in the near future without the \$10,000.

Ms. Wagner stated that she and others involved with the Retirement Board, are taking this issue seriously. She feels it is the responsibly of the Board and the County to make these retirees whole.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Puzak, to approve the minutes of the January 16, 2014, 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 December 31, 2013.

APPROVAL OF INVOICES

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

APEX CAPITAL MANAGEMENT	10/1/13 - 12/31/13	\$	8,783.29
BNY MELLON ASSET SERVICING	10/1/13 - 12/31/13	\$	17,500.00
BNY MELLON, ADMIN FEES	Jan. 2014	\$	1,609.99
CIM INVESTMENT MANAGEMENT	10/1/13 - 12/31/13	\$	11,630.03
CLEVELAND CAPITAL	10/1/13 - 12/31/13	\$	112,717.91
CS MCKEE INVESTMENT MANAGERS	10/1/13 - 12/31/13	\$	14,701.69
EARNEST PARTNERS	10/1/13 - 12/31/13	\$	27,456.87

EMERALD ADVISERS	10/1/13 - 12/31/13	\$	25,774.49
FRAGASSO FINANCIAL ADVISORS	10/1/13 - 12/31/13	\$	9,662.00
PENN CAPITAL	10/1/13 - 12/31/13	\$	68,088.47
PHILADELPHIA INTERNATIONAL	10/1/13 - 12/31/13	\$	39,968.81
PYRAMIS GLOBAL (Select Canadian)	10/1/13 - 12/31/13	\$	9,303.02
PYRAMIS GLOBAL (Emrg Mrks)	10/1/13 - 12/31/13	\$	29,324.69
PYRAMIS GLOBAL (Select Int'l)	10/1/13 - 12/31/13	\$	76,415.67
SWARTHMORE GROUP	10/1/13 - 12/31/13	\$	4,370.02
TWIN CAPITAL MANGEMENT	10/1/13 - 12/31/13	\$	19,050.38

Total Invoices for February Approval: \$ 178,432.59

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve 35 Retirement applications and 2 Previous Service Buybacks for February 2014.

There were 2 Disability applications under review of the Board for the month of February:

The Solicitor stated that there is a recommendation of denial for the Disability application of member 1647. The Solicitor recommended that the Board rescind the approval given in the previous month to this application because it was done in administrative error. The 3 examining physicians recommended that this member was not totally/permanently disabled. The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Liptak, to rescind last month's approval and to now disapprove the petitioner 1647's application because he/she is not totally/permanently disabled.

The Solicitor recommended that application for member 4371 of disability for the month of February 2014 be approved by the Board. The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Puzak, for the Disability application for member 4371 that he or she is totally/permanently disabled.

EXECUTIVE DIRECTOR'S REPORT

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

- Update on Workers Compensation Window: The retirement office has put together a plan of how it will be administered. This plan includes sharing a document with those with workers compensation between 2002 –2013, communicate an option of buying back additional time
- Retirement and Modifications: Expansion of details on total Retirements.
- Total amount of Capital Calls: \$3,917,877.85
- Total amount of Rebalancing: \$5,000,00.00 with Pyramis Global Advisors
- Update on Board Budget: Now fully into 2014, with a YTD Variance at 98.45%

- Wilshire's RFP has been published and will provide a recommendation to RBAC in March
- Update on Tyler: Changes will be made as a result from Jan. 17, 2014 testing.
 - Web calculator will be first available on County Intranet only.
 - Will add a "Remember Me" box on Log In screen
 - Will institute a Disclaimer after Sign In but before access to any tools
 - Will provide additional information/guidance on currently listed beneficiaries and/or survivors.
 - Will alter/remove certain fields in calculator
 - Hopefully up and running soon after modifications have been made
- Mr. Johnson presents a framed copy of the Allegheny County Pension Preservation Bill signed by Gov. Tom Corbett to RBAC.

REPORT OF THE SOLICITOR

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

- One recommendation was given based on the review of a memorandum of a class action proposal by Robbins, Gellar, Rudman & Dowd that would be asserted against Cyan and instituted for violations of the federal security laws. The recommendation is for the Board to authorize the Board President to enter into an agreement with Robbins, Gellar, Rudman & Dowd for purposes of representing the Board as the class-action plaintiff in that lawsuit.
 - Will need RBACs' signatures.

CONSULTANT'S REPORT

WILSHIRE ASSOCIATES

Mr. Shelby provided a summary of the Capital Market review. Mr. Shelby will no longer be with Wilshire following the February 2014 meeting.

US Equity markets showed the Wilshire 5000 has returned -0.5% through the start of the 2014 year. Weather is a factor to the drops in investment. Retail sales declined by -0.4% in January. The S&P 500 is led by Utilities sector, up +5.9% YTD; Telecommunications is the biggest laggard, down -4.2%. The Non-US Equity Markets had Emerging Markets having returned -4.4% YTD and Developed Markets having returned +0.3% YTD. The 10-year Treasury nominal yield is 2.73%; ended 2013 at 3.04%. When considering the benchmarks, markets are typically flat, except for Emerging Markets.

The Federal Reserve continues to scale down their large-asset purchasing program to \$65 billion per month. The ISM non-manufacturing index registered 54.0% for the 48th consecutive month of non-manufacturing sector expansion. January unemployment rate was 6.6%; +113,000 nonfarm payroll jobs were added. Consumer sentiment increased to 80.7 in January, up from 77.5 in December. Gold is trading around \$1,320 per ounce. Another cause in the drops due to weather is in housing starts of -16.0% in January, and down -2.0% from last year. Crude oil prices are trading near \$103 per barrel.

Mr. Lindberg discussed the Monthly Performance Summary for periods ending December 31, 2013. For Asset Allocation, the total market value is \$821 million at the end of December, right around peak value for the fund. There have been some great returns in the Asset Classes, including US Equity at 20%, Non US Equity is at 22%, and roughly 30% in other funds. Two major drivers to the out-performance were both small cap managers, Earnest and Emerald. Overall, performance is positive just about everywhere in the fund.

ASSET STRATEGY CONSULTANTS

Mr. Boyer had nothing to report for this month.

NEW BUSINESS

APPROVAL OF ENTERING INTO AGREEMENT WITH ROBBINS, GELLER, RUDMAN & DOWD

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to approve the Board President to enter into an agreement with Robbins, Gellar, Rudman & Dowd for the purpose of representing the Board as the class-action plaintiff in that lawsuit.

ADJOURNMENT

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

Respectfully submitted,



Chelsa Wagner, Secretary