The regular monthly meeting of the Retirement Board of Allegheny County was held on April 21, 2016, in the Gold Room, 4th floor, Courthouse, Pittsburgh, Pennsylvania.

When the roll call of the Board members was made Board members John Weinstein, Ted Puzak, Amy Weise representing Chelsa Wagner, Jennifer Liptak, Rich Fitzgerald, Frank Dicristofaro and Walter Szymanski were recorded as being present. Chelsa Wagner arrived to the meeting after the roll call.

Also present were Tim Johnson, Executive Director; Rich Miller of CDBPM Law; David Lindberg and Calvin Bourn of Wilshire Associates and Ed Boyer of Asset Strategy.

PUBLIC COMMENT

There was no public comment

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski, to approve the minutes of the March 17, 2016 Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski, to accept the February 29, 2016 Financial Statements. The reports are generated by the Controller’s Office (Board Secretary).

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet

APPROVAL OF INVOICES

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski to accept the following invoices the Board has received since the March 17, 2016 Board Meeting.

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DATE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>APEX CAPITAL MANAGEMENT</td>
<td>1/1/16-3/28/16</td>
<td>$8,577.25</td>
</tr>
</tbody>
</table>

Total Vendor Invoices for April Approval $8,577.25
PENSION APPLICATIONS

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski to approve the Pension applications filed with the Retirement Office in the month of March. The following applications have been filed.

- Disability – 0
- Early Voluntary – 13
- Full Retirement – 13
- Buy – Back – 0

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Dicristofaro to approve the Disability Application of Member #101697. It is the recommendation of three designated physicians that this member is totally and permanently disabled from any gainful employment in Allegheny County.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald to NOT approve the Disability Application of Member #105128. It is the recommendation of three designated physicians that this member is NOT totally and permanently disabled from any gainful employment in Allegheny County.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Weise to approve the Disability Application of Member #095537. It is the recommendation of three designated physicians that this member is totally and permanently disabled from any gainful employment in Allegheny County.

EXECUTIVE DIRECTOR’S REPORT

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

One of the goals agreed upon for 2016 was to start sending out the Contributions and Service Statements again annually. The statements will be going out in a late April mailing. The distribution will begin with a 5% sample to gauge reaction and then the remaining 95% will be mailed. There is an example letter in the text.

Ms. Liptak asked if there could be a note added to the letter advising members to contact the Retirement office if they have questions about survivor benefits vs. beneficiary benefits. Mr. Johnson agreed to add that to the letter.

This letter will be distributed annually and it will give members a snapshot of their contributions at a point in time as well as the service time that has been accrued. There is also a beneficiary form included with that letter that gives members the opportunity to add or change their beneficiary if needed.
A draft of the Annual Report has been completed and it has been submitted to the President for review and based on his review the report should be able to be published in May.

The Board unanimously approved a motion by Mr. Dicristofaro, duly seconded by Mr. Szymanski to approve the 2016 RBAC Election Timeline.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Dicristofaro to approve engaging Duncan Financial Services for one year at a fee of $8000.00 to perform Employee Financial wellness Seminars throughout the year.

It was clarified that there would be no financial products being pushed or sold to members in these seminars and that the agreement mimics the contract between Duncan Financial and the Controller’s Office staff. Ms. Wagner added, “I know our employees have been very happy with it and I don’t recall the specifically the language but I do recall that, that was part of the agreement and also part of what they, in terms of their services in financial wellness not having anything to do with that and really kind of having some sort of firewall between that. That made it a good fit for our office.”

REPORT OF THE SOLICITOR

Mr. Miller provided the Board with the Monthly Confidential Report as of April 14, 2016.

The Board was asked to consider the recommendation of the Hearing Officer for the disability appeal of member #72289. The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Dicristofaro to approve the recommendation that this appeal be remanded for assignment to a second independent panel of three physicians designated by the County to determine that member #72289 was, at the time of her termination of employment with the County, totally and permanently disabled from any gainful employment in Allegheny County.

CONSULTANT’S REPORT:

WILSHIRE ASSOCIATES

David Lindberg, of Wilshire Associates, requested the Board adopt a new asset allocation policy Alternative 3. This policy is expected to have slightly improved expected risk adjusted returns over the next ten years. It is about a 30 basis point increase in expected return for the assets for roughly the same level of risk there is today.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to adopt Alternative 3.

Calvin Bourn, of Wilshire Associates, provided a brief Capital Market update for the month of March.

The U.S. Equity Markets experienced a significant volatility during the first quarter. The year did not start positive it returned a -9% during the first two and a half weeks of January. The market eventually rallied to a positive 14% from its trough as concerns over the ways a weak global economy might affect the U.S. were met with sound economic data and aggressive action by some of the world’s major central banks.
Crude oil’s price plunge finally reversed itself, with the bellwether NYMEX future closing at $38.34 and has continued to rally to $44.00 a barrel through yesterday.

The Wilshire 5000 total market index for the quarter turned 1.17% and it continues to rally MTD returning 2.23% which brings YTD to 3.4%

Non-U.S. Equity Markets experienced a bit more of a decline than U.S. Equity Markets. The long decline of crude oil finally found a floor in February, providing a bit of upward support to highly volatile global stock markets in the first quarter. The MSCI AC World ex U.S. returned 8.13% for the MTD which the quarter to -.4%. MTD is at a positive 3.4% which bring YTD to a positive 2.3%.

U.S. Treasury yields plunged in the first half of the first quarter of 2016 as stock market volatility fed safe haven trends into longer term Treasuries. Ten year Treasuries started the quarter yielding 2.27%, and then steadily fell to 1.64% on February 11th before rising to 1.78% by March 31st as equities stabilized.

David Lindberg, of Wilshire Associates, gave brief highlights of the flash report for the month of March. There has been significant recovery for the month of March in the Asset Classes. The total fund return for the month of March in the preliminary report is 4.21% for the quarter 1.14%. March provided a strong bounce back from January and February returns.

Apex Capital was significantly behind and has now been terminated so it is out of the portfolio. Emerald Advisors Small Cap is about 1.5% up, there are no concerns there. Long term they are a very good manager and will cycle in and out performance wise, if you look at their long term numbers they are doing well.

NEW BUSINESS

There was no new business

ADJOURNMENT

Meeting was adjourned at 12:41pm.

Respectfully submitted,

Chelsa Wagner,

Secretary