

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
SEPTEMBER 21, 2006

Commissioner Judith Schwank called the meeting to order at 10:30 a.m. Attending were Sandy Graffius, Secretary and members Mark Scott and Thomas Gajewski. The following County staff attended: Alan Miller, Solicitor; and Suzanne Baer, Pension Coordinator, Office of the Controller.

The minutes of the August 16, 2006 meeting were approved on motion by Mr. Gajewski and second by Mr. Scott.

The Board received the following communications:

Correspondence:

Dresdner Bank transaction confirmations and Allianz Dresdner Daily fund

Letter from Hay Group Re: Estimated Pension Costs for 2007 Budget estimating the Annual Required Contribution for 2007 at \$9,330,000

Letter from Internal Revenue Service acknowledging reversal of adjustment of \$5,836.98 for tax period December 31, 2003.

Check in the amount of \$9,462.90 for property claimed through Pennsylvania Treasury Department's Bureau of Unclaimed Property.

Notice of Proposed Class Action Partial Settlement and Proof of Claim and Release Re: Global Crossing Ltd. Securities Litigation

Amazon Securities Litigation Rejection Notice due to no Net Allowable Loss.

Letter from M&T Investment Group attaching 2006 Pension Law Changes.

Binder for the Fiduciary Liability Insurance Berks County Employee's Retirement Fund

Chase Investment Counsel monthly commission recapture broker transaction reports for June, July and August, 2006.

Emerald Advisers, Inc. commission recapture activity for month ending August, 2006.

Lynch, Jones & Ryan, Inc. News Update, June/July and August

Pzena Investment Management. Commission report for August, 2006.

SEI Investments 2006 Commission Statement as of Trade Date August 31, 2006 and Brokerage Activity August 1 through August 31, 2006.

Vanguard Institutional Index Fund Semi Annual Report dated June 30, 2006.

Bank statements

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August, 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)

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

Solicitations:

General

National Penn Investors Trust Company, Wyomissing, PA.
JP Morgan, Worldwide Securities Services, Dallas, TX.

Conference

Mid-Sized Pension Management Conference, Chicago, Il.,
October 15-18, 2006

Public Funds Roundtable, San Diego, CA, April 25-27,
2007

IMN Fall Investment Summit 2006, San Francisco, CA,
October 16-17, 2006.

Hedge Fund Institutional Forum, Consultants Roundtable,
Chicago, IL, October 23, 2006.

Old Business:

Ms. Baer said that 88 names of severed employees failing to respond to written request for disbursement of pension assets were published in the Reading Eagle on 3 separate occasions. In addition, the list of names was circulated on the Intranet and emailed to current employees. To date there has been a 45% response rate with 44 responses. Paperwork now needs to be completed by those who responded.

Ms. Schwank said that the majority of the Board had reviewed the Pension Manager proposals and requested the Board move forward and schedule interviews of all the managers with the exception of those that were determined ineligible.

New Business:

Ms. Baer said currently there is an employee who has been hired and voluntarily severed on several occasions and was rehired in 2003 into a position that is not pension eligible. After the County went through the Cort conversion, pension was reactivated for the employee in error in 2004. Human Resources is aware of the situation and verified that the present position is not pension eligible. The employee is not aware of the error.

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Following a discussion, it was moved by Mr. Gajewski and seconded by Mr. Scott to authorize a refund based on the opinion of the solicitor including the appropriate amount of interest. Ms. Schwank said a letter of explanation should be sent to the employee. Motion carried.

Following discussion Mr. Gajewski moved, seconded by Mr. Scott to authorize Bob Patrizio, Budget Director to begin the process of determining how the securities buy-back would help with the cost of the Annual Required Contribution for 2007 including the Actuary as necessary in order for the Board to make decision at the October Retirement Fund meeting. Motion carried.

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

Annuities and refunds for September, 2006

Annuities	\$588,334.65
Refunds	\$217,533.41
Total	\$805,868.06

\$30,826.00 to Engle-Hambright & Davies, Inc. for Fiduciary Liability Employee Retirement Fund Policy

\$47.28 to Reading Eagle Company for Public Notice of August 16, 2006 meeting of Berks County Employee's Retirement Fund Board.

Citizen comment from the floor.

Meeting adjourned at 11.05 a.m.