

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

**MAY 16, 2013**

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

Also present: Tony Keim, PNC Bank  
Melissa Grucza, PNC  
Doug Ebert, Health Department  
Tom Gardner, Pleasant Ridge Manor  
Cindi Marzka, Boetger & Associates  
Douglas Gilkinson, Pleasant Ridge Manor  
Sarah Stettinius, MEPT  
Deanna Holtz, Pleasant Ridge Manor  
Sue Teudhope, Pleasant Ridge Manor  
Deborah Knight,  
Michael Bee, Boyd Watterson  
Marie Lewis, Controller's Office  
Mark J. Orlop, Controller's Office  
William F. Amick, Controller's Office  
Frank Burnette, Morrison Associates

Chairman Leone called the Erie County Employees' Retirement Board to order at 12:02 PM in Room #114A, Erie County Courthouse.

Motion to approve the minutes for the Reorganizational and First Quarterly Meetings held February 21, 2013 and the Special Meeting held on March 25, 2013 made by Mr. Giles, seconded by Mr. Sparber and carried unanimously.

Frank Burnette of Morrison Fiduciary Advisors, Inc. gave the Erie County Employees' Retirement fund allocation report. Equities are at 59% versus the target of 55%. He then gave an economic overview of the markets. The Erie County Employees' Retirement Fund returned 5.62% for the first quarter with the 38<sup>th</sup> percentile ranking. Emerald Mid Cap and Small Cap portfolios were consolidated. The Securities Lending Report showed that the Fund has received \$233,758 in revenue since 2007.

Sara Stettinius presented the report of Multi-Employer Property Trust. The Erie County Fund has been with MEPT for about 2 ½ years with a book value of about \$10 million and a \$12.3 million market value. The net annual return has been 9.4%, 93% of the properties are leased. As a developer, MEPT built 6 of the 10 largest properties in the portfolio. 2012 performance was disappointing due to the sale of several underperforming properties. The market sale prices were more than \$30 million below the carrying values. Chairman Leone asked about MEPT's underperformance of the one year return and since inception versus the NCREIF benchmark. Ms. Stettinius stated that MEPT takes a long term view of real estate. Ms. Schaaf asked about the management

fee and was reassured that it was a total of 88 basis points. Mr. Sparber asked about the effect of inflation in the future.

Michael Bee presented the report of Boyd Watterson. They manage about \$14.5 million for the Fund and have outperformed their benchmark consistently. The one year return was 4.2% versus 3.38% for the benchmark. The five year return is 5.7% versus 4.1% for the benchmark. Mr. Burnette stated he would like to schedule a presentation by Boyd Watterson regarding some of their newer fixed income strategies in the future.

Adjournment at 12:56 P.M.

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

mll