

**SPECIAL MEETING
ERIE COUNTY EMPLOYEES' RETIREMENT BOARD**

**SEPTEMBER 19, 2015
12:00 P.M.**

Members Present: Fiore Leone, Chairman
 Phil Fatica, Vice-Chairman
 Mary E. Schaaf, Secretary
 James Sparber, Member
 Dr. Kyle Foust, Member (via phone)

Also Present: Mark Orlop, Controller's Office
 Frank Burnette, Morrison Associates
 Jean Langer, Controller's Office
 Michael Bee, Boyd Watterson
 Keith Thompson, Miller Howard (via phone)

The Special Meeting of the Erie County Employees' Retirement Board was called to order at 12:01 P.M., in Room #114A, Erie County Courthouse. All members were present.

No hearing of the public.

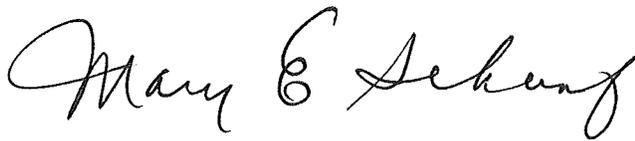
Chairman Leone changed the agenda at this time, moving the attorney review to the last topic prior to other.

MLP asset class and review of the Miller Howard product proceeded. Keith Thompson from Miller Howard gave this presentation via telephone. Keith updated the board on the asset class itself and the performance of the asset class. Mary Schaaf asked if MLP are drilling & production or are they transport pipelines. Keith stated that Miller Howard is the exact opposite, no exploration. And Ms. Schaaf asked if MLP year to date how much decline has been in portfolio? An estimate was given as of 17.08% down. And the question was asked if this was considered a cyclical industry and the answer was undetermined. The next question was if profits could be taken and the answer was yes. The fees for Miller Howard were addressed at this time and an estimate of 50 basis points, Mr. Burnette stated he verify. The proposal of the \$10 million allocation (4 million from large cap equity, 3 million from small cap equity, and 3 million from fixed income) was addressed at this time in order to move forward. The actual figures for diversification were asked for by the next retirement board meeting, scheduled on November 19, 2015.

Frank Burnette recommended a second real estate manager. Michael Bee began his presentation for Boyd Watterson's Government Lease Real Estate Fund. Mr. Bee went over the returns and expectations of fixed income and movement of funds to real estate. The strategy for the real estate is buying properties that are leased to the federal government, which includes predictability of cash flow. Frank Burnette gave his recommendation of allocating 6 million to Boyd Watterson GSA Fund and an additional real estate manager. Motion moved to transfer 6 million to Boyd Watterson Government Lease Real Estate Fund by Phil Fatica, seconded by Mary Schaaf. During roll call, Mr. Sparber abstained from motion and the remainder of the board voted unanimously. Mr. Sparber abstained due to a conflict of interest.

The manager recommendation for the Foreign Equity was reviewed at this time. Frank Burnette gave presentation and his recommendation was to choose American Funds firm. Chairman Leone pointed out that the basis points and reduction in basis points should be looked at prior to making a decision and to wait until next meeting on November 19, 2015 to review all information. Frank Burnette mentioned that he would like a quick decision in order to move money from Wentworth into new manager. Kyle Foust left the meeting via telephone at this time, 1:05 P.M.

Adjournment at 1:08 P.M.

A handwritten signature in cursive script that reads "Mary E. Schaaf".

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

jml