

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES  
JANUARY 18, 2007

Commissioner Judith Schwank called the meeting to order at 11:05 a.m. Attending were Sandy Graffius, Secretary, Nelson Long, Treasurer and members Thomas Gajewski and Mark Scott. The following County staff attended: Alan Miller, Solicitor, and Judith Lumis, Office of the Controller.

The minutes of the December 20, 2006 meeting was approved on motion by Ms. Graffius and second by Ms. Schwank.

The Board received the following communications:

Correspondence:

Dresdner Bank transaction confirmations and Allianz Dresdner Daily fund Chase Investment Counsel monthly commission recapture broker transaction report for December 2006 and letter announcing the retirement of Ms. Teri Poole from the firm.

Lynch, Jones & Ryan, Inc. Trading Summary January 1, 2006 through November 30, 2006, New Update dated December 2006, and letter dated December 4, 2006 advising Lynch, Jones & Ryan LLC (LJR) will merge into BNY Brokerage LLC (parent company of LJR) on or before December 31, 2006.

Pzena Investment Management Commissions Report for December 2006

SEI Investments, Trade Confirmations

JP Morgan Account Statement December 1, 2006 through December 31, 2006

Letter from Morgan Stanley dated December 20, 2006 outlining how the firm conducts its consulting practice and thank you letter dated January 11, 2007 further outlining their services as an investment consultant.

Thank you letter from Yanni Partners for the opportunity to do a presentation on December 15, 2006.

Letters from Morrison Fiduciary Advisers, Inc. dated December 18, 2006 and January 2, 2007 thanking the Board for the opportunity to do a presentation and also attaching letters of recommendation and other articles of interest.

Letter from Peirce Park Group addressing their presentation on December 15, 2006 and continued interest in the position of investment consultant for Berks County..

Bank statements

December, 2006, statement from M & T Trust Company for accounts 77062 (cash); 1551134028 (Emerald); 75518 (Cohen, Klingenstein); 75519 (Turner); 76982 (Templeton); 79316 (Vanguard) 77065 (McDonnell-fixed), 9554168005 (Scheider) and 1003440 (Pzena)

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December, 2006, statement from Wachovia for checking account  
210000020087.

Solicitations:

General

Alpine Woods Capital Investors, LLC, Purchase, New  
York

Conferences

Domestic and International Securities Lending & Repo,  
February 4-7, 2007, Scottsdale, AZ.

Stars & Stripes, 2007 National Public Employees'  
Retirement Funds Summit, April 15-17, 2007, Las Vegas,  
NE.

Investment Forum 2007, March 29, 2007, University of  
Dayton, Ohio

Old Business:

The Board discussed the rating process used to evaluate respondents to the RFP for Financial Consultant. Pierce Park Group, Inc. received the highest combined rating. Mr. Gajewski said he rated Pierce Park Group, Inc. and PFM Advisors evenly as his top two choices and did not feel comfortable making a decision at this time. He asked that the motion to be deferred for two to four weeks. Mr. Scott said he would vote to retain the services of Consulting Group Smith Barney, Inc. Following the discussion, Ms. Graffius moved, seconded by Mr. Long, to hire Pierce Park Group, Inc. to replace the Consulting Group, Smith Barney, Inc. as Financial Consultant for the Berks County Employee's Retirement Fund. Motion carried with one abstention and one no vote.

Mr. Miller said he is reviewing the list of part time employees who currently participate in the Pension Plan. Under the pension code, part time employees who work under 1,000 hours per anniversary year are not eligible for membership in the Pension Plan. Mr. Miller said, while this is a complicated issue, he would have a recommendation for that Board at its next Retirement Fund meeting.

New Business:

Motion by Mr. Long, second by Ms. Graffius, to request the Board of Commissioners approve the funds to cover prepayment of the Annual Required Contribution sufficient to pay expenditures for the month of January. Motion carried.

Motion by Mr. Gajewski, second by Mr. Long, to make a recommendation to the Board of Commissions that the County's General Fund reimburse the Pension Fund for expenses related to the capital gains transactions. Motion carried.

The Board authorized the disbursements on motion by Mr. Long and second by Ms. Graffius. Motion carried.

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Annuities and refunds for January, 2007

Annuities	\$604,063.40
Refunds	\$ 1,043.89
Total	\$605,107.29

\$55.00 to Reading Eagle Company for publication December 13, 2005 of the Berks County Retirement Fund Board workshop held on December 15, 2006

\$19,994.82 to Rigel Capital, LLC for management of fees-settled trades, 4<sup>th</sup> Quarter 2006 as of December 31, 2006

\$7,000.00 to Hay Group for actuarial services and expenses, October through December 2006

\$11,250.00 to Smith Barney Citigroup for consulting services, October 1, 2006 thru December 31, 2006

\$18,750.00 to Chase Investment Counsel for Management Fees October 1, 2006 through December 31, 2006

Citizen comment from the floor.

Meeting adjourned at 11:50 a.m.