

4th Quarter Meeting
PLEASANT RIDGE MANOR EMPLOYEES' RETIREMENT COMMITTEE
Nov 15, 2018

Members present: Fiore Leone
 Dr. Kyle Foust
 Andre Horton (Arrived 12:11)
 Mary E. Schaaf
 James Sparber

Also present: Greg Ferrick, PRM
 Deanna Helmbreck, PRM
 Deedra Pfeffer, PRM
 Cindy Marzka, Boetger Retirement Services
 Frank Burnette, Morrison Fiduciary
 Sue Ellen Pasquale, Retirees Association
 Ray Reade, Retirees Association.
 Karen Dorich, Retirees Association
 Mike Ruffa, County Controller's Office
 Jan Ortiz, County Controller's Office
 Jack Walham, PRM
 Don Boetger, Boetger Retirement Services
 Matthew Schweitzer, Vanguard
 Rich Nelson, Retiree

Chairman Leone called the Pleasant Ridge Employees' Retirement Committee to order at 12:00 PM in Room 114A, Erie County Courthouse.

Chairman Leone asked that the Roll reflect that only one member was missing but he is on his way.

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

Chairman Leone called to approve the minutes for the Actuary Meeting on October 18, 2018. They were approved unanimously.

Chairman Leone asked for the report of Morrison Fiduciary. Mr. Burnette states the YTD return for the fund is currently 1%. Pleasant Ridge Fund returns over time are 10.15% annually for seven years and since inception 6.58% annually.

Mr. Burnette turned the floor over to Matt Schweitzer from Vanguard Funds to make his presentation for both Pleasant Ridge and Erie County.

Mr. Schweitzer stated that expense ratio for the Vanguard Fund is currently at .11% and spoke of their Index Funds and the market.

Ms. Schaaf pointed out that the Vanguard Russell 1000 Growth Index Fund held in the County Pension has ranked number 1 in their universe which is the best possible return.

Chairman Leone asked if there were any other topics to be discussed. Dr. Foust suggested that a discussion start regarding switching the PRM Pension from under ERISA to a government Plan to reduce the cost.

Mr. Burnette stated that he believes that soon there will be a legal opinion from the Solicitor stating that Pleasant Ridge Manor is no an ERISA plan and to withhold the PBGC premium payment of almost \$400,000. This opinion would start a discussion, negotiation or litigation, which would lead to a conclusion hopefully in federal court.

Deanna Helmbreck from PRM stated the PBGC Premium was already paid on October 15, 2018 so it would be withholding next year's premium.

Mr. Horton questioned what would happen with the current employee's benefit wise if Pleasant Ridge becomes a government plan. Mr. Burnette states that he doesn't think the benefits or oversight would change, the only questions would be if the benefits would be guaranteed by this government program or not.

Ms. Schaaf suggested that the question of switching to a government plan to eliminate paying \$400,000 or more per year be done first then the issue of reclaiming past premiums would be second. Reverse what the PRM Board did before to make it an ERISA Plan by changing the legal documents to make it a government plan again and stop filing a 5500 which triggers the PBGC premiums.

Chairman Leone states he doesn't disagree with Ms. Schaaf or Dr. Foust but has concerns about what happens with employees at the Pleasant Ridge. Do they move to the Erie County Retirement Plan, and what is the cost if they do move to the Erie County Plan?

Chairman Leone states that these discussions will continue at the Pleasant Ridge Board Meeting,

Chairman Leone calls for adjournment

Adjournment at 12:37 P.M



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

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