

**Retirement Board Meeting
January 26, 2012**

Present:	Commissioner	Douglas Lengenfelder Mark Wissinger Tom Chernisky
	Controller	Ed Cernic, Jr. Kristine Segear Dana Descavish
	Treasurer	Lisa Kozorosky

Commissioner Lengenfelder called the meeting to order at 10:37 a.m.

Judge Patrick Kiniry gave the Retirement Board Oath to the members of the Retirement Board.

Reorganization - Ed Cernic nominated Doug Lengenfelder for Chairman of the Retirement Board; Lisa Kozorosky seconded the nomination. Nominations closed. Tom Chernisky nominated Mark Wissinger for Vice Chairman of the Retirement Board; Doug Lengenfelder seconded the nomination. Nominations closed. Mark Wissinger nominated Ed Cernic for Secretary / Treasurer of the Retirement Board, Doug Lengenfelder seconded the nomination. Nominations closed. By decree all nominations are accepted.

Motion made by Ed Cernic to approve the Monthly and Quarterly meeting schedule. Motion seconded by Mark Wissinger. Motion carried. Vote unanimous 5-0.

Motion made by Mark Wissinger to approve the Monthly Retirement Board Meeting Minutes from December 15, 2011. Motion seconded by Doug Lengenfelder. Motion carried. Vote unanimous 5-0.

New Business:

1. Motion made by Ed Cernic to ratify the action taken by the Commissioner's Office at the recommendation of the Controller's Office on the following January retirees: Judy Keiper, Randall C. Rodkey, Patricia Berkebile, Barbara Kline, Keith Inschco, Judith Staib, John Wesley, Therese Dow, P.J. Stevens, Milan Gjurich, Salvatore Valenty, James Chervenak, Barbara Golgosky, David Kaltenbaugh, and Kathleen Custer. Motion seconded by Mark Wissinger. Motion carried. Vote unanimous 5-0.
2. Motion made by Ed Cernic to approve the buyback request made by Karen Deskevich in the amount of \$3,644.64 to purchase 16 months and 19 days of worker's compensation. Motion seconded by Tom Chernisky. Motion carried. Vote unanimous 5-0.
3. Morrison Fiduciary Advisors – Frank Burnette provided an economic summary and a review of the actions taken by the Board thus far. For 2012, CS McKee will transfer \$770,000/month from the fixed account into Ameriserv's disbursement account to meet the County's cash flow needs. Frank provided an overview of the current allocation of retirement funds. Ed Cernic noted that we are currently within the Investment Policy. Review of watch status managers. CIM will remain on watch status for performance. CIM has trailed its benchmark by roughly 1.5% since inception. Their 4th quarter effectively matched the benchmark. Highland Financial is also on watch status. They are on watch status for performance and fees. Highland has had a few bad quarters but performance has improved.

The Board reviewed and discussed the manager fee schedules. Currently as of December 31, 2011 the fund is at \$154mm and the total cost is 44bps, which is very low. The professional fees are at 10 bps and the actual managers are at 34 bps.

After reviewing the fees, Raymond James is at 90 bps and Highland is at 1.05 bps. Changes to these managers are as follows:

- Frank recommends that Raymond James use Navellier & Associates as a funds large cap growth equity manager. Fees would reduce from 90 bps to 55 bps. The fund currently has \$21.5mm allocated to large cap and the recommendation is to allocate \$9,892,229 to Navallier large cap.
- Ed Cernic made a motion to accept the recommendation made by Frank to re-allocate \$9,892,229 to Navellier/Raymond James and to fund the reallocation with \$4mm being pulled from CS McKee. Motion seconded by Doug Lengenfelder. Motion carried. Vote unanimous 5-0.
- Frank recommends that Highland Financial use Dimensional Fund Advisors as the Fund's small cap core equity manager. Fees would go from 105bps to 62bps. The fund currently has \$19.4mm allocated to small cap and the recommendation is to transfer Highlands's allocation of \$3,510,698 to Dimensional Fund Advisors.
- Ed Cernic made a motion to accept the recommendation made by Frank to transfer \$3,510,698 to DFA/Highland. Motion seconded by Doug Lengenfelder. Motion carried. Vote unanimous 5-0.
- Frank recommends due to the change that Highland come off the watch list. The fee schedule is now fair and the performance has improved. Question raised by Doug Lengenfelder on how long someone should stay on watch, and Ed Cernic is concerned about removing Highland before we see at least one or two quarters of performance. There was no action taken by the board at this time, Highland remains on watch.

Frank would like to start to schedule managers to present at every quarterly meeting. First quarterly meeting is February 13, 2012. Board is interested in seeing Raymond James and Highland Financial to present and also to have CIM present since they are on watch. Frank will check their availability.

Frank provided a review of the performance summary of the Fund and its managers. The performance summary provides the Total Return and Policy Index for each manager and for the total fund. General discussion followed.

Motion made by Ed Cernic to accept Morrison report, seconded by Tom Chernisky. Motion carried. Vote unanimous 5-0.

4. Ed Cernic made a motion to approve the proposed budget for the year 2012 as presented. Motion seconded by Tom Chernisky. Motion carried. Vote unanimous 5-0.

Motion made to adjourn the meeting by Ed Cernic, motion seconded by Tom Chernisky. Motion carried. Meeting adjourned at 11:00 a.m.

Ed Cernic, Jr.