

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

MAY 19, 2011

Members Present: Fiore Leone, Chairman
Ronald "Whitey" Cleaver, Member
James Sparber, Member

Members Absent: Joseph Giles, Vice-Chairman
Sue Weber, Secretary

Also present: Tony Keim, PNC Bank
Tom Dattilo, Emerald Advisors
Lyman Cohen, Erie County Retiree Association
Cindi Marzka, Boetger & Associates
Deedra Pfeffer, Pleasant Ridge Manor
Jim Uriah, FNB
Greg Fischer, PNC Bank
Glenn Kemp, DFA
Michael Keim, DFA
Doug Ebert, AFSCME #2666
Karen Dorich, Erie County Employee
Ray Reade, Erie County Retiree Association
Maryanne Riazzi, Pleasant Ridge Manor
Deanna Holtz, Pleasant Ridge Manor
Tom Talarico, Solicitor
Marie Lewis, 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 12:10 PM in Room 114A, Erie County Courthouse.

Lyman Cohen spoke on behalf of the Erie County Retirees and asked the Board members to make a motion at today's meeting to approve the passing of a COLA before the end of this year.

Motion to approve the minutes for the First Quarterly and Reorganization Meetings held February 17, 2011 made by Mr. Cleaver, seconded by Mr. Sparber and carried unanimously.

Frank Burnette gave the report of Morrison Fiduciary Advisors, Inc.

Michael Keim presented the report of Dimensional Fund Advisors.

Tom Dattilo presented the report of Emerald Advisors.

Tony Keim presented the report of PNC Advisors.

Frank Burnette recommended that the Board vote to make a change to the Investment Policy statement which would mandate Fixed Income managers Seix and C. S. McKee to intermediate duration purchases for up to 10 years instead of the current full duration purchases which are up to 30 years.

Motion by Mr. Cleaver, seconded by Mr. Sparber to approve this change to the Investment Policy. Motion to approve carried unanimously.

Frank Burnette recommended that the Board pass a motion to continue to keep PNC on watch status to be monitored quarterly.

Motion by Mr. Cleaver, seconded by Mr. Sparber to continue to keep PNC on watch status during which they will be monitored quarterly. Motion to approve carried unanimously.

Per solicitor Talarico's recommendation, Chairman Leone called for the approval of the Board to give authorization to PNC Bank to hire a law firm to file to reclaim a portion of the tax that is retained by international foreign markets. Motion by Mr. Sparber, seconded by Mr. Cleaver and carried unanimously.

Per solicitor Talarico's recommendation, Chairman Leone called for the approval of the Board to give authorization to Barroway Topaz Kessler Meltzer and Check LLP to demand a buyout price increase of \$2.00 per share with regard to the GSI Commerce litigation. Motion by Mr. Cleaver, seconded by Mr. Sparber and carried unanimously.

Bill Amick stated that he has been asked several times for a plan document for the pension plan. He asked if the Board would consider creating one. Mr. Amick asked Cindi Marzka if Boetger and Associates would have the ability to create one. Mrs. Marzka stated that her office would not prepare a plan document because it should be created by a law firm. She stated that the plan has a summary plan description which is not the same as a plan document but she is aware that there is a push by the IRS for government entities to have a plan document in place and submitted to the IRS. This document is for the IRS to approve that the plan is a qualified plan, that there are monies set aside on a pre-tax basis, and that it is a taxable event when those monies come out of the plan. Solicitor Talarico stated the plan follows Act 96 and the summary plan description states this and he does not feel it is necessary to have a plan document created at this time. Mr. Burnette stated that the vendor community is going to be asking for this to follow certain rules and he feels the IRS is going to mandate all municipal pension plans to have a plan document in place within the next 5 years. Chairman Leone stated he does not feel that one should be created until it is an IRS requirement. He stated there

is a significant cost to create a plan document and he feels since the plan follows Act 96 the summary plan description should be sufficient for any vendor requests.

Adjournment at 12:53 P.M.

Sue Weber, Secretary
Erie County Employees' Retirement Board
Pleasant Ridge Manor Employees' Retirement Committee

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