

BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES
January 27, 2020

The Berks County Retirement Fund Board met in a regular session on Monday, January 27, 2020, 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.

Solicitor Christine M. Sadler called the meeting to order with Commissioner Leinbach, Ron Rutkowski, Deputy Controller, County Treasurer Dennis Adams and Member Michael Rivera in attendance. Member Kevin Barnhardt was absent. The following County staff attended: Jessica Weaknecht, Human Resources Director; Christie Bennett-Zellers, Benefits Manager; Ronald Seaman, Chief Administrative Officer, Grazyna Nykiel, Sr. Governmental Accountant and Maryjo Gibson, Chief Clerk.

REORGANIZE – RETIREMENT BOARD

Christine M. Sadler noted for the record per the County Code, Chair of the Board of Commissioners shall serve as Chair of the Retirement Board. The meeting was turned over to the Chair.

APPOINTMENTS

Chairman Leinbach noted per County Code that the Secretary of The Retirement Board shall be the County Controller, Sandra Graffius. Chairman Leinbach indicated the need to appoint a solicitor. A motion was made by Treasurer Dennis Adams and seconded by Commissioner Michael Rivera to appoint Christine Sadler as the Solicitor. Motion carried.

Chairman Leinbach indicated the need to appoint a Vice Chair of the Retirement Board. A motion was made by Treasurer Dennis Adams, seconded by Deputy Controller Ron Rutkowski to appoint Michael Rivera as Vice Chair. Motion carried.

OATH OF OFFICE

Chief Clerk, Maryjo Gibson administered the oath.

APPROVAL OF MINUTES

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

PUBLIC COMMENT FROM THE FLOOR

None.

PRESENTATIONS

Terry Gerlich, CFA, FSA and Michael Burke, CFA, SEI Investments presented the Fourth Quarter 2019 Investment review update. Mr. Gerlich reported good news, bad news. The good news, the market was a great surprise last year. The bad news, it was an unusual way of getting there; the evaluation expansion and a handful of names drove the market. He reported that the

market went up 31%. Ten percent of the market has reached the trillion dollars ranks. Markets are currently reacting to the recent outbreak of the Coronavirus.

Mr. Burke reported a \$68 million surprise to the upside. Looking at just over 16% return on the year. This poses the question, do we look at potential returns on stocks over the next 10 years, because we won't be seeing a repeat of 2019 in 2020. The expectations for traditional stocks are coming down for return and the same thing will happen on the risk side. Again, they presented that commercial and private real estate is an important piece of portfolio. This type of investment is like planting seeds; the funds are pulled down over time, not all at one shot.

Chairman Leinbach asked if they had a recommendation for the board. Mr. Gerlich recommends we begin to build a private equity program and that we commit to GPA V. He stated that it would be an \$8-million commitment. It can be risky, but there can be better rewards by locking up the funds for a little bit. SEI will provide a list of organizations who have had success with this type of investment strategy.

CORRESPONDENCE

None.

OLD BUSINESS

1. Jessica Weaknecht, Director of Human Resources presented an update on the Korn Ferry contract. Kelly Laubach will be listing the contract this Thursday or next Thursday on the agenda at the Commissioner's Board meeting. She stated we've had no issues and things have been seamless with Korn Ferry. She requested moving forward that all invoices come to the Human Resources Department. Chairman Leinbach stated moving forward any concerns with Korn Ferry should be emailed to Jonnelle Keller and copy Jessica Weaknecht and the Chair so we can take the time to look into the concern.

A motion was made by Treasurer Adams and seconded by Vice Chair Rivera to recommend the Korn Ferry contract to the Commissioners for signature.

She also shared an update on the RFI for a Manager of Managers. It is her understanding there is a list of 10 vendors up for review. Once we have an agreement on the list, Kelly Laubach will be ready to send the RFI.

A motion was made by Vice Chair Rivera and seconded by Treasurer Adams for HR to move forward with the RFI. Chairman Leinbach instructed there would be no side meetings with anyone on the list. They need to go through the process. He asked for a timeline of the RFI process once they are mailed out. He further requested that the committee make their recommendation by the March Pension Board.

NEW BUSINESS

1. A motion was made by Vice Chair Rivera, second by Treasurer Adams to authorize the following:

01R.2020 Adopt a resolution authorizing employee buyback requests as follows:

- a. Penny Sokolovich purchasing 2 previous time frames of service totaling 16 years, 4 months and 4 days in the amount of \$25,600.86.

AUTHORIZE DISBURSEMENTS

2. A motion was made by Vice Chair Rivera, second by Treasurer Adams to authorize the disbursements of annuities and refunds for December 2019. Motion carried.

02R.2020 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for December 2019 as follows:

Annuities	\$1,776,412.44
Refund	\$ 108,826.98
Total	\$1,885,239.42

There being no further business, on motion made by Chairman Leinbach, the meeting adjourned at 10:19 A.M.

Respectfully Submitted,



 Sandy Graffius, Secretary Retirement Fund Board