

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

NOVEMBER 15, 2012

Members Present: Fiore Leone, Chairman
Joseph Giles, Vice-Chairman
Sue Weber, Secretary
James Sparber, Member

Members Absent: Ronald "Whitey" Cleaver, Member

Also present: Deanna Holtz, Pleasant Ridge Manor
Tom Gardner, Pleasant Ridge Manor
Jack Walburn, Pleasant Ridge Manor
Douglas Gilkinson, Pleasant Ridge Manor
Cindi Marzka, Boetger & Associates
Karen Dorich, County Employee
Ray Reade, Erie County Retirees
Philip Legler, Erie County Retirees
Melissa Gruzca, PNC
Tony Keim, PNC
Michael Keim, RBC
Michael G. Crofton, Philadelphia Trust Company
Doug Riley, Boston Advisors
Carol Hillhouse, Erie County Retirees
Gale Ward, Erie County Retirees
John Signorino, Erie County Retirees
Karla Anderson, Erie County Retirees
Sheryl D'Amico, Erie County Retirees
Robin Shultz, Erie County Retirees
Jeri Taylor, Erie County Retirees
Ruth Mason, Erie County Retirees
Karen Snow, Pleasant Ridge Manor
Sue Tuedhope, Pleasant Ridge Manor
Patti Mattis, Erie County Retirees
Kathleen Smith, Erie County Retirees
Bill Benner, Erie County Retirees
Gloria Metzger, Erie County Retirees
Doug Ebert, Erie County Employees
Jackie Johnson, Erie County Retiree
Marie Lewis, Controller's Office
William F. Amick, Controller's Office
Tom Talarico, Solicitor
Frank Burnette, Morrison Associates

Chairman Leone called the Pleasant Ridge Manor Employees' Retirement Committee to order at 12:05 P.M. in Room 114A, Erie County Courthouse.

Chairman Leone called for the hearing of the public.

Chairman Leone called for approval of the minutes for the Third Quarterly Meeting held on August 16, 2012.

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

Frank Burnette presented the report Morrison Fiduciary Advisors, Inc.

There are no Manager presentations. The restructure plan to make the Pension more like the Erie County Employees' Plan has been completed with asset allocation now a Board and Consultant responsibility. The new fee schedule gives a savings of \$55,000 with a decrease from 52 basis points to 37 bp. The new structure uses the original vendors split into four asset classes. It is 63% equity vs a target of 60% with no high yield or real estate. For now it looks 90% like the County Employees' Plan.

The annual review of the fee schedule reflects 37 bp management fees and 8bp consulting fees for a total of 45 bp.

The annual brokerage review shows a total of approximately 17,000 trades. 402 of those trades were in equities at 2 to 3 cents per share. It is very efficient with no directed brokerage in use. There is no longer language in the Investment Policy for directed brokerage.

Additional changes in the Investment Policy reflect the new investment structure, updating of the fiduciary language, requirement for Errors and Omissions Insurance for vendors, elimination of directed brokerage, establishment of procedures for rebalancing initiated by the Consultant, and provisions for future investments in foreign equities and high yield. The Policy was last updated in March 2010.

Chairman Leone called for approval of the updated Investment Policy for Pleasant Ridge Manor.

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

The Fund performance this year through 9/30/12 is 9.36%, for the one year 16.24% and the three year is 8.10%.

There being no other business, the meeting adjourned at 12:11 P.M.

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

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