

THIRD QUARTERLY MEETING
ERIE COUNTY EMPLOYEES' RETIREMENT BOARD
Aug 17, 2017

Members present: Fiore Leone
Dr. Kyle Foust
James Sparber
Mary Schaaf

Also present: Gary Gustovich, Dimensional
Tony Keim, PNC Bank
Melissa Grucza, PNC Bank
Andrew Dylwsia, PNC Bank
Greg Ferrick, PRM
Cindy Mazka, Northwest Savings

Chairman Leone called the Erie County Employees' Retirement Board to order at 12:29 PM in Room 114A, Erie County Courthouse.

Roll call showed the following members absent, Andre Horton.

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

Chairman Leone called to approve the Special Meeting Minutes from June 28, 2017, it was approved unanimously

Dr. Foust calls for a motion to amend the Investment Policy Statement reflecting the same changes as the new Pleasant Ridge Manor Pension Investment Policy prohibiting dual contracts and requiring Conflict of Interest declarations.

Mr. Sparber seconds, Chairman Leone calls for a roll call vote:

Mr. Sparber- Yes

Dr. Foust- Yes

Chairman Leone- Yes

Ms. Schaaf- Yes

Mr. Burnette states that with the changes in the Investment Policy eliminating dual contracts, a motion was needed to terminate the Wells Fargo contract portion of the Templeton Foreign Equity.

Dr. Foust calls for the motion, Ms. Schaaf seconds, Chairman Leone calls for a roll call vote:

Mr. Sparber- Yes

Dr. Foust- Yes

Chairman Leone- Yes

Ms. Schaaf- Yes

Mr. Burnette states that he needs one more motion for the amendment of the Boyd Watterson Fixed Income Contract. There will be no additional charge for the internal mutual fund fees.

Dr. Foust calls for a motion to amend the Boyd Watterson Contract.

Mr. Sparber Seconds, Chairman Leone calls for a roll call vote:

Mr. Sparber- Yes

Dr. Foust- Yes

Chairman Leone- Yes

Ms. Schaaf- Yes

Chairman Leone turned the floor over to Frank Burnette from Morrison Fiduciary; Mr. Burnette stated the final outside audit of calculation error at Boston Advisors has been completed and the conclusion of the audit is that there was no material impact from these calculation errors.

Mr. Burnette states that the MLP investments are still down about 10%, but that the investments are starting to perform as expected, cash flows have increased 7 to 8% annually and dividends are increasing.

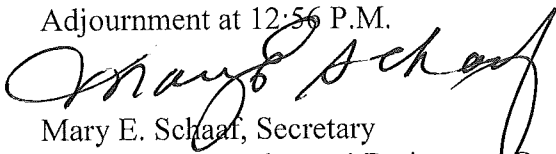
Mr. Burnette informed the board that Boston Advisors has agreed to lower their fees from 60 basis points to 50 basis points, and Wells Fargo Small Cap was lowered from 80 basis points to 70 basis points. Mr. Burnette is going to negotiate with Templeton because he believes the 70 basis point for them is on the high side.

Mr. Burnette will be rebalancing the funds balance from growth leaning to value leaning.

Mr. Burnette turned the floor over to Rob Gronda from Bentall Kennedy Real Estate. Mr. Gronda states that fund has \$8.2 billion in gross assets and \$6.5 billion net assets. The fund is 20.3% leveraged. The operating portfolio currently is 31.8 million square feet, spread out over 103 assets. Since 2010 the fund has returned 10.26 % annualized return. Mr. Gronda states that the fund is currently expecting returns to fall to 6-8 % annual returns due to less appreciation for core real estate values. The current one year return is currently 7%.

Chairman Leone opens the floor for questions, there were none.

Chairman Leone called for Adjournment
Adjournment at 12:56 P.M.



Mary E. Schaaf, Secretary
Erie County Employees' Retirement Board

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