

**BERKS COUNTY EMPLOYEES' RETIREMENT FUND  
BOARD MEETING AGENDA  
OCTOBER 26, 2020**

*Christian Y. Leinbach, Chairman  
Michael Rivera, Vice Chairman  
Sandra M. Graffius, Secretary  
A. Dennis Adams, Treasurer  
Kevin S. Barnhardt, Member  
Christine M. Sadler, Solicitor*

***CALL TO ORDER - 10:00 A.M.***

***APPROVAL OF MINUTES***

Approval of the minutes of the September 17, 2020 and October 1, 2020 Meetings.

***PUBLIC COMMENT FROM THE FLOOR***

***PRESENTATIONS***

1. SEI Investment Quarterly Update

***CORRESPONDENCE***

1. Bank statements
  - a. September 2020 statement from SEI Trust Company account.
  - b. September 2020 statement from BB&T Bank checking account.

***OLD BUSINESS***

None.

***NEW BUSINESS***

1. Review Korn Ferry's letter regarding requirements for cost of living.
2. Discuss the second opinion offer from The Monteverde Group, LLC after the appointment of SEI as our Manager of Managers.

***AUTHORIZE DISBURSEMENTS***

- 21R.2020 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for September 2020 as follows:

Annuities	\$1,884,703.01
Refund	\$ 43,060.75
Total	<u>\$1,927,763.76</u>

- 22R.2020 B. Adopt a resolution authorizing employee buyback requests as follows:
- a. Maria Ortiz purchasing 2 years, 8 months and 2 days of LOA time in the amount of \$7,601.41.
  - b. Rex Koller purchasing 6 months and 15 days of LOA time in the amount of \$3,413.69.

- 23R.2020 C. Adopt a resolution ratifying and confirming prior approval of Invoice 16387 in the amount of \$34,991.00 to EHD (Engle-Hambright & Davies, Inc.) for the 2020/2021 Fiduciary Liability Policy #01-818-67-31.

- 24R.2020 D. Adopt a resolution ratifying, confirming and approving payment of Invoice 195208584 in the amount of \$8,625.00 to Korn Ferry (US) for Actuarial Services to Agreement #ICA-174550-16 for 3<sup>rd</sup> Quarter Actuarial Services (July, August, September 2020).

**ADJOURNMENT**

**BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES  
SEPTEMBER 17, 2020 (draft for approval October 26, 2020)**

The Berks County Retirement Fund Board met in a regular session on Thursday, September 17, 2020, at 9:30 A.M. via Microsoft Teams Live, pursuant to due notice to Board members and the public.

Chairman Christian Y. Leinbach called the meeting to order with Secretary Sandra Graffius, Treasurer Dennis Adams, and Member Commissioner Kevin Barnhardt in attendance. Vice Chairman Michael Rivera was absent. The following County staff attended: Jessica Weaknecht, Director of Human Resources; Pamela Shupp, Deputy CAO/Economic Development Director; Chad Schnee, Assistant County Solicitor; Christie Bennett-Zellers, Benefit Manager and Jonnelle Keller, Pension Coordinator.

**APPROVAL OF MINUTES**

The minutes of the August 20, 2020 meeting were approved as presented.

**PUBLIC COMMENT FROM THE FLOOR**

None.

**PRESENTATION**

None.

**CORRESPONDENCE**

None.

**OLD BUSINESS**

Jessica Weaknecht, Director of Human Resources, provided an update on the RFI for the Manager of Managers. Jessica stated at the end of August we had presentations from three firms; PFM, Monteverde and SEI. Tomorrow, September 18<sup>th</sup> at 2:00PM, we will have an open discussion to review and hopefully, make a decision on whom to move forward.

**NEW BUSINESS**

*None.*

**AUTHORIZE DISBURSEMENTS**

1. A motion was made by Commissioner Kevin Barnhardt and second by Secretary Sandra Graffius to authorize the disbursements as follows. Motion carried.

19R.2020 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for August 2020 as follows:

Annuities	\$1,882,896.06
Refund	\$ 361,506.52
Total	\$2,244,402.58

2. A motion was made by Commissioner Kevin Barnhardt and second by Treasurer Dennis Adams to authorize the buyback as follows. Motion carried.

20R.2020 B. Donna A. Hahn purchasing 2 years, 4 months and 11 days of previous service time in the amount of \$6,443.31.

3. A motion was made by Secretary Sandy Graffius and second by Commissioner Kevin Barnhardt to authorize the buyback as follows. Motion carried.

20R.2020 B. Dawn Valsan purchasing 3 months and 3 days of LOA time in the amount of \$1,149.48.

Chairman Christian Leinbach reported the Pension Fund balance as of September 17, 2020 to be \$489,758,886.20.

There being no further business, on motion made by Secretary Sandy Graffius and second by Commissioner Kevin Barnhardt, the meeting adjourned at 9:36 A.M.

Respectfully Submitted,

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Sandy Graffius, Secretary Retirement Fund Board

**BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES  
OCTOBER 1, 2020 (draft for approval October 26, 2020)**

The Berks County Retirement Fund Board met in a special session on Thursday, October 1, 2020, at 9:00 A.M. via Microsoft Teams Live, pursuant to due notice to Board members and the public.

Chairman Christian Y. Leinbach called the meeting to order with Secretary Sandra Graffius, Treasurer Dennis Adams, Vice Chairman Michael Rivera and Member Commissioner Kevin Barnhardt in attendance. The following County staff attended: Jessica Weaknecht, Director of Human Resources; Christine Sadler, County Solicitor; Robert Patrizio, Chief Financial Officer; Ronald Seaman, Chief Administrative Officer; Christie Bennett-Zellers, Benefit Manager and Jonnelle Keller, Pension Coordinator.

**NEW BUSINESS**

Chairman Leinbach stated we were here to discuss and move forward on the organization we will hire going forward to manage our pension fund. The finalists are PFM; Monteverde and SEI, the current incumbent.

Treasurer Dennis Adams opened the conversation stating we didn't have a full understanding of net to net or gross to gross so he worked up the numbers to compare the three competing firms on a comparison on their fees for five, seven and ten years. We have a pretty good handle on SEI's numbers because they have run the same course of the last ten years. PFM came in 808M vs. 806M and Monteverde 845M vs 843M. On the fee side, Monteverde's 100M ahead of SEI fees, on funds that would go back into the pension fund. Treasurer Adams and Robert Patrizio have talked this through and feel from a financial standpoint, it is between Monteverde and SEI. Monteverde offers a better deal for the county Treasurer Adams feels. He added we are looking for an advisor to service our account, providing education to our people. Treasurer Adams feels this is not the service we are currently receiving and has repeatedly brought up receiving the quarterly review deck in adequate time prior to the meeting. Secretary Sandra Graffius feels they respond in a timely manner to questions.

Treasurer Adams further stated an article he found about a lawsuit SEI was involved in concerning training they needed to provide their employee's, and these are the people we are depending on. He admitted not having much knowledge of SEI six years ago when he started. He reached out to a friend at RKL, who also worked with SEI. This employee felt SEI was sold. About two years ago, he ran into a partner of RKL and inquired again with how their relationship with SEI was going. The partner reported they were no longer doing business with SEI because of the fees being too high. RKL didn't want to pass the fees on to their customers.

Commissioner Kevin Barnhardt made a motion to support SEI as our Manager of Mangers and suggested a timeline when we will review this appointment again, so that we don't put this board or another board in the same position of waiting ten to twelve years. Secretary Sandra Graffius seconded the motion.

Commissioner Barnhardt asked what a reasonable time would be to review the appointment process, so it doesn't require such an intensive review. Secretary Graffius responded six years. Treasurer Adams responded three to five years. Commissioner Barnhardt amended the motion to include a review every five years. Controller Graffius seconded.

Vice Chairman Michael Rivera asked to add to the motion already made. That we take the time to revisit where our investments are. Do we want to take more or less risk, do we want to take alternative options? Vice Chairman Rivera further added to find out our risk level and see if there is something we should be doing now for a higher return.

Chairman Christian Leinbach stated there are several things you have to consider. One, when we talk about fees, you have passive vs. active management. And we you do that their fees are not dramatically different. He stated Monteverde's system is much more passive than we are in. Two, when the county made the decision to fully fund the pension fund, they instructed SEI at that point to become less risk averse, so they could protect the 100%. He reported they ran 103% to 106% funded for a number of years. Chairman Leinbach does not feel we pulled back much on that since the exception of going into the special fund. Chairman Leinbach agrees with Vice Chairman Rivera's addition to the motion to reconsider our risk. He added Bob Patrizio's analyses supports us considering that approach.

With no further comments, Chairman Leinbach reports we have a motion and a second. Chairman Leinbach, Vice Chairman Rivera, Secretary Graffius and Commissioner Barnhardt voted in favor and Treasurer Adams opposes; the motion is carried.

Chairman Leinbach and Treasurer Adams thanked Human Resources and all those involved with this process. They recognized it was a lot of work.

There being no further business, on motion made by Vice Chairman Rivera and second by Secretary Sandy Graffius, Chairman Leinbach adjourned the meeting at 9:21 A.M.

Respectfully Submitted,

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Sandy Graffius, Secretary Retirement Fund Board