

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
MARCH 16, 2006

Commissioner Judith Schwank called the meeting to order at 10:09 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; Suzanne Baer, Pension Coordinator, and Judi Lumis and Mark Hanson, Office of the Controller. John Thompson from Emerald Advisers, Inc. also attended.

The minutes of the February 15, 2006 meeting were approved on motion by Ms. Graffius and second by Mr. Scott.

The Board received the following communications:

Presentations:

EMERALD ADVISERS, INC.: Mr. Thompson said he has been a partner with Emerald Advisers, Inc. (Emerald) for the past 10 years. Emerald has had no major change in the ownership of the corporation, which is owned by 11 partners and one outside investor. Mr. Thompson said that over the years Emerald has concentrated their efforts on small cap growth with companies that have capitalization less than \$1.8 billion in assets. In November 2005, David Shue joined the firm and as of January 1, 2006 Emerald started a new product in mid cap growth. Emerald, which has been known as a strong equity portfolio management firm, has created a joint venture with a fixed income manager. Mr. Thompson said having the ability to manage fixed income is balancing out Emerald's product line. Mr. Thompson said the firm continues to look for ways to better position themselves in the marketplace. Over the past year they added 2 new research analysts to the firm.

Mr. Thompson said since inception, they have added substantial value to their benchmark. Assets under management as of December 31, 2006 were \$2.4 billion with approximately \$2 billion in small cap growth that they closed to new investors.

Mr. Thompson said the fourth quarter was strong and for the calendar year 2005 and they doubled the benchmark.

Correspondence:

Pzena Investment Management, LLC Portfolio Review for January 1, 2005 through December 31, 2005 and Commissions Report for February, 2006

SEI Investments 2006 Commission Statement as of trade date February 28, 2006

Dresdner Bank transaction confirmations and Allianz Dresdner Daily fund Prospectus dated March 1, 2006

Cohen Klingenstein & Marks Inc. Market Conditions

LJR News Update

Turner Investment Partners First Quarter 2006, Perform Newsletter

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Bank statements

February, 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)

February 2006, statement from Wachovia for checking account 210000020087.

Solicitations:

General

JPMorgan, Dallas Texas

Valley Forge Trust Company, King of Prussia, Pa.

Conferences

Mid-Sized Pension Management Conference, May 7-10, 2006, Boston, Massachusetts

Fifth Annual Canada Cup of Investment Management, June 5-6, 2006, Toronto, Canada

Second Annual papers Form, April 18-20, 2006, Harrisburg, Pa.

Public Funds Symposium, October 24-25, 2006, Washington, DC

Old Business:

Ms. Graffius said that new regulations from the Internal Revenue Service (IRS) effective January 2006 require all terminated County employees with pension assets in excess of \$1,000 who do not respond to a request for disbursement of funds within a reasonable amount of time, must have those funds rolled into an IRA. Mr. Scott moved, Ms. Graffius second to give the Pension Coordinator authority to rollover pension asset funds, of former employees who have in excess of \$1000 in pension assets and fail to respond to a request for disbursement and those where current address is unknown, into an IRA account. Motion carried.

Ms. Baer asked the Board to address a few issues, which included selecting an IRA provider, determining a reasonable response time, and decide on a minimum amount to rollover. Ms. Baer said the dollar amount rolled over would probably depend upon who the provider was and what amount they would accept. It was agreed by the Board that those individuals who are sent letters must respond by thirty days of date of letter.

Mr. Long moved, seconded by Mr. Scott, to run a notice in the Reading Eagle listing the names of the former employees who failed to respond to a request for disbursement of funds and for whom no current address is known, giving them notice they have thirty days from the date of publication to respond. If they fail to

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respond, the funds will be rolled into an IRA account as required by the IRS.
Motion carried.

New Business:

The workshop for Interviews of Large Cap Investment Managers has been scheduled for April 7, 2006.

Scott moved, seconded by Ms. Graffius, to approve the employee buy back requests as listed. Motion carried.

Betsy Kay Moyer, buy-back service time previously refunded, over 3 years of service at \$2,438.27.

Paula J. Huey, to switch from lump sum to payroll deduction of previously approved buy-back of nearly 22 years of service at \$19,774.86.

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

Annuities and refunds for March, 2006

Annuities	\$196,369.93
Refunds	\$553,137.60
Total	\$749,507.53

\$191.50 to Internal Revenue Service for withholding tax.

Citizen comment from the floor.

Meeting adjourned at 12:14 p.m.

Meeting of March 16, 2006 was reconvened at 12:14 p.m.

Additional New Business:

Motion was made by Mr. Gajewski and second by Mr. Long to move forward with the Request For Proposal for a Financial Manager. Motion carried. (Mr. Scott was not present, left the meeting prior to it being reconvened.)

Meeting adjourned at 12:17 p.m.