

PENSION INVESTMENT ADVISORY BOARD
MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held Wednesday, August 26, 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 Kevin Renne, Christopher McMahon, Mark Flaherty, Investment Consultant Marc Ammaturo, and Staff member Andrew McCreery.

Mr. Ammaturo updated the Board on the results of the 2nd quarter 2015.

- Gave an update on the current market conditions. Mr. Ammaturo thought of the current conditions in the emerging markets, more specifically China, was not an indication of the US economy.
- Due to global market conditions in July and August, the 2nd quarter commentary was outdated. The focus of the commentary was on the performance of the funds during the quarter.
- The current plans are on average up 1.8% year to date through the second quarter.
- PNC Capital continues to outperform the benchmark.
- Currently in July and August, International Equity positions with a focus in emerging markets is taking a hit. A recommendation was made to move our Vanguard Total International Stock Index and replace it with a Vanguard Development Markets Index.
- The bond market was negative in the second quarter, but our specific investments performed well.

A motion was made by Mr. Renne and seconded by Mr. Flaherty to liquidate Vanguard Total International Stock Index and replace it with a Vanguard Development Markets Index. The motion carried by a vote of 3-0.

Mr. Ammaturo and Mr. McMahaon left the meeting at approximately 9:40 am.

Finance Director Andrew McCreery updated the PIAB on the Other Post-Employment Benefits (OPEB) trust maintained by the Municipality. Mr. McCreery explained the current arrangement with ICMA-RC and recommended looking at different options for the OPEB trust. Public Agency Retirement Services (PARS) approached the municipality about a turn-key OPEB trust program. The members of the PIAB agreed that they would like PARS to make a presentation at the next PIAB quarterly meeting.

At 10:05 am, a conference call was initiated. Mr. McMahon and board member Drew Kicinski joined the call.

The Municipality received nine (9) responses to its Request for Proposals for Discretionary Management and Advisory Services (RFP) to our Police, Firemen and Employee's Pension Plans (Plans). Per the guidelines outlined in the RFP, the proposals were reviewed by an independent panel and 4 proposals were selected for further evaluation. After a due diligence process, three (3) applicants were selected and invited to interview with the Pension Investment Advisory Board (PIAB). The PIAB conducted interviews on July 21 and 22, 2015. A motion was made by Mr. Renne for the PIAB to recommend PFM Asset Management, LLC to the Commission for discretionary management and advisory services. The motion was seconded by Mr. Flaherty and passed by a vote of 4-0.

The meeting adjourned at approximately 10:10 am.