The regular monthly meeting of the Retirement Board of Allegheny County was held on November 17, 2016, in the Gold Room, 4th floor, Courthouse, Pittsburgh, Pennsylvania. The meeting was called to order at 12:13pm.

When the roll call of the Board members was made Board members Ted Puzak, Amy Weise for Chelsa Wagner, Jennifer Liptak, Frank Dicristofaro, and Walt Szymanski were recorded as being present. John Weinstein arrived at the meeting at 12:20pm.

Also present were Brian Gabriel of CDBPM Law and Interim Executive Director, Janice Vinci.

PUBLIC COMMENT

There was 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 October 15, 2016 Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Dicristofaro, to accept the September 30, 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. Szymanski, duly seconded by Mr. Dicristofaro, to accept the invoices the Board received since the October 2016 meeting.
VENDOR EXPENSES RECEIVED SINCE OCTOBER 2016 MEETING

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>DATE</th>
<th>AMOUNT</th>
</tr>
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<tbody>
<tr>
<td>CIM INVESTMENT MANAGEMENT (Fixed Income)</td>
<td>7/1/16-9/30/16</td>
<td>7,588.16</td>
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<tr>
<td>CIM INVESTMENT MANAGEMENT (Israel Bonds)</td>
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<td>CIM INVESTMENT MANAGEMENT (Small Cap)</td>
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<tr>
<td>EMERALD ADVISERS (Small Cap)</td>
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<td>TWIN CAPITAL MANAGEMENT</td>
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</table>

Total Vendor Invoices for November Approval $152,763.35

PENSION APPLICATIONS

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

- Disability – 1
- Early Voluntary – 2
- Full Retirement – 7
- Modifications – 1

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro to approve the fact that member #80672 upon the recommendation of three designated physicians this member not totally and permanently disabled from any gainful employment in Allegheny County.

INTERIM EXECUTIVE DIRECTOR’S REPORT

Ms. Vinci provided the monthly status report of the Retirement Board, highlighting the following:

The Dashboard as the month ending October 2016 for retiree payroll there was $7,700,000.00 spent, Total contributions were $5,100,000.00 and contributions refunded were $502,000.00. There were 442 refunds, 745 new members, 10 disabilities, 1 disability appeal, 125 deaths, 116 life insurance claims
paid, 314 pension estimates generated and 44 buybacks. YTD there have been 302 retirements, 174 full retirements, 117 early retirements and 11 disabilities.

On the investment transactions there are 87 Capital Calls for $32,000,000.00, 2 Rebalancing’s for $16,600,000.00, 9 Allocations for $43,000,000.00 and 4 Terminations for $6,800,000.00. For the month of October and part of November there have been 5 Capital Calls for $1,400,000.00.

The budget for the office looks to be in good shape for the year. This year to date with 83% of the year expired, 70% of the budget has been utilized. There is 30% of the budget for the remainder of the year. There is a direct budget for 2017 included with the books this month for review. In summary it is approximately a 1% increase over last year’s budget. There have been some additional monies included for computer software and some additional items to be performed and there has been a 3% increase included for salaries for personnel and appropriate benefits for the two vacant positions. With the departure of an employee there is some additional help needed for some items with the Tyler System. There is a quote from Schneider Downs for $3000.00 a month retainer for a $36,000.00 contract for the year to assist in 1099’s and payroll items.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to award a temporary contract with Schneider Downs to assist with payroll for $3000.00 a month.

A detailed disability report will be provided in the December meeting. However, to date, 6 evaluations out of the 12 outstanding, have been returned as being still totally and permanently disabled.

SOLICITOR’S REPORT

Mr. Gabriel provided the board with the Monthly Confidential Report as of November 9, 2016.

WILSHIRE ASSOCIATES


With the outcome of the Presidential Election, Wilshire does not expect there to be any impact to the long term Capital Call assumptions.

In October the U.S. Equity Market was down after a strong 3rd quarter. The Wilshire 5000 returned a negative 2%, while Large Cap outperformed Small Cap. So far through November, The U.S. Equity Market is up 2.5% through November 11th and Small Cap is outperforming Large Cap which brings the YTD return for U.S. Equity up nearly 9%. Non U.S. Equity Market was negative in October as well, down 1.5% while Emerging Markets outperformed Developed Markets. Through November as of November 11th, Non U.S. Equity Markets continue to be down 2.5%. In Fixed Income, The Barclays U.S. Aggregate was negative for the month, down ¾%. MTD through November 11th The Barclays U.S. Aggregate continues to be down another 1.5%. U.S. TIPS Market was slightly down .4% but up YTD 7%. High Yield started positive in October up .4% and YTD up 15.5%. These two asset classes continue to be very
additive to the portfolio. The U.S. Real Estate Market was down 5.5% in October and the Commodity Market was down slightly ½%.

As of October 31st there is a small underweight to Private Equity which offset by an overweight to Public Equity. There isn’t any current investment in MLP’s but a 5% allocation is being recommended. In early 2017 there will be a recommendation for a Manager of the allocation. The Total Fund is slowly behind for the month, but great long term performance over the last five years with 7.5% absolute return. This is ahead of the benchmark by nearly 1%. U.S. Equity continues to struggle in October, the modest overweight to Small Cap detracted and some manager performance issues that will be addressed in a deep dive in the U.S. Equity composite next month. Non U.S. Equity is slowly behind for the month but great long term performance, specifically from Baillie Gifford and the Small Cap Manager Segal Bryant. There is only one Global Manager here for Global Equity, Fusion Capital and they are slowly behind for the month but nice value added since inception. Core Fixed Income is ahead for the month of October, the past one year Federated and C.S. McKee have been the best performers in the composite. High Yield is ahead for the month, both Penn Capital and Oaktree outperformed in an environment where High Yield managers have continued to be challenged.

The two TIPS Managers PIMCO and WAMCO are about flat for the month. These two managers will be transitioning to Non-Capital. Real Estate, Hedge Funds and Commodities do not have current data.

Mr. Weinstein asked, “Are there any updates on the managers that are on watch from last meeting”? Calvin advised that David will have that report for the December meeting.

NEW BUSINESS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Dicristofaro to approve the fact that member #08853 upon the recommendation of three designated physicians this member not totally and permanently disabled from any gainful employment in Allegheny County.

Mr. Weinstein appointed the special legislative sub-committee of the Board and the members appointed are as follows:

Chelsa Wagner
Jennifer Liptak
Frank Dicristofaro
Amy Weise
Janice Vinci
Brian Gabriel

ADJOURNMENT

Meeting was adjourned at 12:36pm

Respectfully submitted,
Chelsea Wagner,

Secretary