PENSION INVESTMENT ADVISORY BOARD

MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held Wednesday, May 20, 2015 at 9:00 am in room D of the municipal building at 710 Washington Road, Pittsburgh, PA 15228.

The meeting was called to order at 9:05 am. In attendance were Board members Mark Mistretta, Kevin Renne, Christopher McMahon, Drew Kicinski, Investment Consultant Marc Ammaturo, Commissioner Steve Silverman and Staff member Andrew McCreery.

Commissioner Silverman updated the PIAB on the Commission's decision to increase the number of board members to five.

Finance Director Andrew McCreery updated the PIAB on the January 1, 2015 actuarial valuations for the three pension plans. In summary, even with the actuarial assumption changes, there should be minimal impact on the municipal budget in 2016 and 2017.

The newest member of the PIAB, Mr. Kicinski, introduced himself to the group and provided his background.

Mr. Ammaturo updated the Board on the results of the 1st quarter 2015.

- The trend of the recent move from real estate to international equity is good and seems to be paying off.
- Reviewed the current trends in the international and domestic equity markets.
- Real estate and fixed income investments will be challenged as treasury rates rise.
- Stralem & Company was recommended to be removed from the investment lineup.
- 8 out of 11 investments in the current portfolio performed well.
- PNC was removed from the watch list.

Mr. Ammaturo recommended rebalancing the portfolios in all three plans. The recommendation was as follows:

- Liquidate Stralem & Company
- Funds to be dispersed within current investments, with the net effect being 2% lower in domestic equity, 2% increase in international equity.
- Real Estate would be trimmed to a 3% level, with the net effect to cash for an amount equal to 6 months of benefit payments and the residual to Virtus

A motion was made by Mr. Mistretta and seconded by Mr. Renne. The motion carried by a 3-0 vote.

9:25 am – Board member Mr. McMahon arrived.

Mr. McMahon was updated on the proceedings prior to his arrival.

After wrapping up the 1st quarter 2015 review, Mr. Ammaturo was asked to leave the room.

The PIAB reviewed the timetable for the discretionary management and advisory services RFP. The Board recommended that after the three (3) finalists are selected, interviews with the finalists be conduction in 1.5 hour increments. The Finance Director was instructed to set up a conference call to discuss the interviews and finalize the dates of the interviews once the successful applicants were selected.

The Board advised the Finance Director that they would like to start reviewing the OPEB portfolio. The Finance Director will report on OPEB at the next quarterly meeting.

The meeting adjourned at approximately 10:45 am.