

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JUNE 13, 2007

Commissioner Judith Schwank called the meeting to order at 9:58 a.m. Attending were Sandy Graffius, Secretary, and members Mark Scott and Thomas Gajewski. The following County staff attended: Suzanne Baer, Pension Coordinator and Judi Lumis, Office of the Controller. Michael W. Shone, President, and Laura Neil, Peirce Park Group also attended.

The minutes of the May 16, 2007 meeting were approved on motion by Ms Graffius and second by Mr. Gajewski. Motion carried.

The Board received the following communications:

Correspondence:

Dresdner Bank transaction confirmations

Lynch, Jones & Ryan, Inc. Trading Summary January 1, 2007 through April 30, 2007

Chase Investment Counsel Commission Recapture Broker Commissions from May 1, 2007 through May 31, 2007 and letter including charts explaining Chase's investment approach.

Emerald Advisers, Inc. Commission Recapture Activity for Month ending May 31, 2007

Letter from Franklin Templeton Investments informing of changes in portfolio management team.

Letter from McDonnell Investment LLC Re: Annual Offer of Form ADV, Part II and Delivery of Private Notice.

Letter from Westfield Capital Management including 2007 proxy report of ballots voted on behalf of Berks county Employee's Retirement Fund

Thank you letter from Julie Rinehart, Berks County Library system to Peirce Park Group

Notification from Manufacturers & Traders Trust Company regarding Fund's investment in Federal Funds

Bank statements

May, 2007, statement from M & T Trust Company for accounts 77062 (cash); 1551134028 (Emerald); 2002696 (Chase), 2002697 (Rigel), 2002698 (Westfield); 76982 (Templeton); 79316 (Vanguard) 77065 (McDonnell-fixed), 9554168005 (Schneider) and 1003440 (Pzena)

May, 2007, statement from Wachovia for checking account 210000020087.

Solicitations:

General

JP Morgan, Detroit, Michigan

Hammond Associates, St. Louis, Mo.

Mastholm Asset Management, LLC

Conferences

Sub-Advised Fund Forum, Sept. 17-18, 2007 in
Boston, Ma.

Fire and Police Pension Fund Summit, July 18-20,
Newport, RI

Old Business:

Mr. Shone said he received an email from Pzena Investment Management which announced they filed a registration statement for Initial Public Offering. Mr. Shone said Pzena was a respected firm and did not feel any change was necessary but recommended the manager be monitored and to watch for any loss of key people in the firm.

Mr. Shone presented the Board with proposals from three Securities Litigation Firms

- Schiffrin Barroway Topaz & Kessler , LLP
- Grant & Eiksenhofer
- Scott & Scott

Mr. Shone suggested the Board review the proposals and he would schedule presentations for the next Retirement Fund meeting.

Following a discussion on the differences between Global and International managers, Mr. Shone suggested that the Board review the material he provided on prospective managers. At the next meeting the Board should be prepared to determine which managers to bring in for presentations. Mr. Shone suggested interviewing two global and two international managers.

Mr. Gajewski moved and seconded by Ms. Graffius to have Peirce Park Group complete an Asset Liability Study for an additional fee of \$20,000. Motion carried with one no vote from Mr. Scott.

Mr. Shone provided the Board with the draft of a new Investment Policy Statement and suggested it be reviewed by Mr. Miller.

The Board discussed the requests made by McDonnell Investment Management at the May's meeting. Mr. Shone said he had no problem with the suggestion made under the Core Fixed Income Security sectors which included Commercial Mortgage Backed Securities and 144 A. Securities. Mr. Gajewski said he would like more information on the foreclosure rate. Board agreed not to make any changes in the allocation until after the Asset Liability Study was completed.

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New Business:

The Board authorized the disbursements on motion by Mr. Scott and second by Ms. Graffius. Motion carried. Board authorized disbursements on motion by Ms. Graffius and second by Mr. Gajewski pending review of Ms. Lumis. Motion carried.

Annuities and refunds for June, 2007

Annuities	\$590,545.86
Refunds	<u>\$205,764.97</u>
Total	\$796,310.83

\$16,250.00 to Peirce Park Group for second quarter 2007 consulting

Meeting adjourned at 11:55 p.m.