

BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES
October 29, 2018

The Berks County Retirement Fund Board met in regular session on Monday, October 29, 2018, 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 Y. Leinbach called the meeting to order with members Secretary Sandy Graffius, Treasurer A. Dennis Adams and Commissioner Kevin S. Barnhardt in attendance. Commissioner Scott was absent. The following County staff attended: Christine M. Sadler, Berks County Solicitor; Ronald Seaman, Chief Administrative Officer and Maryjo Gibson, Chief Clerk.

APPROVAL OF MINUTES

The minutes of the September 20, 2018 meeting were approved as presented.

PUBLIC COMMENT FROM THE FLOOR

None

PRESENTATION

1. Terry Gerlich, CFA, SEI Investments, presented the Third Quarter 2018 update ending September 30, 2018, and noted the big issue was what was happening in the equity market, and the difference between the U.S. equity markets, which is performing well, versus the international market. Mr. Gerlich stated much of the concern is related to trade, especially with China, but the U.S. is still seeing very strong growth. Volatility is normal in the market place and corrections are normal, and considering the hike in interest rates by the Feds. Mr. Gerlich reported technology continues to lead the way in the U.S. market. Regarding the Berks County Employees Retirement Fund, Mr. Gerlich reported the three month period was good and volatility should continue for the short period. The Report also showed the ten year performance with an overall return of 8.00%. Mr. Gerlich invited the Board to SEI for a due diligence review and an opportunity to meet the people that make investments and changes to the Fund.

2. Hank Stiehl and David Reichert, Korn Ferry, presented the annual Estimation Information for 1/1/2019 Valuation Report showing the Plan, and what changes we can see in the next couple years. Mr. Reichert reported contributions to the Plan were just over \$3.6 million or 3.35%, and the Plan is in really good shape. Mr. Reichert mentioned we are still on the Act 44 Asset method which was introduced after the downturn in 2008, talked about a smoothing 5-year phase-in plan. Commissioner Leinbach questioned if Act 44 will go away, and if Korn Ferry recommends going to the 5-year phase-in. Mr. Reichert responded he would only recommend it when the change would be within the budget and when the opportunity presents itself.

CORRESPONDENCE

Correspondence was reviewed and recorded.

OLD BUSINESS

Secretary Graffius updated the Board regarding the employees who did not vest into the pension plan and had not collected the funds they contributed. The Escheat process requires the County to send uncashed checks to the State once they have been outstanding for 3 years. Secretary Graffius noted that motions made in the 2006 Retirement Fund Board meetings authorized the County to rollover outstanding former employee invested funds above \$250 into IRA accounts.

Secretary Graffius explained that Chad Schnee, 1st Assistant County Solicitor researched the IRS regulations which states - payments could not be escheated directly from the pension account. To solve this issue, Solicitor Sadler recommended sending checks to the latest address on file. The outstanding checks under \$250 can then be escheated to the State. Secretary Graffius added that Suzanne Baer, Pension Coordinator and Secretary Graffius found and refunded a total of \$20,515.54 to 3 former employees. The balance of outstanding funds was \$16,137.19 for 14 employees. It was stated we would only work on finding former employees with amounts due over \$1,000. The Board agreed a resolution was necessary to authorize the new procedure for the upcoming meeting.

NEW BUSINESS

1. A motion was made by Secretary Graffius to approve the 2019 Berks County Employees Retirement Fund Board Meeting schedule. Said motion was seconded by Commissioner Barnhardt, and all voted unanimously to approve the schedule.
2. A motion was made by Commissioner Barnhardt, seconded by Secretary Graffius, and all voted unanimously to authorize the following resolution:

26R.2018 Adopt a resolution authorizing employee buyback requests as follows:

- a. Tracy Ann Brown buying back previous service time of seven (7) years, one (1) month and eight (8) days in the amount of \$23,320.85.
- b. Aaron J. Bell buying back previous service time from January 28, 2004 through June 26, 2007 in the amount of \$7,954.18.

A motion was made by Secretary Graffius, seconded by Treasurer Adams, and all voted unanimously to authorize the following resolution:

27R.2018 Adopt a resolution authorizing Sandra M. Graffius, Secretary, to execute the American Funds® Proxy Card.

AUTHORIZE DISBURSEMENTS

1. A motion was made by Commissioner Barnhardt, seconded by Secretary Graffius, and all voted unanimously to authorize the following resolutions:

28R.2018 Adopt a resolution ratifying, confirming and approving annuities and refunds for September 2018 as follows:

Annuities	\$ 1,638,656.47
Refund	\$ 37,624.36
Total	<u>\$ 1,676,280.83</u>

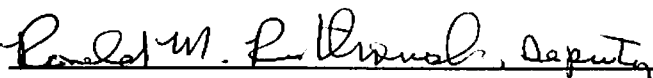
29R.2018 Adopt a resolution authorizing payment of Invoice #195155529 to Korn Ferry in the amount of \$8,652.00 for 3rd Quarter Actuarial Services.

COMMENTS FROM THE FLOOR

None.

There being no further business, on motion made by Commissioner Barnhardt, the meeting adjourned at 10:51 A.M.

Respectfully Submitted,


for Sandy Graffius, Secretary Retirement Fund Board