

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

**NOVEMBER 19, 2009**

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

Members Absent: Ronald "Whitey" Cleaver, Member

Also present: John Grazioli, FNB  
James Urich, FNB  
Maryanne Riazzi, Pleasant Ridge Manor  
Waneda McCollough, Juvenile Probation  
Gale Ward, Juvenile Probation  
Kathy Seblink, Juvenile Probation  
Cindi Marzka, Boetger & Associates  
David Rodrigues, Retiree  
Michael Crofton, Philadelphia Trust  
Bill Mitchner, PNC/Allegiant  
Karen Dorich, Employee  
Philip Legler, Retiree  
Ray Reade, Retiree  
Patti Mattis, Retiree  
Joe Spusta, Erie County Detectives  
David Calao, Pleasant Ridge Manor  
Greg Fischer, PNC  
Joe Buongiorno, C.S. McKee  
Lisa Cunningham, Erie County Executive Office  
Doug Ebert, AFSCME  
Ginny Vereb, Juvenile Probation  
Carroll Gallagher, OCY  
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 Suite 504, Erie County Courthouse.

Chairman Leone called for the hearing of the public.

Karen Dorich stated she has been a contributing member of the plan since January 16, 1981 and wished to address the approval of the interest rate for Erie County Employees. She stated that the Board lowered the interest rate on monies earned from 5.5% to 4% in November of 2008 and cited a 27% loss in the fund for the reason in the decrease. Mrs. Dorich stated that as of September 30, 2009 the fund has had a total return of 17.34% which shows a recovery and that in 2010 the County will be finished paying for the early retirement incentive that the Board had previously passed. Mrs. Dorich stated the fund has improved and if the Board is considering agenda item number nine which is the review of the consultant's request for a fee increase, then they can vote no other way than to restore the interest rate for current employees to 5.5%. She noted that if the fund is strong enough to give Mr. Burnette a fee increase, it is strong enough to restore the interest rate and grant a COLA to the retirees.

Chairman Leone stated that Mr. Burnette's fee increase was not going to be discussed.

Dave Rodrigues spoke on behalf of the Retiree's Association, asking approval of a Cost of Living Increase for the retirees. Mr. Rodrigues stated there are approximately 500 people that have retired from the County and most of them are County taxpayers. Also, that the retirees will have an increase in Medicare and no cost of living increase from Social Security this year.

Sue Weber responded to Karen Dorich's statement and stated the fund earned 17.34% so far this year by investing the employees' money, so it only stands to reason that the Board should give the employee's a 5.5% interest rate on their money which earned 17.34%.

Ray Reade spoke on behalf of the Erie County Retirees, stating that as a recent retiree he understands the budget process and why the Board can't give a COLA for 2010. Mr. Reade stated that there is no justification in it with the severe cuts in departments and layoffs, etc. He asked if the Board could review what has happened in the last year and stated he feels the fund has had a gained enough to have granted a COLA last year and given the employees a 5.5% interest rate for 2009. He asked if the Board would consider granting the 2009 COLA and 5.5% interest rate effective January 1, 2010. Mr. Reade stated he is not eligible for the COLA or the interest rate increase for employees. He suggested the Board tap into the 2009 fund balance to pay for the COLA and the interest rate. Mr. Reade asked that the Board review how much was saved in each department from the 30+ people who retired in 2009 and apply those funds that were saved in 2009 to the 2009 COLA effective 1/1/2010.

Doug Ebert stated he is speaking on behalf of AFSCME members. Mr. Ebert asked that the Board restore 5.5% interest rate. He stated that if the interest rate were restored to 5.5% it may encourage more people to retire than if it remained at 4%.

Frank Burnette stated that the fund is not currently fully funded. To be fully funded the fund balance should be approximately \$200 million and it is currently \$150 million. Mr. Burnette stated the plan is currently secure but the County still has to make annual contributions and everyone should be concerned with the security of the plan first and then the interest rates and the COLA.

Chairman Leone stated last year was the first year there was no COLA. He stated that he has voted for a COLA every year except last year and it is because the County is in trouble. He stated Council had to raise taxes six tenths of a mill, 50 jobs have been cut, and he feels the Board is being responsible by making sure the fund is secure.

Bill Amick credited the Board with allowing the fund to participate in the Securities Lending program, which brought in \$60,000 to \$80,000 per year and also allowing the fund to participate in the ongoing litigations with securities, which has returned over half a million dollars as of this date.

Chairman Leone called for approval of the minutes for the Third Quarterly Meeting held on August 20, 2009 and the Special Meeting held on October 12, 2009 of the Erie County Employees' Retirement Board.

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

Chairman Leone called for the approval of the interest rate for the Erie County Employees for 2010.

Mrs. Weber moved to set the interest rate at 5.5%. The motion died for lack of a second.

It was moved by Mr. Sparber and seconded by Mr. Giles to set the interest rate for the Erie County Employees for 2010 at 4%.

Mr. Giles	-	Yes	
Mr. Sparber	-	Yes	
Mr. Cleaver	-	Absent	
Mrs. Weber	-	No	
Chairman Leone	-	Yes	Motion Carried.

Chairman Leone called for the approval of a cost of living increase for the Erie County Retirees.

No one from the Board moved to approve a cost of living increase for the Erie County Retirees for 2010.

Chairman Leone called for the approval of the proposed dates for the quarterly Retirement Board Meetings in 2010. The dates are as follows:

February 18, 2010 @ 12:00 P.M.  
May 20, 2010 @ 12:00 P.M.  
August 19, 2010 @ 12:00 P.M.  
November 12, 2010 @ 12:00 P.M.

Moved by Mrs. Weber, seconded by Mr. Giles and carried unanimously.

Chairman Leone called for the report of Morrison Fiduciary Advisors, Inc. Frank Burnette gave the report.

Chairman Leone called for the report of Philadelphia Trust. Michael Crofton gave the report.

Chairman Leone called for the report of C.S. McKee. Joe Buongiorno gave the report.

There being no other business, Chairman Leone called for adjournment.

Adjournment at 1:27 P.M.

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

mll