

**Actuarial Meeting
Erie County Employees' Retirement Board
Oct 18, 2018**

Members present: Fiore Leone
Dr. Kyle Foust
Mary E. Schaaf
James Sparber

Also present: Jack Walburn- PRM
Greg Ferrick- PRM
Deanna Helmbreck- PRM
Mike Anderson- PRM
Robert Smith- PRM
Ray Reede- Erie Co. Retirees Assoc.
Tracey Fugagli- Finance
Don Boetger- Boetger Retirement Service
Cindy Marzka- Boetger Retirement Service
Dion Anseluwloy- Capital Group
Claudette Grant- Capital Group
Mark Orlop, County Controller's Office
Daniel Bayletts, County Controller's Office

Chairman Leone called the Erie County Employees' Retirement Board to order at 12:38 PM in Room 114A, Erie County Courthouse.

Roll call showed that one member was absent: Mr. Horton

Chairman Leone called for the hearing of the public. No one spoke.

Chairman Leone called to approve the minutes from the August 14, 2018. They were approved unanimously.

Chairman Leone turned the floor over to Frank Burnette from Morrison Fiduciary; Mr. Burnette stated that there is underperformance with Well Capital Large Cap Equity Fund, which was put on watch at the last meeting and they are still underperforming by 1%. There is some underperformance in internationals but that is a short term issue. The fund is currently up 4%. Asset allocation is 58% Equities.

Mr. Burnette presented the Fund's fee annual schedule review. The total Investment Management fees are 43 basis points, and administrative fees are 7 basis points for a total of 50 basis points. After the private equity is funded the Fund should expect total fees to rise to 55 or 57 basis points. Mr. Burnette states he is going to work with PNC to update and reduce their custody fee schedule.

Ms. Marzka informs that Boetger is changing their process of removing member contributions of non-vested terminated employees. After 2 months of attempting to get the terminated member to remove their contributions a certified letter will be sent, a month after that for contributions under \$1000 a check will be sent to their last address. Contributions over \$1000 the funds will be rolled into an IRA at PNC which has an agreement in place to do so.

Chairman Leone requested Ms. Marzka to obtain the cost if the Board were to issue a 1% or .5% COLA to retirees.

Ms. Marzka informed that by law only a COLA based on the CPI may be issued.

Ms. Schaaf asked if the change in assumed investment market rate returns are based on smoothing. Ms. Marzka states the change in rates are based on historical rates of return and look at future returns, Ms. Schaaf asked what number they are seeing for the future for investment returns. Ms. Marzka states just under 7.0%

Mr. Burnette states that the assumed market rate number is based on the asset allocation of the Fund times the expected returns using 5 research resources. He currently sees the industry lowering expected returns to 6.75%, 6.50%.

Chairman Leone states that he does not want to make decisions at this time but would like Mr. Burnette to give a recommendation at the next meeting.

Chairman Leone opens the floor for questions, there was none?

Chairman Leone calls for adjournment

Adjournment at 1:15 P.M



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

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