

BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES
October 28, 2019

The Berks County Retirement Fund Board met in a regular session on Monday, October 28, 2019, at 10:00 A.M. in the Boardroom on the 13th floor of the Berks County Services Center, pursuant to due notice to Board members and the public.

Chairman Christian Leinbach called the meeting to order with Sandra Graffius, Secretary, County Treasurer Dennis Adams and Members Kevin Barnhardt and Mark Scott in attendance. The following County staff attended: Christine Sadler, County Solicitor; Jessica Weaknecht, Human Resources Director; Christie Bennett-Zellers, Benefits Manager; Ronald Seaman, Chief Administrative Officer, Grazyna Nykiel, Sr. Governmental Accountant.

APPROVAL OF MINUTES

The minutes of the September 19,2019 meeting were approved as presented.

PUBLIC COMMENT FROM THE FLOOR

None.

PRESENTATIONS

Terry Gerlich, CFA, FSA, SEI Investments presented the Third Quarter 2019 Investment review update, mixed quarter, a lot of volatility in the quarter. Merging markets have been not surprisingly, particularly weak in the 3rd quarter given the tariff battles. Our 10-year yield is well under 2%, that's better than much of the rest of the world. One-third of all sovereign debt in the world is yielding a negative interest rate. A big topic in the last election pertaining to the Labor compensation, even though economy has been growing since 2009, it hasn't felt very good to people. Wages, salaries and total compensation had been going down until 2013, now we're seeing a pickup leaving the unemployment rate where it is and starting to see wage and salary growth.

Chairman Leinbach shared comments from an economist from a recent Montgomery County luncheon. He spoke at length of the probability of a recession. He pointed out wage growth and consumer sentiment, that for the first time over the last several years the wage growth and overall compensation is in a growth mode and consumer sentiment remains very high. Montgomery has seen numbers as high as around 700% in the last 10 years in certain categories of tourism.

Terry points out if you look at short term pricing vs long term pricing, there's been a lot more volatility in the short term than long term futures. Companies are still able to, at certain extent, lock in and hedge some of their production and take some of that price volatility out of the equation.

CORRESPONDENCE

None.

OLD BUSINESS

None.

NEW BUSINESS

1. Sandy reported on the letter received from Korn Ferry regarding a cost-of-living increase. In order to provide a 2.3% monthly pension increase, that would cost the county \$4,018,912. This would be payable over 5 years, to get up to that revenue, at an amount of \$993,333 each of the 5 years. Looking back over the minutes, by motion, we decided against a COLA. In order to answer Korn Ferry's letter, it would require another motion. A motion was made by Commissioner Barnhardt and seconded by Secretary Graffius not to approve a cost-of-living increase.
2. A motion was made by Commissioner Barnhardt and seconded by Treasurer Adams to approve the 2020 Berks County Employees' Retirement Fund Board Meeting schedule.
3. A motion was made by Commissioner Barnhardt and second by Commissioner Scott to authorize the following:

21R.2018 Adopt a resolution authorizing employee buyback requests as follows:

- a. Jay M. Kurtz purchasing previous service time of 1 years, 7 months and 12 days in the amount of \$3,507.14.

AUTHORIZE DISBURSEMENTS

1. A motion was made by Secretary Graffius, second by Commissioner Scott to authorize the disbursements of annuities and refunds for September 2019. Motion carried.

15R.2019 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for September 2019 as follows:

| | |
|-----------|----------------|
| Annuities | \$1,751,036.60 |
| Refund | \$ 256,637.85 |
| Total | \$2,007,674.45 |

There being no further business, on motion made by Commissioner Scott and second by Commissioner Barnhardt, the meeting adjourned at 10:34 A.M.

Respectfully Submitted,



Sandy Graffius, Secretary Retirement Fund Board