

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

FEBRUARY 18, 2016

Members present: Fiore Leone
 Andre Horton

Mary E. Schaaf
James Sparber

Also present: Tony Keim, PNC Bank
 Melissa Grucza, PNC
 Cindi Marzka, Northwest Retirement Services
 Kevin Plymyer, First National Bank
 Greg Ferrick, Pleasant Ridge Manor
 Rita Yannayon, AFSCME
 Mark J. Orlop, Controller's Office
 Jean Langer, Controller's Office
 Mike Ruffa, Controller's Office
 Doug Smith, County Clerk
 Jess Jiuliante, County Employee
 Mickie Baiera, County Employee
 Frank Burnette, Morrison Associates
 Joe Conroy, Wells Fargo
 Don Graham, Wells Fargo
 Solicitor Thomas Talarico

Chairman Leone called the Pleasant Ridge Manor Employees' Retirement Committee to order at 1:08 PM in Room 114A, Erie County Courthouse. He instructed that the roll call reflect that one member, Dr. Foust who had another commitment, is missing.

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

Chairman Leone called for the approval of the minutes of the Fourth Quarterly Meeting of the Pleasant Ridge Manor Employees' Retirement Committee held on November 19, 2015. Motion by Mr. Sparber, seconded by Mr. Horton and carried unanimously.

Chairman Leone called for the report of Morrison Fiduciary Advisors, Inc. Frank Burnette reported that the fund is conservative and returned a positive 1% for the year versus its benchmark which was up .2% and ranks in the top one third of its universe. He then wished to address the proposed new Investment Policy Statement for Pleasant Ridge Manor. It has been reworded on how the Board is appointed under Pension Solicitor Talarico's counsel. Chairman Leone called for adoption. Motion by Mr. Sparber, seconded by Mr. Horton. Chairman Leone asked for comments. Ms. Schaaf responded

that that a paragraph on page 3 of the 2012 Policy states “the Plan’s sponsor is the PRM Board of Trustees which has delegated authority for administering the investments for the Plan to the Erie County Retirement Board (the Committee)”. This is omitted in the new and reworded proposed Policy and replaced with a new paragraph stating “the PRM Board of Trustees has delegated authority for administering the investments for the Plan to the Pleasant Ridge Manor Retirement Committee (the Committee). She asked if this omission of crossing out the original paragraph was done in error. Chairman Leone stated that Pleasant Ridge Manor is still and continues to be a not-for-profit corporation and the Board of Trustees for Pleasant Ridge Manor is responsible for any implementation within this plan. Chairman Leone stated that the Pension Solicitor indicated that the Chairman at the time can appoint whomever they want in regards to being on the Retirement Board and he is sure that the Chairman at the time would appoint the same board as they have on the Retirement Board. Frank Burnette stated that the change that Ms. Schaaf is referring to on page 3 that it was previously thought that the Pleasant Ridge folks appointed the same Board as the Erie County Retirement Board, however the Solicitor has advised differently and it should have been marked as a change. The change is highlighted as a new paragraph on page 4. Mr. Horton asked if it was in accordance with State Pension Law. Chairman Leone responded that as a hybrid and separate from the County, PRM Pension is not under State Pension Law and in the past, the five members of the Erie County Pension Board always became the five members of the PRM Pension Committee. It was explained to Mr. Horton that in the past the Policy always stated that the Chairman “will” include the County Controller and the County Director of Finance in the PRM Retirement Committee but now it is changed to the Chairman “may” include them. Mr. Horton recognized that the vernacular has changed from “shall” to “maybe”. Mr. Horton stated that as Chairman of PRM Trustees this year, he will go with the Solicitor’s recommendation for this rewording but we can always come back and revisit. He assured there will be no Board composition changes this year. Chairman Leone stated that the Pleasant Ridge Pension is voluntary for employees and Mr. Horton asked how many employees opt into the pension. Mr. Burnette stated that he doesn’t know the percentage at this time Discussion proceeded on the design of the PRM Pension and 401K Plan. Chairman Leone asked for a motion to approve the new reworded Investment Policy. Mr. Sparber moved and Mr. Horton seconded. Chairman Leone called a roll call for the vote. Ms. Schaaf stated that she respects that the PRM Board of Trustees has a right to determine the composition of the PRM Pension Committee, but she is looking at the history of the first meeting of the PRM Pension Board held October 18, 1983 establishing the composition of the PRM Pension Committee as the five members of the Erie County Retirement Board and the same individuals and officers serve on the PRM Pension Board. There has been the same composition for the past 32 years and she does not see any need to change that Board and Committee composition to possibly exclude the County Controller and Finance Director. She is looking at the possible interpretation by future generations. Ms. Schaaf respectfully voted no. All other board voted yes and the motion was carried.

Chairman Leone asked for the resolution designating limiting the authorization of representatives of Pleasant Ridge Manor for the investment management account at

Northwest Savings bank. The solicitor stated that the Northwest needs to know who is authorized to give instructions for management account for Pleasant Ridge Manor. This resolution was not handed out to all board members and this was delayed until next meeting so copies of the resolution can be handed out.

Chairman Leone called for the review of the brokerage activity by Frank Burnette. Pleasant Ridge has no significant brokerage activity and the total investment fees are 20 basis points and the administrative costs are 8, bringing the total cost to 28 basis points.

Adjournment at 1:26 P.M.

A handwritten signature in black ink, appearing to read "Mary E. Schaaf". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

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

jml