

BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES

May 6, 2019

The Berks County Retirement Fund Board met in a regular session on Monday, May 6, 2019, at 9:00 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 Sandra Graffius, Secretary, Dennis Adams, Treasurer and member Kevin Barnhardt in attendance. Commissioner Mark Scott was absent and was attempted to reach via phone. The following County staff attended: Christine Sadler, Solicitor; Grazyna Nykiel, Senior Government Accountant, Jessica Weaknecht, Human Resources Director, Maryjo Gibson, Chief Clerk and Christie Bennett-Zellers.

APPROVAL OF MINUTES

The minutes of the March 21, 2019 meeting were approved as presented.

PUBLIC COMMENT FROM THE FLOOR

None.

PRESENTATION

1. Terry Gerlich, CFA and John Waite, FSA, SEI Investments, presented the First Quarter 2019 investment review update, noting a strong rebound from what we saw at the end of 2018. Mr. Gerlich pointed out not only did we see a big rebound, but the riskier the stock, the better the return. Because inflation has been so contained, we haven't seen interest rates rise after the rally in treasuries in the 4th quarter. The rebound started in January, when the Fed's took a dovish tone, they became more simulative and the market reacted strongly. Mr. Gerlich further added the what's been overhanging the market is what's called curve inversion, where long rates fall below short rates, because short rates are higher, and the curve is upper sloping. This often proceeds a recession within 12-24 months. This is causing some concern, as we will see what evolves from trade talks with China. Terry reported a portfolio value as of 3/31/2019, to be \$458,734,384.

Mr. Waite reported a liability growth of 5.2% year over year and benefit payments of 4.8% of assets, for a combined 7.7% hurdle rate to maintain the 100% funding level coming contributions and returns. Mr. Waite proposed 2 portfolio changes for the Board, most notably dropping US Large Cap and moving to S&P Index and US Based Equity. Both scenarios showing these portfolio changes were presented to the Board for consideration. Both Mr. Waite and Mr. Gerlich recommended moving to Portfolio A at the present, with the ultimate goal to move to Portfolio B. Mr. Gerlich suggested to discuss in more detail Portfolio B. Mr. Gerlich feels because the fund is as healthy as it is, this would be a good benefit.

A motion was made by Secretary Graffius, second by Commissioner Barnhardt to move to Portfolio A. Motion carried.

A new amendment will be issued by SEI to reflect this change.

CORRESPONDENCE

Correspondence was reviewed.

OLD BUSINESS

The Korn Ferry US 2018 Financial Report were received and accepted without comment.

NEW BUSINESS

- 1. A motion was made by Treasurer Adams, second by Secretary Graffius to authorize the following resolution. Motion carried.

- 08R.2019 A. Adopt a resolution authorizing employee buyback requests as follows:
 - a. Alyssa Ruffner buying back LOA time of (1) month and (24) days in the amount of \$746.11.
 - b. Robert S. Sutliff buying back LOA time of (2) months and (13) days in the amount of \$1,763.19.

AUTHORIZE DISBURSEMENTS

- 1. A motion was made by Commissioner Barnhardt, second by Treasurer Adams to authorize the disbursements of annuities and refunds for March 2019. Motion carried.

- 09R.2019 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for March 2019 as follows:

Annuities	\$ 1,713,828.58
Refund	\$ 310,770.36
Total	\$ 2,024,598.94

COMMENT FROM THE BOARD

There being no further business, on motion made by Commissioner Barnhardt, the meeting adjourned at 9:46 A.M.

Respectfully Submitted,



Sandy Graffius, Secretary Retirement Fund Board