

Lehigh County Employees' Retirement Board

August 7, 2014

Agenda & Meeting Minutes

As of 6/30/2014

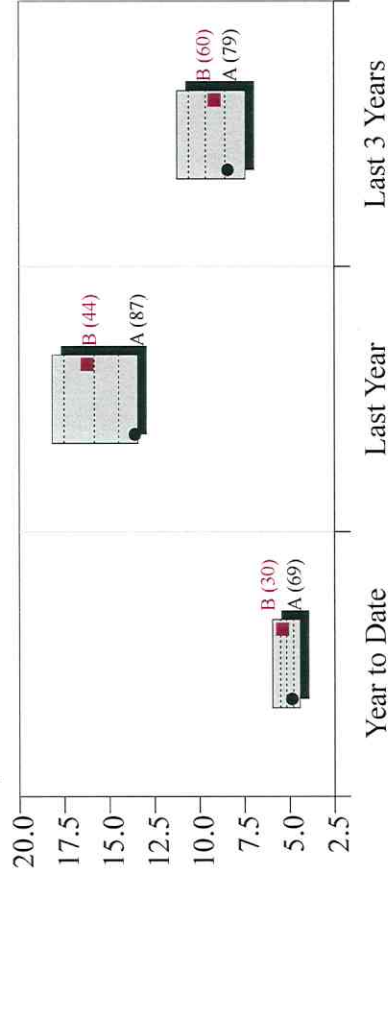
Asset Class Index Performance

	Return								Std Dev 3 Yr (Mo-End)
	MTD	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Yr	
Not Classified									
S&P 500 TR USD	2.07	5.23	7.14	24.61	16.58	18.83	6.16	7.78	12.26
Russell 3000 TR USD	2.51	4.87	6.94	25.22	16.46	19.33	6.47	8.23	12.96
NASDAQ Composite TR USD	3.99	5.31	6.18	31.17	18.18	20.50	8.95	8.99	14.16
DJ Industrial Average TR USD	0.75	2.83	2.68	15.56	13.57	17.83	6.13	7.63	11.49
Russell 1000 Value TR USD	2.61	5.10	8.28	23.81	16.92	19.23	4.80	8.03	13.13
Russell 1000 Growth TR USD	1.95	5.13	6.31	26.92	16.26	19.24	7.98	8.20	12.70
Russell 2000 Value TR USD	4.42	2.38	4.20	22.54	14.65	19.88	5.46	8.24	16.32
Russell 2000 TR USD	5.32	2.05	3.19	23.64	14.57	20.21	6.73	8.70	16.92
Russell 2000 Growth TR USD	6.20	1.72	2.22	24.73	14.49	20.50	7.90	9.04	17.80
MSCI EAFE NR USD	0.96	4.09	4.78	23.57	8.10	11.77	0.97	6.93	16.34
MSCI ACWI Ex USA NR USD	1.68	5.03	5.56	21.75	5.73	11.11	1.27	7.75	16.57
MSCI EM NR USD	2.66	6.60	6.14	14.31	-0.39	9.24	2.28	11.94	19.49
DJ Composite All REIT TR USD	1.11	6.96	16.48	13.33	11.43	22.46	4.39	8.55	15.39
Bloomberg Commodity TR USD	0.60	0.08	7.08	8.21	-5.17	1.99	-2.69	0.87	14.74
BofAML ABS Master Floating Rate TR USD	0.08	0.58	1.25	2.39	1.67	3.45	-2.36	-0.41	0.80
BofAML Convertible Bonds All Qualities	2.86	4.80	9.31	25.80	13.15	16.34	8.46	8.16	9.47
S&P Preferred Stock TR USD	0.58	3.83	11.04	9.22	7.37	12.87	4.72	5.44	7.28
Barclays US Treasury US TIPS TR USD	0.30	3.81	5.83	4.44	3.55	5.55	5.87	5.25	5.50
Barclays US Agg Bond TR USD	0.05	2.04	3.93	4.37	3.66	4.85	5.35	4.93	2.79
Barclays US HY Interm TR USD	0.79	2.17	5.06	11.42	9.23	13.45	8.71	8.70	6.43
Barclays Municipal 1-10Y Blend 1-12Y TR	0.01	1.57	3.20	4.27	3.56	4.19	4.66	4.22	2.48
Barclays Global Aggregate TR USD	0.73	2.47	4.93	7.39	2.57	4.60	5.48	5.06	4.20

Blended Index Performance

	Return						Std Dev 3 Yr (Mo-End)	
	MTD	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Yr
Not Classified								
100% Equity (70.30)	2.26	4.92	6.53	24.21	13.21	16.88	4.98	8.17
80% Equity, 20% Fixed Income	1.82	4.34	6.05	20.07	11.42	14.58	5.34	7.75
60% Equity, 40% Fixed Income	1.38	3.77	5.54	16.01	9.57	12.23	5.56	7.21
Cornerstone Base Case	1.20	3.46	5.46	14.11	8.36	11.15	5.03	6.65
40% Equity, 60% Fixed Income	0.94	3.19	5.02	12.05	7.65	9.82	5.63	6.56
20% Equity, 80% Fixed Income	0.49	2.62	4.48	8.17	5.68	7.36	5.56	5.80
Liquid Alternatives	0.47	2.28	7.07	6.72	3.23	8.25	1.97	4.04
								1 6.43

Returns
for Periods Ended June 30, 2014
Group: CAI Public Fund - Mid (100mm-1B)

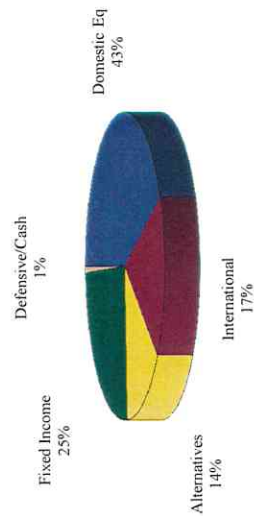


**Lehigh County Employees' Retirement System
Manager Performance Summary**

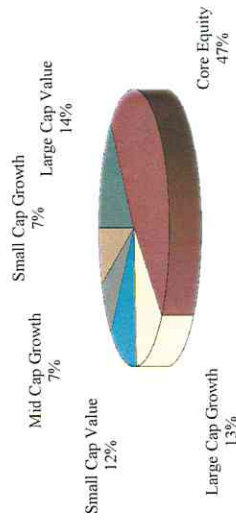
	<i>Quarterly Return 2nd Quarter 2014</i>	<i>Market Value Beginning of Period</i>	<i>Market Value End of Period</i>
Lomax - Large Cap Value	4.75%	\$25,582,108	\$26,795,996
Russell 1000 Value	5.10%		
Vanguard - Core Equity	5.23%	\$41,068,046	\$43,213,939
S&P 500	5.23%		
Philadelphia Trust - Core Equity	3.29%	\$47,609,286	\$49,176,249
S&P 500	5.23%		
SGA - Large Cap Growth	2.16%	\$24,971,673	\$25,510,969
Russell 1000 Growth	5.13%		
Vanguard - Small Cap Value	4.80%	\$23,295,219	\$24,413,236
Russell 2000 Value	2.38%		
Emerald - Mid Cap Growth	2.29%	\$13,245,033	\$13,547,761
Russell Mid-Cap Growth	4.37%		
Emerald - Small Cap Growth	-2.81%	\$13,534,490	\$13,153,831
Russell 2000 Growth	1.72%		
Amer Funds EuroPac - International	2.92%	\$22,986,009	\$23,657,134
MSCI ACWI Ex US	5.25%		
Mondrian - International	6.02%	\$27,647,158	\$29,260,916
MSCI ACWI Ex US	5.25%		
Vanguard - International	4.26%	\$24,593,748	\$25,629,414
MSCI EAFE	4.09%		
CBRE Clarion - Real Estate	7.10%	\$12,349,978	\$13,227,107
FTSE NAREIT Equity REIT	7.13%		
Eaton Vance FRN - Alternatives	0.79%	\$11,052,966	\$11,140,041
S&P/LSTA Leveraged Loan	1.25%		
Nuveen Preferred Secs - Alternatives	3.49%	\$11,607,444	\$12,011,150
S&P Preferred Stock	3.83%		
CS Commodity - Alternatives	0.39%	\$11,072,883	\$11,116,193
Dow AIG Commodity	0.08%		
Jhancock Glob Abs Return - Alternatives	1.09%	\$11,164,845	\$11,286,092
HFRX Global Hedge Fund In	0.65%		
MS Structured Note - Alternatives	3.71%	\$6,337,500	\$6,572,500
Structured Note Index	3.71%		
Agincourt - Fixed Income	2.23%	\$44,353,163	\$45,340,671
Barclays Capital Aggregate	2.04%		
CSMcKee - Fixed Income	1.82%	\$56,116,755	\$57,137,221
Barclays Capital Aggregate	2.04%		
Vanguard ST Inv Grade - Fixed Income	0.88%	\$13,207,582	\$13,301,902
Barclays US Corp 1-3 Yr	0.47%		
Misc Cash - Money Market	0.01%	\$1,265,226	\$1,290,801
30 Day MM Yield	0.01%		
Cash Account - Money Market	0.01%	\$7,479,461	\$1,887,008
30 Day MM Yield	0.01%		
Weighted Portfolio	3.07%	\$450,540,573	\$458,670,130
Rate of Return Blended Benchmark	3.59%		

Lehigh County Employees' Retirement System Equity Summary - Style & Capitalization

Current Portfolio

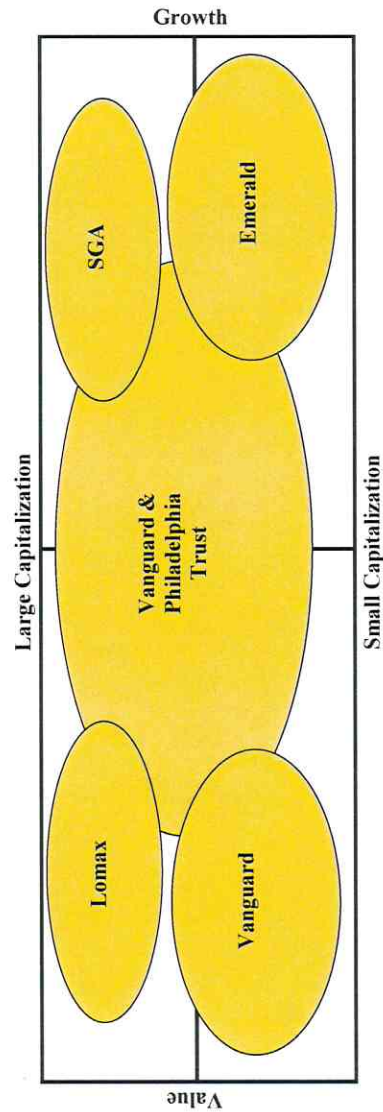


Current Equity Portfolio



	Market Value	Target	% of Portfolio	Deviation	Estimated Yield
Domestic Eq	\$195,811,981	35.0%	42.7%	7.7%	1.8%
International	\$78,547,464	15.0%	17.1%	2.1%	2.9%
Alternatives	\$65,353,083	10.0%	14.2%	4.2%	1.8%
Fixed Income	\$115,779,793	35.0%	25.2%	-9.8%	3.1%
Defensive/Cash	\$3,177,809	5.0%	0.7%	-4.3%	0.0%
	\$458,670,130	100.0%	100.0%	0.0%	2.3%

	Market Value	Target	% of Equity	Deviation
Large Cap Value	\$26,795,996	14.3%	13.7%	-0.6%
Core Equity	\$92,390,188	51.4%	47.2%	-4.2%
Large Cap Growth	\$25,510,969	14.3%	13.0%	-1.3%
Small Cap Value	\$24,413,236	10.0%	12.5%	2.5%
Mid Cap Growth	\$13,547,761	5.0%	6.9%	1.9%
Small Cap Growth	\$13,153,831	5.0%	6.7%	1.7%
	\$195,811,981	100.0%	100.0%	0.0%



Lehigh County Employees' Retirement Plan

Monthly Flash Report

	<i>Monthly Return July-2014</i>	<i>Market Value Beginning of Period</i>	<i>Market Value End of Period</i>
Lomax	-0.50%	\$26,758,733	\$26,624,172
Russell 1000 Value	-1.70%		
Vanguard Institutional Index	-1.38%	\$43,213,939	\$42,617,420
S&P 500	-1.38%		
Philadelphia Trust	0.33%	\$49,142,123	\$49,302,634
S&P 500	-1.38%		
Sustainable Growth Advisors	-1.90%	\$25,494,829	\$25,011,041
Russell 1000 Growth	-1.53%		
Vanguard SCV Index	-4.74%	\$24,413,236	\$23,256,667
Russell 2000 Value	-6.05%		
Emerald	-5.32%	\$13,541,525	\$12,820,846
Russell Mid-Cap Growth	-2.99%		
Emerald Advisors	-7.29%	\$13,153,032	\$12,193,825
Russell 2000 Growth	-6.06%		
American Funds EuroPac	-2.05%	\$23,657,134	\$23,172,433
MSCI EAFE	-1.96%		
Vanguard Developed Mkt Idx I	-2.27%	\$25,629,414	\$25,048,631
MSCI EAFE	-1.96%		
CSMcKee	-0.03%	\$56,804,832	\$56,788,850
Barclays Capital Aggregate	-0.25%		
Agincourt	-0.40%	\$44,972,866	\$44,793,347
Barclays Capital Aggregate	-0.25%		
CBRE Clarion	0.46%	\$13,182,943	\$13,243,336
Dow Jones US Total Market REIT Index	-0.15%		
Liquid Alternatives	-1.24%	\$51,975,653	\$51,450,826
Blended Alternatives Benchmark	-1.28%		
Vanguard ST Investment Grade	-0.12%	\$13,281,069	\$13,266,074
Barclays US Corp 1-3 YR	0.02%		
Cash Account	0.00%	\$3,236,197	\$1,856,985
30 Day MM Yield	0.00%		
Weighted	Portfolio	\$428,457,523	\$421,447,086
Rate of Return	Index		
		-1.30%	
		-1.56%	

Assets Not Valued Daily

	<i>Market Value Beginning of Period</i>	<i>Market Value End of Period</i>
Mondrian Intl	\$28,757,220	\$29,260,916

Grand Total **\$457,214,743 \$450,708,002**

2014 YTD Performance

Portfolio	3.87%
Net Portfolio	3.67%
Index	3.93%

The values on this report are collected from electronic interfaces and released before an audit function can occur. These values are not final. Differences may include, but are not limited to, pending trades, accruals, mispricing, or custodian error.

Minutes of the Lehigh County Retirement Board Meeting
Lehigh County Government Center Public Hearing Room

Thursday, August 7, 2014

9:30 a.m.

Second Quarter Review Presentation

A meeting of the Lehigh County Employees' Retirement Board was held at 9:30 a.m. in the Public Hearing Room of the Lehigh County Government Center. Members present were David Bausch, Glenn Eckhart, Vic Mazziotti, Daniel McCarthy, Tim Reeves and Lisa Scheller. Skip Cowan, Chris Lakatos and Kevin Karpuk from Cornerstone also attended. Tom Muller was not present.

Glenn Eckhart, County Controller, called the meeting to order at 9:30 A.M.

Glenn Eckhart announced there was a correction to the May 8, 2014 meeting minutes. It pertained to the section that affected the January 1987 newly appointed county officers and employees will not receive retirement benefits. There were no additional changes/comments to the minutes. Glenn Eckhart called for a voice vote for approval of the meeting minutes. All were in favor. Minutes were approved unanimously.

Tim Reeves gave an update on the mortality table changes.

At last month's meeting we discussed the change occurring with the mortality tables. First step: The County purchased the software from the Hay Group which will allow us to do calculations in-house. Second Step: Work with our IT Group to develop what we currently have on the intranet system which allows you to do a quote. The new software should be improved in that it should allow you to actually compute dates based on a specific retirement date rather than as of the end-of-year. Target date to have the new software available is October, 2014. Meanwhile, if you are in the stages of making that decision and needs to speak with the Fiscal Office, you can do that.

Skip Cowan from Cornerstone gave an update on the second quarter. Capital markets continue to perform well. Capital markets have been very friendly for literally a 5-year period of time and the portfolio has benefitted significantly from this. The portfolio has performed significantly above policy targets for the last three years. Year-to-date number is strong. Our portfolio is very prudently managed. Our peer group ranking relative to other public pension plans across the country continues to be quite strong – 30th percentile year-to-date and 44th percentile over last twelve month period of time. Bottom line performance in the quarter, the portfolio came in at 3.07% just slightly below the blended benchmark of 3.59%. When the market started to dip slightly in July, the portfolio performed exactly as we expected it to. We lost about 1.30% but we beat our blended benchmark for a thirty-day period of time. Allot of large pension plans had a 2% loss in July. We were well below that.

Question: Scott Dergham – Sheriff's Office

How often do updates come out? Is it possible to get the percentage of solvency put on these sheets or get it from your company so people thinking about retiring now, because it's been a larger exit of retirees in the past year than it has been, so that younger people will know whether its beneficial to put extra in that pension or put it somewhere else? The solvency rate for me is important.

Answer: Glenn Eckhart

Updates come out every three months. By solvency do you mean fund to ratio? - Tim is going to cover that later. We generally get those once a year from Hay Group. We do have an updated number and Tim's going to cover that.

Kevin Karpuk from Cornerstone discussed possible changes to investment policy statement. We will vote on these changes at the November meeting. The investment policy statement is the governing document of how Cornerstone and the underlying money managers are measured in what our guidelines are for managing these assets. The Retirement Board sets a policy and then makes sure that it's prudent to make sure that the solvency of the funded ratio is all taken into account so that we can never go all the way to 100% equities and get really risky. We need to grow the fund so we can never go to 100% cash. This policy had been adopted back in 2011. Every several years it makes sense to look at it and refresh it and make sure all the best ideas in the investment world are still being covered. There are two or three really small changes at the margin that we're recommending and hopefully can get voted on at the November 6 meeting:

1. Expanding the allowable ranges for our fixed income assets – with where interest rates are nowadays we want to be able to lower our exposure to bonds a little bit more than where it was before. The existing policy has a minimum allocation of 25% bonds. We're asking that to be lowered to about 20%.
2. We consider this to be cutting edge – we're adding the information about risk into the policy and what we expect the risk of the portfolio to look like. We had many discussions with the Retirement Board and we always had an idea that we want to make sure we're not taking too much risk on inside the investments. Allot of other counties, allot of other public funds are going to 70-75% in stocks which means they're taking allot of volatility which means the if the stock market loses money, they have a very big exposure. We're not doing that. We think we can fund the plan over time without taking undo risks. So what we've done is added some language that puts some numbers to that that says what is an appropriate level of risk for this plan. Instead of having a general conversation that we don't want to take on too much risk, we're actually going to have numbers around that and be able to track that over time and make sure it's an acceptable level. Other than that, the policy has really no changes. We don't think it's appropriate to go over a three year period of time to have substantial changes. This is a document we expect to be able to survive for a long time and be able to be the guiding principle of how the retirement plan is being managed. These are about as minor updates as you can get. **We are not looking to change how we invest the money.**

Tim Reeves will send an email with these changes. All the changes are highlighted in yellow so you can see them.

Glenn Eckhart asked if any retirees are present and if we haven't been getting you the information, we'd like to get your email addresses so we can communicate with you and give you the information. Please give your email address to David Bausch, Glenn Eckhart or Cindy Achey.

This is more a housekeeping item. Its three years since the policy was last done. In fact, its almost all new people on the Retirement Board since the last Retirement Board which is one of the reasons we want to do an update and go to this process.

Questions on the policy: Mary Hazzard – Assistant Administrator – Cedarbrook

If you're decreasing the bonds from 25% to 20%, where would the 5% shift be?

Answer: Skip Cowan, Cornerstone

We're not actually moving money. We're already down at 25%. We're looking to have the ability in the future to take that 25% down to 20% and Cornerstone has discretion over day-to-day management so what we're asking for is more leeway in the future. The possibility of where the money could go is into cash, equities, or our alternative investments (which are mutual funds). We want to have the ability going forward to make those moves as appropriate.

Glenn Eckhart gave some background on this. This is important as we have these Retirement Board meetings every three months and if they have the ability to manage our money in a short period of time -- that's why they have the role that they have -- if we have to wait to vote every three months, we miss out on allot of the investment advantages and disadvantages that may happen. They have the full capacity to make moves and they're asking for a little bit more leeway in that.

Tim Reeves discussed the current situation on the buy-back policy change – Leave of Absence. There is a discussion on the buy-back policy on leave of absence and currently it is pending. Once we have a policy we will bring it forth for discussion at that point.

Lisa Scheller added that the Commissioners have been working on putting a policy together. It could be as early as a first read at our next meeting or it could be the meeting after that. Some things are starting to come together as to a policy which would allow employees to buy back their time.

Glenn Eckhart added this goes to the Board of Commissioners first and then to the Retirement Board basically as an informational piece to us. The change in policy will be adopted by the Board of Commissioners. When, and if, that happens.

Daniel McCarthy clarified that the policy is **SOLELY** on leave of absence buy-back – it does not affect military buy-back.

Lisa Scheller clarified... those not mandated by law.

Question: Carol Balliet – Mental Health

What do you mean leaves of absence? Paid leave of absence or unpaid? Is there a policy now?

Answer: Lisa Scheller

Unpaid leave. There's an interim policy right now which is what has been practiced for the past.. I don't know... before I knew. There truly was no policy which is actually against the Administrative Code. We have an interim policy in place now to sometime early September which continues everything going the way it has been going. If the Board does not act at all -- come this date – I don't know if it's September 9 or the exact date -- then there will be no policy and then there will be no ability for any employee to buy back any unpaid leave of time. So if there is no policy, no time can be bought back.

Question: Carol Balliet – Mental Health

What's the practice right now?

Answer: Glenn Eckhart

That anybody can buy back whatever leave of absence time that they could for as many years or as how long as was possible in the past. Some counties have gone away from that. Other counties in some cases haven't even allowed that. So what the Board of Commissioners and hopefully with the Executive branch are going to figure out is a policy that is going to protect us. It's going to be fair for everybody. Everybody will know what the rules are. This will be communicated to everybody so they can protect themselves in the long run.

Question: Carol Balliet – Mental Health

What will be an example of something that somebody can do now that you're thinking maybe isn't really OK that you're trying to address? What's an example of what you're talking about?

Answer: Lisa Scheller

Someone's buy back time from 1995. They were out in 1995 on an approved unpaid leave of absence.

Glenn Eckhart added they could buy back into the pension fund as if they were there. The challenge with that is the money wasn't actually put into the fund so the fund would have made more money over time and now they're getting an amount of money at a much smaller decrease than the county fund isn't whole. There are some restrictions that I know of that a working group worked on and got that to the Board of Commissioners. The Board of

Commissioners are now reviewing. Maybe having that time not go back more than 3-5 years or a specified amount of time – that's what the Board of Commissioners and the Executive branch are working through right now. That would have us on firm footing moving forward.

Question: Dyanne Van Horn

Would this only be in effect moving forward – what about people who already bought back?

Answer: Lisa Scheller

There is no Bill at this point so I would not want to speculate what will be in it.

Glenn Eckhart added it won't affect anybody who already bought something.

Question:

That's fair to say?

Answer: Glenn Eckhart

That's accurate. It can only affect future.

Question: Jan Harrison – Director of Nursing – Cedarbrook

How did that come to be a discussion? We have very good benefits here, the financial situation that we're in – how did that come to be something discussed?

Answer: Glenn Eckhart

When Brian Kahler left, we just weren't comfortable with the current procedure that was in place. So we felt that after reading what some of the laws were, I asked the solicitor for some information. The solicitor said we need to clean this up a little bit; and thus, this is what we have. I did a legal request to the solicitor and she made a recommendation that we clean it up.

Question: Scott Dergham – Sheriff's Office

You were saying for leaves of absence in prior years. At one of the last meetings I brought up - and I think Tim, we had a discussion - on prior part-time leaves, anything over 1,000 hours. Before there was a policy put in that you couldn't work over 1,000 hours. There's several people in our office that have those years that are eligible to be bought back and we discussed having a procedure for them to do it since they were getting nowhere from their request to the Fiscal Office. So I want to know is there a sheet to fill out in order to get it to that office or do they do it verbally or do they wait for a phone call to be returned to them after weeks?

Answer: Tim Reeves

This is for people that have over 1,000 hours? I'll have to look but I think the policy doesn't refer to hours but refers to status part-time. I believe it says that part-time is ineligible. We can look at that.

Question: Scott Dergham – Sheriff's Office

Then again on that record, anyone that had prior service years and they had to withdraw their money from the pension fund, they were not vested – are they able to purchase that time, is that also within that?

Answer: Glenn Eckhart

No. That is one by law they shall be able to purchase their time back. We cannot restrict that.

Question: Scott Dergham – Sheriff's Office

So we're going to wait on something for the part-timers to purchase back?

Answer: Tim Reeves

I'll look into that, yes.

Scott Dergham

I believe it happened. I can't give you an exact example of any one particular employee but I know it's been done that in the past.

Tim Reeves gave the actuarial report from 2014. These are the highlights. Details are available if anyone wants to see the details. As of December 31, 2013, we had 1,505 retirees and beneficiaries receiving benefits. 80 terminated plan members who are entitled to but not receiving benefits and 2,001 active plan members. A total of 3,586 people currently covered under this retirement package. The actuarial value of the assets as of the end of December was \$445,243,494 which correlated to a funded ratio of 89.2%.

Tim interjected – Scott (Scott Dergham, Sheriff's Office), I think that's the number you were referring to. Unfortunately, I don't believe that's a number that we can provide on a regular basis. It's a very sophisticated calculation because we need to take the number of retirees receiving benefits, liability scenario, etc. so that's why that really is only done on an annual basis. But to the extent that the assets are increasing, as you know, we went from 445 million to 450 and so forth, I think that's probably the closest benchmark that we can really utilize.

The last point of value on the plan itself, is the five year average was 11% and 10% average this would be from 2004 to 2013 was 6.56%.

If anyone has any questions regarding the actuarial plan or anything of that matter, I would be happy to address it.

For 2014, the funding for the county portion is \$10,265,444 which is a decrease of close to 3.7 million of what we had in the 2014 budget.

Question: Daniel McCarthy

In the year 2013, we funded about 84%?

Answer: Tim Reeves

83.8%

Daniel McCarthy – so then it went to 89.2%, right?

Answer: Time Reeves

Yes, 89.2%

Daniel McCarthy: So it's moving in the right direction

Question: Deborah Cassiotti – Recorder of Deeds Division

I saw an article in the paper that said Northampton County Executive Brown said, referring to pensions in his county, some Lehigh County Commissioners proposed cutting supplemental pension payments. What are supplemental pension payments? If Lehigh County Commissioners would propose to cut those, what impact would that have on the pension?

Answer: Lisa Scheller, Tim Reeves, Daniel McCarthy

This is the first they heard about it. They don't know what they are and there is no discussion about it.

Question: Scott Grim – Coroner's Office

There were questions concerning the rumors that are still floating throughout the county regarding pension amounts for December 31, different amounts January 1, and now there's rumors about July 1 pension amounts. What's the truth? Are there amounts? How are they going to be addressed? We talked about it before that something would be addressed, something would be written, something would be released to stop these rumors but the rumors are still going throughout the county. How are we going to talk to our employees when nobody has a direct answer as far as one amount, two amounts or now three amounts.

Answer: Tim Reeves

I can't speculate on the rumors but the May 8th meeting is where we discussed the change in the mortality tables and the impact that it would have. In that discussion we talked about there was a six month period where that number came back to the 2014 rate. After that meeting a letter was sent out to everyone explaining those changes along with a simple calculation that would allow you to go in and get a rough idea what that change meant to you if you were selecting the "No Option". The software we just purchased will allow us to do a more accurate quote. We are going to be utilizing that for people that are in that current stage of looking at the retirement numbers. If you are thinking about it and want to project it, you can talk to us or in the October timeframe is when we're hoping to have that available via the same scenario that we have now on the Intranet. One of the other things I considered doing and again its dependent on our time is perhaps having a day at various county sites if people want to come and do things with the software. We might try to coordinate something like that. But the point of it is, certainly if there is anyone in that situation looking at retiring December versus January, we can get them the information they can utilize to have an accurate quote. The discussion of the point was with the six months -- and maybe that's where the July 1st is coming into play -- based on Hay Group's research - if in fact you were retiring in December of 2014 versus January 2015 that a change in that number would take you about six months to get back to what the number would have been on December 2014.

Question: Scott Grim – Coroner's Office

Will you issue that same email and attachments to the employees again? I think that would be a really good idea.

Answer: Tim Reeves

Sure.

Glenn Eckhart added again **that change is only to the "No Option"**. Option 2 and Option 3 the amount will probably go up.

Tim Reeves confirmed the zero option was the only option negatively impacted by the change.

Question: Tim Boyle – MH/ID

Is there any way to create a couple models to explain those options a little further -- knowing they are simply models? You gave the calculator for the one but that only affects a small percentage of the employees. People are saying "what's going on"?

Answer: Tim Reeves

The reason we only did it for the "No Option" was that was the only one that was negatively impacted.

Tim Boyle added that should be simply stated as well. I don't think that's the impression. Everybody's going "OK that went down that much, how much is the rest going down?"

Tim Reeves answered that resending the letter reiterates that.

Question: Jan Harrison – Director of Nursing – Cedarbrook

Our employees have come to me and said they have to give a date in order to go through the whole process and I look at the time spent on rumors and in frustration. I recognize IT does allot for us and is busy but if we could move up that priority and have that available to employees - so they can actually go in and get that quote - I think we can eliminate all of this. Respectfully I suggest we consider that. These are long term employees that are just trying to make their life decisions at a very difficult time. We can make that available and we have the software. I'm not an IT person but it may not take that long to do and I would suggest we consider putting that up really soon. It might help all these issues. Thank you.

Mike Lakis – Sheriff's Office

I would like to echo that young lady's request. When it's your time to retire -- you think its your time to retire and you sit down with your family to discuss everything that's involved with retirement, it's a troublesome process. I think the process would be much more enjoyable if when we start here in the county – I've gone through this recently – I don't want to call somebody about retirement and get an answering machine. I don't want to do that. I don't do it at home. It's a very important process. I shouldn't have to wait for someone to call me back. I need answers. Especially if you're thinking about retiring in a quick manner. When I applied for my numbers, it took me over a month to get my numbers and my retirement date was July 16 and I got my numbers before that. I put in for that in the beginning of June. I don't think that should happen. I know some people that decided to retire on a moment's notice and were taken care of immediately. I think that's how it should be done. I think you spend 34 years at a place, I think you should have a better system, a more engaging system, for your employees. To have one person - with 80, 90, 100 people retiring at the same time - is a daunting process for anyone. There has to be a better solution. Thank you.

Question: Mary Hazzard – Assistant Administrator - Cedarbrook

On the subject of rumors – there has also been a rumor going around that the County intends to discontinue the 30% payout on accumulated sick leave.

Answer: Glenn Eckhart

That has nothing to do with this Board at all.

Question: Mary Hazzard

So... but there's plenty of people in this room who can speak to that rumor and say that it's true or untrue. How will we be notified if there is intent to change that policy?

Answer: Daniel McCarthy

It's a rumor. I think it's an unfounded rumor. Most recent contract with Cedarbrook has no provision for what you just described at all.

Question: Mary Hazzard

So if there is intent to change that policy or revisit that policy, how will it be communicated? Let's just assume there's talk about it and how will that be communicated? And would there be notice?

Answer: Daniel McCarthy

As I said, it's a rumor. I can tell you it hasn't even been considered or discussed by anyone as far as I know. It's a simple rumor. I don't know how it got started. I don't know who is spreading it.

Lisa Scheller interjected... it has nothing to do with this Board.

Daniel McCarthy repeated it has nothing to do with this Board.

Vic Mazziotti interjected... and the language in the contract remains the same, right?

Daniel McCarthy answered... yeah, per the union contract present day before the Board has absolutely nothing to do with that.

Mary Hazzard – What about employees who aren't covered by a union or collective bargaining?

Lisa Scheller – this is not that Board.

Daniel McCarthy – Once again, Mary, this is a Pension Board meeting.

Mary Hazzard – Thank you.

Question: Scott Dergham – Sheriff's Office

Tim, when that software get implemented by IT, will that be the actual quote for that person or will it still have to go back to the Hay Group to get the final number for that person or can they say OK this is pretty darn accurate?

Answer: Tim Reeves

It always has to go the Hay Group for the final but it will be much more accurate than the current system that we have. The intranet that we do now calculates it and the number is usually within \$20 or so. This software is what they use to the extent we're utilizing it; but yes, they have to do the final calculation.

Glenn Eckhart again mentioned if there are any retirees present, would they please give their email address to either Cindy Achey, himself or David Bausch so we can put you on the list to notify you of the November meeting and send meeting minutes and other notifications.

The next scheduled meeting is November 6, 2014 in the Public Hearing Room at 9:30 A.M.

No further business or questions.

Glenn Eckhart made the motion to adjourn at 10:13 A.M.

Lisa Scheller made the motion to adjourn. Vic Mazziotti seconded the motion.

All were in favor.

Meeting adjourned at 10:15 A.M.

A handwritten signature in dark ink, appearing to read 'Glenn Eckhart', written over a horizontal line.

Glenn Eckhart, Secretary