

**FIRST QUARTERLY MEETING  
ERIE COUNTY EMPLOYEES' RETIREMENT BOARD**

**FEBRUARY 9, 2012**

Members present: Fiore Leone, Chairman  
Ronald "Whitey" Cleaver, Member  
Mary E. Schaaf, Secretary  
James Sparber, Member

Members absent: Joseph Giles, Vice-Chairman

Also present: Tony Keim, PNC Bank  
Tom Winters, Seix Advisors (via videoconference)  
Cindi Marzka, Boetger & Associates  
Dave Immonen, Manning & Napier  
Deedra Pfeffer, Pleasant Ridge Manor  
Jim Uriah, FNB  
Kevin Plymyer, FNB  
Maryanne Riazzi, Pleasant Ridge Manor  
Deanna Holtz, Pleasant Ridge Manor  
Jack Walburn, Pleasant Ridge Manor  
Selena Becker, Erie County Employee  
Michael Bee, Boyd Watterson  
Robert Strnad, Boyd Watterson  
Dan DeCoursey, Computer Bureau  
Phil Fatica, County Council  
Doug Smith, County Clerk  
Lana Wright, County Council Office  
Marie Lewis, Controller's Office  
William F. Amick, Controller's Office  
Bob Bulas, Morrison Associates

Chairman Leone called the Erie County Employees' Retirement Board to order at 12:35 PM in Room 209, Erie County Courthouse.

Motion to approve the minutes for the Fourth Quarterly Meeting held November 17, 2011 and the Special Meeting held on December 15, 2011 made by Mr. Sparber, seconded by Mr. Cleaver and carried unanimously with Ms. Schaaf abstaining.

Bob Bulas of Morrison Fiduciary Advisors, Inc. gave the Erie County Employees' Retirement fund performance report. As of 12/31/2011 the total fund value was \$174,401,245. For 2011, the total fund returned 1.50% versus a 3.02% benchmark return and ranked in the 35<sup>th</sup> percentile versus its peer group. Mr. Bulas informed the Board that Berkley Street is now Wells Capital. He asked the Board to pass a procedure for set aside activities.

Chairman Leone called for a motion to approve the following set aside procedure: “Whenever the Fund’s litigation attorney asks the Fund to hold a certain litigation security, the Controller’s office will simply transfer 100 shares from the appropriate investment manager’s account to the Fund’s cash/disbursement account. This way, the investment manager is substantially shielded from the impact of being directed to hold the litigation security and the manager’s investment performance will not be impacted. Additionally, this “set aside” procedure ensures that no investment manager accidentally sells the litigation security (potentially impairing the litigation proceedings).”

Motion by Ms. Schaaf, seconded by Mr. Cleaver to approve the aforementioned set aside procedure and carried unanimously.

Robert Strnad was introduced by Michael Bee and presented the report of Boyd Watterson. Their Fixed Income portfolio’s 2011 return was 5.46% versus their policy index return of 5.23%. He recognized that Ms. Schaaf was quoted in the Wall Street Journal with regard to the Nabors litigation and congratulated her. Ms. Schaaf confirmed that the case is still pending but she is delighted with the outcome so far. She also stated the fund has recovered in excess of \$714,000 to date from various litigations so far with the help of Kessler, Topaz, Meltzer and Check LLP.

Tony Keim presented the report of PNC Advisors. For 2011, their Large Cap Growth Equity portfolio returned 3.24 % versus the Russell 1000 Growth index return of 2.63%. The PNC Fixed Income portfolio returned 4.88% versus the Barclays Int. Govt/Credit index return of 5.81% for 2011.

Chairman Leone called for the approval of a resolution to adopt rules regarding public participation at Retirement Board Meetings. Motion by Mr. Cleaver, seconded by Mr. Sparber and carried unanimously.

Bill Amick stated the annual pension informational meeting will be held May 30, 2012 at the Hirt Auditorium in the Blasco Library.

Adjournment at 12:59 P.M.

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

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