The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, June 19, 2014, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00 p.m.

When the roll call of the Board Members was made, Board members Puzak, Szymanski, Wagner, Fitzgerald and Weinstein were recorded as being present. Ms. Liptak was the only Board Member not present.

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

PUBLIC COMMENT

Pat Cray, President of the Allegheny County Retirees Association, addressed the Board regarding her prior requests to increase the Cost of Living Adjustment (COLA) by $25 per month. Since the requests have yet to be acted on, Ms. Cray provides examples of the two retirees, whose combined monthly incomes are $835. She compares a set amount increase vs. a percentage increase and explains that an increase to COLA based on a percentage will only favor those at the top of the scale. Ms. Cray advocates for the universal $25 increase for all.

APPROVAL OF BOARD MINUTES

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

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, to receive and file the monthly financial statements from April 30, 2014.

APPROVAL OF INVOICES
The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, to approve the following invoices:

<table>
<thead>
<tr>
<th>Company</th>
<th>Dates</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLEVELAND CAPITAL</td>
<td>1/1/14 – 3/31/14</td>
<td>$10,465.32</td>
</tr>
<tr>
<td>FEDERATED</td>
<td>1/1/14 – 3/31/14</td>
<td>$15,069.86</td>
</tr>
<tr>
<td>MELLON CAPITAL</td>
<td>1/1/14 – 3/31/14</td>
<td>$18,041.03</td>
</tr>
<tr>
<td>PHILADELPHIA TRUST CO.</td>
<td>1/1/14 – 3/31/14</td>
<td>$7,176.36</td>
</tr>
</tbody>
</table>

Total Invoices for May Approval: $50,752.57

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to approve 21 Retirement applications for June 2014.
There were 2 Disability recommendations received from Dr. Costa and presented by the Executive Director for June 2014. The first recommendation involving member 87335 (SSN 6906) is that the member is totally and permanently disabled. The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Fitzgerald, for the Disability application for member 87335 (SSN 6906) that he or she is totally/permanently disabled.

Ms. Wagner pointed out that the member number was not on the Independent Examiner’s letter.

The second recommendation involving member 94250 (SSN 6987) is that the member is not totally and permanently disabled. The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, for the Disability application for member 94250 (SSN 6987) that he or she is not totally/permanently disabled.

The Executive Director agreed to have member numbers added to the Independent Examiner’s letter.

EXECUTIVE DIRECTOR’S REPORT

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

- Contributions refunded MTD was $328,920.19, YTD $1,517,348.20.

- Total Gross Amount of Capital Calls: $21,261,639.46

- Total Gross Amount of Rebalancing: $22,000,000.00

- Update on Retirement Office Budget: YTD Variance at 67.62%

- Update on Board Election Process: The three candidates are Pat Cray, Lynn Griffin and Frank J. DiCristofaro. Aaron Pittman did not return nominating packets by the required deadline. Ballots mailed Friday, June 6th. Deadline to return ballots were June 26th. The Executive Director will inform the Board of the elected trustee by email June 27th. Term begins July 1st.

Ms. Wagner mentions that it was said in a prior meeting that bios were to be mailed along with the ballots. She asked the Executive Director, why did this change? He responds that he discussed with the president and they decided to put the bios on the website. Ms. Wagner states that decision was unfortunate because not everyone has access or goes on the internet. Mr. Puzak comments that it is important for candidates to get out and introduce themselves. He recommends the candidates visit the Kanes and different facilities.

Ms. Wagner also noted that she got word that one of the candidates was asked to get out of the race. She states that the Board needs to monitor the process. Mr. Weinstein recommends the possibility of getting back to voting machines.

- Survivorship: a response to the May board meeting question on whether it is disclosed or communicated to the retirees that the survivorship election is irrevocable after age 50. The form was changed before the May Board meeting based on direction from the Solicitor to include all the proper disclosures. Active Members who want to change their election are given that opportunity. Spousal notification is required.

- Mr. Johnson also makes a recommendation that the Board reengage with Rhoades and Owens to provide the ACERS needed services in connection with IRS related issues on an as needed
basis. Upon approval of the Board, the consulting agreement will begin immediately and continue through May 31, 2015.

REPORT OF THE SOLICITOR

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

In the report, Mr. Gabriel notes that changes will need to be made with the spousal survivor options with the recent ruling to legalize same sex marriage in Pennsylvania.

Mr. Gabriel also presents a letter regarding the impact of Act 125 and clarification of the application process for members of the Allegheny County retirement system. It was not an action item for this meeting because the forms are being created.

Ms. Wagner asked the Solicitor if there was any follow-up to the Mass Communications Policy she had sent to him as well as President Weinstein for review. Mr. Gabriel responded that there was no legal problem with the policy and said it is up to the Board on how to proceed. Mr. Weinstein asked Ms. Wagner to make a motion. She responded that she would like to revisit the policy to ensure all matters of concern are covered and asks that the policy be placed on the agenda and voted on for the next meeting.

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 increased 2%. The S&P 500 is up 2.35% for the month. Large Cap Index up 2.91 for the quarter. Large Cap Growth continues to outpace Small Cap Growth. Small-Cap Index showed an increase of .82% for the month. In the Non-US Equity Markets, Emerging Markets returned 3.49% MTD, but -.09% YTD. Also in Non-US Markets a 1.36% QTD can be seen from the Pacific. The only noticeable negative for the month was Dow Jones Commodities at -2.87% MTD.

Ms. Bennett also discussed the Monthly Performance Summary for periods ending May 31, 2014. In the Monthly Performance Summary, the Asset Classes are under performing slightly. Non US Equity is under performing as well at -68% QTD. TIPS Fixed Income composite is near benchmark for the quarter. Managers lacking for the month are Emerging Managers Fragasso and Emerald. However, CIM Investment was ahead .10% CYTD.

Wilshire had two recommendations for the month:

First recommendation was to renew a $2.38 million and $.5 million Israel Bonds at 1.88% for the next 3 years.

After extensive review, Wilshire’s second recommendation was to amend the current investment guidelines for Philadelphia International Advisors to allow investment in their non-US small cap fund, the Philadelphia International Advisors International Small Cap Fund, up to 1.5x the developed international small cap weight in the benchmark, and to change the benchmark for their mandate from the MSCI ACWI ex-US Index to the MSCI ACWI ex-US IMI
Index (which includes a market weight to small cap non-US stocks). Wilshire Manager Research had conducted due diligence on the PIA small cap fund and gave it an above average score, so we are comfortable allowing the investment as a part of their current strategy.

ASSET STRATEGY CONSULTANTS

Mr. Boyer briefly mentioned that there will be a return of $6-$7 million back to the fund. However, the distribution will be discussed at the next meeting.

NEW BUSINESS

APPROVAL OF REENAGEMENT WITH RHODES AND OWENS

The Board unanimously approved a motion by Mr. Puzak duly seconded by Mr. Szymanski, based on the recommendation of Executive Director, that the Board reengage with Rhoades and Owens to provide the ACERS needed services in connection with IRS related issues on an as needed basis, which will begin immediately and continue through May 31, 2015.

APPROVAL TO RENEW TWO ISRAEL BONDS

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, based on the recommendation of the consultant Wilshire, to renew a $2.38 million and $.5 million Israel Bonds at 1.88% for the next 3 years.

APPROVAL TO AMEND PHILADELPHIA INTERNATIONAL ADVISORS INVESTMENT GUIDELINES

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, based on the recommendation of the consultant Wilshire, to amend the current investment guidelines for Philadelphia International Advisors to allow investment in their non-US small cap fund up to 1.5 times the developed international small cap weight in the benchmark.

ADJOURNMENT

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

Respectfully submitted,

Chelsa Wagner, Secretary