

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

NOVEMBER 22, 2023

Members present: Andre Horton
Terry Scutella
Dr. Kyle Foust
Paul Lichtenwalter
Brian Shank

Also present: Christiaan Brokaw, AndCo
Cindi Marzka, Definiti
Marie Lewis, Controllers office
Mark Orlop, Controllers office
Karen Chilcott, County Council office
Ray Reade, Erie County Retirees
Karen Dorich, Erie County Retirees
Michael Sestak, Erie County Retirees
David Rodgers, Erie County Retirees
Ted Magoon, Erie County Retirees
Doug Ebert, Erie County Retirees
Melissa Gruzca, PNC
Carolyn Rains, PNC
Caleb Peters, PNC
Joe Conroy, Allspring
John Ognar, Allspring
Matt Lucas, Portfolio Advisors
Chris Hunt, Portfolio Advisors

Chairman Horton called the Erie County Employees' Retirement Board to order at 12:20 PM in Room 114A at the Erie County Courthouse. Roll call showed all members present.

Chairman Horton called for the hearing of the public.

Karen Dorich spoke on behalf of the Erie County Retirees. Mrs. Dorich asked the Board to task the Consultant to create an easy to understand explanation as to why the Fund is below the required funded ratio of 80% and also task DEFINITI to create an easy to understand letter explaining how they come to their CPIU, the cost of granting a COLA to the Retirees and the figure on the funded ratio of the plan. Mrs. Dorich also asked for quarterly reports going forward.

Doug Ebert spoke on behalf of the Erie County Retirees. Mr. Ebert stated the retirees are not happy that PNC stopped sending out paper monthly payment deposit notices when they created the "payee web" for retirees. Aside from the fact that a large portion of the retirees do not have or do not use computers, the "payee web" is not user friendly and the instructions were extremely vague. Retirees tried contacting the helpline and some issues were not resolved for up to two weeks because of low staffing levels on PNC's end. Mr. Ebert asked the Board to task

PNC to continue to send out paper monthly payment deposit notices and to create and send out an updated informational letter giving the retirees easy to understand directions to the “payee web”. Mr. Ebert asked the Board to task PNC to explain to the retirees in writing what Pension Benefit Information, LLC does for them that warrants PNC sharing all of the retirees’ personal information with this third party in light of the security breach that happened with PBI, LLC on May 31, 2023. Because many retirees’ personal information has been compromised because of this breach, they would like make sure that PNC’s utilization of this third party is necessary. Mr. Ebert asked the Board to task PNC with ensuring they have enough staff to help the retirees complete the updated W4’s that are required to be completed, as per the new Federal Tax Law, to ensure the deduction they previously had remains the same. The retirees are worried they will have the same problems receiving assistance from PNC as they had with the “payee web”.

Ray Reade spoke on behalf of the Erie County Retirees and reiterated what Mrs. Dorich and Mr. Ebert stated. Mr. Reade asked the representatives from PNC to look at a copy of the letter that he received regarding the new “payee web” that was sent to the retirees, and asked them to see if they can understand how to get into this program. Mr. Reade then asked the Board to task PNC with sending out a very detailed, step by step instructional letter to all of the retirees on how to access the “payee web” and to continue to send out the monthly deposit payment notices. Dr. Foust asked the Board if PNC is permitted to address the concerns of the retirees as this time. Chairman Horton stated he would like them to address the concerns when they give their report.

Chairman Horton called for the approval of the minutes for the Third Quarterly Meeting held on August 16, 2023. Motion made by Mr. Scutella, seconded by Mr. Shank. Motion approved unanimously.

Chairman Horton called for the report of AndCo. Christiaan Brokaw gave the report. Mr. Brokaw stated the Fund’s third quarter return was -3.13% and its YTD return was 4.24%. As of 9/30/2023, the total Fund had an annualized 7-year return of 6.35%.

Chairman Horton called for the report of PNC and asked them to respond to the retirees and address their concerns. Carolyn Rains apologized to the representatives for the retirees. She stated she understands the frustration and she was given a copy of Mrs. Dorich’s and Mr. Ebert’s speeches. She stated the requests in the speeches are not unreasonable and she will take the concerns back, share the frustration and take care of each grievance. She then gave the report.

Christiaan Brokaw called for the report of Allspring. John Ognar gave the report.

Christiaan Brokaw called for the report of Portfolio Advisors. Matt Lucas and Chris Hunt gave the report.

Chairman Horton asked Cindi Marzka if she has the estimated funding requirement number for 2024. Mrs. Marzka stated the estimated funding requirement amount is \$8.8 to \$9 million.

Chairman Horton called for the approval of an interest rate for the Erie County Employees for 2024. Motion by Dr. Foust, seconded by Mr. Shank to keep the interest rate at 4% for the Erie County employees for 2024. Motion carried by unanimous voice vote.

Dr. Foust asked Mrs. Marzka if there was a way to combine the July actuarial work session and October COLA informational meeting so the retirees can become informed of the outcome so

they can prepare to make a request for a COLA or not make the request. She stated the actuarial meeting is for January 1 information therefore they have that meeting sooner in the year than October and the COLA cannot be determined until the rates are released in September so they cannot be combined. Dr. Foust stated that provided there is no objection from the Board, since it is public information, his office has previously shared this information with the retirees and would like to continue to do so. Chairman Horton stated that it will be worked out at a later date regarding the retirees attending the meeting sessions with DEFINITI.

Chairman Horton called for the approval of the 2024 Quarterly Meeting Dates. Motion by Dr. Foust, seconded by Mr. Lichtenwalter to approve the 2024 Quarterly Meeting Dates. Motion carried by unanimous voice vote.

Chairman Horton called for the hiring of Stoneridge Investment Partners, LLC as a new Small Cap Manager. Motion by Dr. Foust, seconded by Mr. Scutella to hire Stoneridge Investment Partners, LLC as a new Small Cap Manager. Motion carried by unanimous voice vote.

Chairman Horton called for the approval of the DEFINITI outsourcing contract. Dr. Foust stated he spoke to the Board's solicitor prior to this meeting and any questions and concerns he had were rectified with Mrs. Marzka and from a legal prospective he was more than willing to go forward. Dr. Foust stated the contract is almost identical to DEFINITI's previous contract in content and pricing outside of the web development. Motion by Dr. Foust, seconded by Mr. Scutella to approve the DEFINITI outsourcing contract. Motion carried by unanimous voice vote.

Dr. Foust informed the Board that there were some procedural errors that were discovered on previously approved minutes. The corrections have been made on these minutes and if the Board has no objections, Dr. Foust would like to change the minutes where they appear so the corrections are made. No one objected.

Dr. Foust informed the Board that he had sent the Board members an email previously with regards to Erie County potentially becoming the lead plaintiff in a case. If the Board has no objection he would like to work with the law firm to go forward on the case. The County is under no obligation and there is no cost to the County. No one objected.

Adjournment at 1:25 PM



Dr. Kyle W. Foust, Secretary
Erie County Employees' Retirement Board
Pleasant Ridge Manor Employees' Retirement Committee