

**SPECIAL MEETING  
ERIE COUNTY EMPLOYEES' RETIREMENT BOARD  
AND  
PLEASANT RIDGE MANOR EMPLOYEES' RETIREMENT COMMITTEE**

**SEPTEMBER 18, 2013  
3:00 P.M.**

Members Present:            Fiore Leone, Chairman  
                                      Joseph Giles, Vice-Chairman  
                                      Mary E. Schaaf, Secretary  
                                      James Sparber, Member

Members Absent:            Ronald "Whitey" Cleaver, Member

Also Present:                Mark Orlop, Controller's Office  
                                      Tom Talarico, Solicitor

The Special Meeting of the Erie County Employees' Retirement Board and Pleasant Ridge Manor Employees' Retirement Committee was called to order at 3:09 P.M., in Room #114A, Erie County Courthouse.

Chairman Leone asked for a hearing of the public. No one spoke.

The Board was asked to discuss the proposed Resolution regarding vacation buyback and pension calculation compliance with PA Pension Act 96. Solicitor Talarico stated that Resolution comes in the wake of discovering that making pick-up contributions and treating vacation pay for purposes of calculating an employee's retirement is contrary to the Third Class County Pension Code. Before the Board is a resolution to address that problem. This Resolution will cease the use of vacation pay as being compensation under the Third Class County Code for purposes of calculating a pension. In order to do that, the Resolution also contemplates the Board instructing the Administration to stop making pick up contributions from an employee's vacation pay and directs the Board to advise the Administration particularly the Personnel Department by providing a letter and copy of the Resolution. Chairman Leone asked for comments. Ms. Schaaf thanked Attorney Talarico for his involvement after she had asked him to come back with his opinion after her discovery of this practice She noted that unfortunately, this practice had gone on for a long time in the County costing the Pension significant dollars over the years and going forward it will continue to be a significant cost. She cited increasing life expectancy numbers and the compounding effect due to retirees living longer and stated that we anticipate numerous retirements through the end of 2013 who would still benefit from the practice. 250 employees had taken advantage of the vacation buyback in February 2013 and 90 of those are eligible to retire. She voiced her concern that paragraph four does not cease the practice until the February 2014 and that Act 96 states that once the Board finds an error it is to be corrected immediately. She asked if the Board is implementing this resolution quick enough. Solicitor Talarico stated it will be put in place for the next buyback in February 2014 due to employees who had expectations of benefiting because of the pick-up contributions. Ms Schaaf cited additional amounts received by employees who retired so far in 2013. She advocated acting quicker for the benefit of the Pension and protecting the Pension. Solicitor Talarico stated that we must do something because it was against the law but since this had been a generally accepted practice for such a long time, this Resolution was the best we could do at this time. Chairman Leone stated 2012

and 2013 will be in but they can't pick up any more afterwards. He maintains that our actuary should have been on this long ago as their responsibility. Ms. Schaaf stated it had been going on before the hiring of the Boetger firm and by her speaking with the payroll department was how the issue was discovered. Ms. Schaaf said this is not about assigning blame. Mr. Sparber stated it had been sitting out there so long that no one had looked at it. Mr. Giles said it had become standard practice.

Chairman Leone called for a motion to approve the aforementioned Resolution.

Motion by Mr. Giles, seconded by Mr. Sparber and carried by unanimous voice vote.

Chairman Leone asked the Board to vote on an employee's allowance to buy back time after he was involuntary terminated. Solicitor Talarico stated he is allowed to purchase his out-time.

Chairman Leone called for a motion to approve the buyback. Motion by Mr. Giles, seconded by Ms. Schaaf to allow this buyback. Mr. Sparber and Ms. Schaaf were advised they could not abstain due to lack of knowledge of the case.

Mr. Giles	-	No
Mr. Sparber	-	No
Ms. Schaaf	-	No
Mr. Cleaver	-	Absent
Chairman Leone	-	No

Ms. Schaaf asked Solicitor Talarico if she could change her vote on the vacation buyback Resolution due to paragraph four allowing for a phase in period rather than immediate implementation. She wants to end it now. He stated it was too late and that she should have moved to amend it prior to the vote.

Adjournment at 3:33 P.M.

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

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