

**THIRD QUARTERLY MEETING
PLEASANT RIDGE MANOR EMPLOYEES' RETIREMENT COMMITTEE**

AUGUST 20, 2015

Members present: Fiore Leone
 Phil Fatica
 Dr. Kyle Foust (via phone)
 Mary E. Schaaf
 James Sparber

Also present: Mark J. Orlop, Controller's Office
 Frank Burnette, Morrison Associates
 Jean Langer, Controller's Office
 Tony Keim, PNC
 Christopher DeGaetano, SEIX Investment Advisors
 Andre Horton, Council

Chairman Leone called the Pleasant Ridge Manor Employees' Retirement Committee to order at 12:01 PM in Room 114A, Erie County Courthouse.

Chairman Leone called for the hearing of the public. No one spoke.

Chairman Leone called for the approval of the minutes of the Second Quarterly Meeting of the Pleasant Ridge Manor Employees' Retirement Committee held on May 21, 2015. Motion to approve made by Mr. Fatica, seconded by Mr. Sparber and carried by unanimous voice vote.

Chairman Leone called for the report of Morrison Fiduciary Advisors, Inc. Frank Burnette gave the report. Frank Burnette stated that he would go over the economic scenario and stated we are in a flat market for the fund. Frank stated that we have had 4 to 5 years of good returns and since the fund is fully priced it becomes limited. Frank stated since commodities are more reasonably priced and the availability of commodities are a positive. Diversification that has been done has been in the retirement's favor. Manning & Napier termination and half of this fund is now in equity index funds through Vanguard. Frank reviewed the ERISA status of Pleasant Ridge at this time. The IRS has not issued an opinion yet on this status. Brokerage review was reviewed and no brokerage transactions occurred for Pleasant Ridge. Asset allocations were reviewed; 61% equities versus target of 60% and weighting between index and actual is about equal. Fee schedule was reviewed, with indexing and recent moves, the \$51 million fund has fees of 23 basis points with administrative fees being moderate at about 7 basis points. So the entire Pleasant Ridge Fund is being run on 30 basis points that equates to about \$150,000. This concluded the report on Pleasant Ridge. Mr. Fatica raised the question that due to PRM East being closed and employees migrating to PRM West and/or retiring, what effect will this have on the fund? Mr. Burnette stated that this will

be the way we are going forward with all assets on the books and this plan does not accrue additional benefits but these assets will be utilized for benefits prior. These should level off in a while and then begin to trail off and go away.

Motion for adjournment by Mr. Fatica and seconded by Mr. Sparber at 12:06 P.M.

A handwritten signature in black ink, reading "Mary E. Schaaf". The signature is written in a cursive style with a large initial "M" and "S".

Mary E. Schaaf, Secretary
Erie County Employees' Retirement Board
Pleasant Ridge Manor Employees' Retirement Committee

jml