

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, May 15, 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 Puzak, Szymanski, Wagner, Liptak and Weinstein were recorded as being present. Mr. Fitzgerald was the only Board Member not present.

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

PUBLIC COMMENT

No public comment was made for the month of May.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, to approve the minutes of the April 17, 2014, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

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

APPROVAL OF INVOICES

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

APEX CAPITAL MANAGEMENT	1/1/14 – 3/31/14	\$ 9,132.62
CIM INVESTMENT MANAGEMENT	1/1/14 – 3/31/14	\$ 15,778.80
CS MCKEE INVESTMENT MANAGERS	1/1/14 – 3/31/14	\$ 14,983.01
EARNEST PARTNERS	1/1/14 – 3/31/14	\$ 27,870.03
EMERALD ADVISERS	1/1/14 – 3/31/14	\$ 26,521.35
PENN CAPITAL	1/1/14 – 3/31/14	\$ 69,676.73
PHILADELPHIA INTERNATIONAL	1/1/14 – 3/31/14	\$ 39,782.41
PYRAMIS GLOBAL (Select Canadian)	1/1/14 – 3/31/14	\$ 9,060.80
PYRAMIS GLOBAL (Emrg Mrks)	1/1/14 – 3/31/14	\$ 26,910.90
PYRAMIS GLOBAL (Select Int'l)	1/1/14 – 3/31/14	\$ 74,031.35
SWARTHMORE GROUP	1/1/14 – 3/31/14	\$ 4,418.25
TWIN CAPITAL MANGEMENT	1/1/14 – 3/31/14	\$ 19,546.75

Total Invoices for May Approval: \$ 337,713.00

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, to approve 17 Retirement applications, 1 Modification for Member #16295 and 1 Previous Service Buyback for Member #97352 for May 2014.

There were 2 Disability applications received and under review by the Retirement Office for May 2014:

The Solicitor recommended that application for member 95211 of disability for the month of May 2014 be approved by the Board. The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, for the Disability application for member 95211 that he or she is totally/permanently disabled.

The Solicitor recommended that application for member 89620 of disability for the month of May 2014 be approved by the Board. The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, for the Disability application for member 89620 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:

- Contributions refunded MTD was \$424,404.90, YTD \$1,188,428.01.
- Total Gross Amount of Capital Calls: \$21,123,340.29
- Total Gross Amount of Rebalancing: \$22,000,000.00
- Update on Retirement Office Budget: YTD Variance at 73.63%
- Update on Board Election Process: It has begun and nominating packets will go out to Pat Cray, Lynn Griffin, Aaron Pittman and Frank J. DiCristofaro after the Memorial Day Holiday.
- Worker Compensation: In regards to processing w/c payments through PR rather than AP – It was concluded that the process change to accommodate direct deposit with retirement contributions can be handled in JDE. This will eliminate the administrative burden of managing the buyback process and having a significant employer match liability looming.

REPORT OF THE SOLICITOR

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

Two recommendations were given based on the review of a memorandum of disability pension applications submitted post-employment by two applicants. The first recommendation, based on the Solicitor's opinion, is that member # 88241's disability application should be rejected based on the fact it was submitted after he separated from the County. Also, the Solicitor recommends that member # 91649's disability application be accepted and processed for further consideration based on the reasoning that member # 91649's separation from the County was involuntary and directly related to his medical condition.

The second recommendation was for the Board to approve a modification in accordance with the Court Order entered at FD 12-07731-002.

To clarify the proper handling of post-employment disability applications, the Solicitor also provided the Board with a draft of a proposed policy and procedure for future applications.

On a side note, Ms. Wagner asks the Solicitor and the Executive Director “How is the designation of survivors or survivor communicated to retirees?” – Mr. Johnson responds and explains that the new form incorporates the option to select or waive a survivor. That decision is irrevocable after age 50. Ms. Wagner asks if that is communicated. Mr. Weinstein asks for a census of those this would currently affect for the following meeting.

Ms. Wagner also notes that a Mass Communications policy has been sent to the Solicitor, is under review and should be on next month’s agenda.

CONSULTANT’S REPORT

WILSHIRE ASSOCIATES

Ms. Bennett provided the Market Update for periods ended after April 30, 2014.

US Equity markets showed that Wilshire 5000 has returned .17% YTD. The S&P 500 is up .74% for the month. Large Cap Growth continues to outpace Small Cap Growth. In the Non-US Equity Markets, Emerging Markets returned -8.04% YTD, but .33% MTD. Also in Non-US Markets a -2.6 % QTD can be seen from Japan. Dow Jones Commodities made a strong recovery at +2.44% MTD and 9.6% YTD.

Mr. Lindberg discussed the Monthly Performance Summary for periods ending April 30, 2014. Before discussing the report, Mr. Lindberg discussed an Investment Manager Analysis, using Performance Comparison vs. Peer Universe, highlighting rankings for managers in the Universe. In the Monthly Performance Summary, there have been some great returns in the Asset Classes, including US Equity at 22%, Non US Equity is at 24%, and roughly 40% in other funds. Non US Equity continues to outpace US equity. Two major drivers to the out-performance were both small cap managers, Emerald and Cleveland Capital. Overall, performance is positive just about everywhere in the fund.

On behalf of **PFM Advisors**, Wilshire recommends an increase to CIM Investment Mgmt of \$1 million.

ASSET STRATEGY CONSULTANTS

Mr. Boyer discussed that Entrust was interviewed in the Executive Session and will have a recommendation for the next meeting. He also presented recommendations to re-up a number of funds as a result of a manager meeting that took place in April.

His first recommendation was to allocate Greenspring Capital Co-Investment Fund \$3 million and Greenspring Secondary Fund \$1 million.

Mr. Boyer’s second recommendation was to allocate Constitution Ironside Co-Investment Fund \$3 million and Constitution Ironside Partnership Fund for \$2 million.

NEW BUSINESS

APPROVAL OF DISABILITY MODIFICATION APPLICATIONS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, based on the recommendation of Solicitor, to reject applicant 1's disability application, and to accept applicant 2's disability application and process for further consideration.

APPROVAL OF COURT ORDER MODIFICATION

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, based on the recommendation of Solicitor, to approve a modification in accordance with the Court Order entered at FD 12-07731-002.

APPROVAL TO INCREASE INVESTMENT

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, based on the recommendation of PFM Advisors, to increase additional \$1 million in funds with CIM Investment Mgmt.

APPROVAL TO ALLOCATE FUNDS TO GREENSPRING CAPITAL

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, based on the recommendation of Asset Strategy Consultants, to allocate \$3 million to Greenspring Capital Co-Investment Fund and \$1 million to Greenspring Capital Secondary Fund.

APPROVAL TO ALLOCATE FUNDS TO CONSTITUTION IRONSIDE

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner, based on the recommendation of Asset Strategy Consultants, to allocate \$3 million to the Constitution Ironside Co-Investment Fund and \$2 million to the Constitution Investment Partnership Fund.

ADJOURNMENT

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

Respectfully submitted,

A handwritten signature in black ink that reads "Chelsea Wagner". The signature is written in a cursive, flowing style.

Chelsa Wagner, Secretary