

Retirement Board Meeting
October 23, 2014

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

Commissioner Lengenfelder called the Retirement Board meeting to order at 10:53 a.m.

Motion was made by Thomas Chernisky to approve the minutes from the Retirement Board meeting held on September 2, 2014. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0.

Frank Burnette was present at the meeting and advised the board the fund is up 4 – 5% for the year and will go into more depth at the quarterly meeting. He has two presenters for the board today from Chimicles & Tikellis and Twin Capital.

Kevin Caulley from Chimicles & Tikellis provided an overview of the firm. There are two main offices, one located in Haverford, PA and one in Wilmington, DE. Chimicles & Tikellis was the first firm post Private Securities Litigation Reform Act to be lead counsel in a federal securities fraud class action jury trial and resulted in a \$185 million award. Their depth of character and expertise is second to none. The firm prides itself on securities monitoring and provides another set of eyes and ears on your investments. Robert J. Kriner, partner in the firm's Wilmington Delaware office also spoke to the board. One particular expertise that he pointed out that the firm has to offer is their expertise in merger and acquisition cases. C&T is very conservative and judicious. C&T evaluates the facts and potential legal claims involving investments and then advises the client whether to initiate legal action and the type of legal action warranted. C&T has had the same two named partners since inception. C&T's representation will be provided on a contingent fee basis such that C&T will only be paid for its time and expenses if a settlement is reached or a judgment awarded, and upon court approval.

Vince Larence from Twin Capital provided an overview of the firm. Twin Capital has \$999.3 million of assets under management. Twin Capital is an independent registered investment advisor founded in 1990 and is located in McMurray, Pa. Geoffrey Gerber, the president and CIO of the firm presented to the board. Twin capital has 32 client accounts, which include several PA Counties, Allegheny, Butler, Centre, Washington, Westmoreland, York and most recently Butler County. Twin manages portfolios of US Stocks for institutional clients with the goal of beating a benchmark and structure these portfolios based on their risk objectives. Twin believes good risk management preserves wealth. Twin's investment process consists of a quantitative and qualitative blend of identifying drivers of returns, varying emphasis on model elements, capturing market and style trends and managing risk. Twin Prime has been in inception since 2004 and the goal is beat the Russell 1000 between 1% and 3% and do this with market like risk. Twin Prime has consistently outperformed over market cycles since inception gross of fees.

- Ed Cernic recommended that Frank Burnette provide the board with an overview on both presentations today at the next meeting on November 4, 2014 and then a decision can be made.

Doug Lengenfelder is interested in hearing from Frank if there is any downside to having multiple litigation firms for the fund.

New Business:

1. Dana Descavish presented to the board a service that is offered through Social Security that's called Business Services Online. This service allows you to submit individual names and/or submit an excel report meeting Social Security specifics. You then receive a report from social security that verifies if the individuals are deceased or living. This service is free and is just another tool to use to check the lives of retirees since the amount of retirees continues to grow.
2. Dana Descavish advised the board that after her Retirement Presentations, several employees contacted the office to file the Option 2D form. Option 2D allows for employees upon reaching age 60 or after completing ten years of service to file with the board choosing to have the death benefit paid as a monthly lifetime pension to their beneficiary rather than a lump sum. The monthly pension is determined by calculating what the pension would have been if the active

employee had retired at the time of death and selected the Option Two pension.

- Ed Cernic made a motion that when an active employee submits on Option 2D form it is automatically accepted. Motion was seconded by Douglas Lengenfelder. Motion carried. Vote unanimous 4-0
3. Frank provided the Board with the updated Investment policy and reviewed the changes that were made. Frank is requesting the board review the policy. Doug asked if a solicitor reviewed the investment policy. The solicitor has not reviewed it. Doug would also like the policy to have two signatures. Frank advised the signatures are not a problem to add. The Controller's office will provide the solicitor with a copy of the policy.
 4. Motion made by Ed Cernic to approve the buyback request received from Thomas Leiden to purchase four (4) years, eight (8) months, and (20) twenty days of previous service time in the amount of \$20,331.93. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0
 5. Ed Cernic made a motion to accept the 2015 Retirement Board Meeting schedule. Quarterly meetings will be held Mondays on these dates – February 2, 2015, May 4, 2015, August 17, 2015 and November 9, 2015 at 10:00 a.m. Monthly meetings will be held on Thursdays immediately following the 10:00 a.m. Commissioner's meeting on these date – January 22, 2015, March 26, 2015, April 9, 2015, June 25, 2015, July 9, 2015, September 24, 2015, October 22, 2015 and December 17, 2015. Motion was seconded by Doug Lengenfelder. Tom Chernisky would like there to be a set time for the monthly meetings. Roll call vote Ed Cernic –Yes, Mark Wissinger – Yes, Doug Lengenfelder –Yes, Tom Chernisky –No. Motion carried. Vote 3-1 passed.
 6. Motion was 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 September and October retirees: Edward Stasik, Joyce Eckenrode, Colleen Martin, Michelle Winning, Susan Dubetsky and Diane Zahorchak. Motion was seconded by Mark Wissinger. Motion carried. Vote unanimous 4-0.
 7. Next meeting is scheduled for Monday, November 3, 2014 at 10:00 a.m. Commissioner's meeting room. C.S. McKee and CIM will be attending. Doug asked why M&T Bank is not on the schedule. Ed advised that Frank brought that to his attention that they wanted to present however the schedule was already full. They will have to present at another meeting. Next quarterly meeting will be in 2015. Ed asked Doug what M&T would be presenting on. Doug advised that they are looking for part of our retirement fund, they feel they can provide some opportunities that we are not being provided right now, Doug feels that they did a good job on the bonds and would like to hear what they have to say. Ed said that point could be debated on the job they did with the bonds. Doug would like to have them on the November meeting, Ed said that cannot happen because the agenda is full already. Any agenda items that need to be put on the agenda need to be requested through the Controller's Office. Doug advised that he asked the Controller's office through Frank. Tom Chernisky advised he doesn't have a problem with them being on the next quarterly meeting which is in 2015 instead of a monthly meeting. Doug does not want them to be put them off another 4 months. Tom also advised this is the first time he has heard of M&T wanting to present.

Motion was made by Ed Cernic to adjourn the meeting, seconded by Tom Chernisky. Roll call vote - Ed Cernic – Yes, Tom Chernisky –Yes, Mark Wissinger – No and Doug Lengenfelder – No. Motion did not pass.

Continued discussion on M&T presenting to the Board. Commissioner Lengenfelder approached Frank in August about M&T presenting. Ed made a statement that the Commissioner approached the consultant in August to have M&T bank present at the same time the bond issue was being handled, somehow that seems to be an ethics violation and that there is some type of special interest to have M&T present.

The board agreed that they will listen to M&T, but not at the next quarterly meeting. They can present at the monthly meeting on December 18, 2014.

Motion was made by Ed Cernic to adjourn the meeting. Motion was seconded by Tom Chernisky. Motion carried. Vote unanimous 4-0. Meeting adjourned at 12:17.

Ed Cernic, Jr.