

**CHESTER COUNTY, PENNSYLVANIA  
RETIREMENT BOARD MEETING MINUTES**

**May 13, 2020**

**1. CALL MEETING TO ORDER**

Chair Marian D. Moskowitz called to order the Retirement Board Meeting on Wednesday, May 13, 2020 at 1:05 PM via teleconference.

In addition to Chair Moskowitz, the following board members were in attendance: Commissioner Josh Maxwell, Commissioner Michelle Kichline, Controller Margaret Reif, and Treasurer Patricia Maisano.

**2. APPROVE MINUTES OF PREVIOUS MEETING**

• **Motion**

Chair Moskowitz asked if there was a motion to approve the minutes from the February 11, 2020 Retirement Board meeting. Commissioner Maxwell made the motion to approve the minutes. Commissioner Kichline seconded the motion. After a roll call vote, all were in favor. Motion carried.

**3. PERFORMANCE UPDATE REPORT**

Bruce Besecker of Courtney Investment Consulting Group noted that at the end of April it could be seen that the stock market was up 13 percent, while the bond market was up 1.8 percent, compared to quarter-end in March due to the COVID-19 pandemic. He also noted the fund was down 7.3 percent year-to-date, while the benchmark was down 5.8 percent for an under-performance of 1.5 percent

Michael Courtney of Courtney Investment Consulting Group addressed the domestic equity portion of the portfolio, noting a large amount of it being a passive lineup. He recommended terminating the Mid Cap Growth and Mid Cap Value Index funds and hiring a new active Mid Cap Core manager.

**4. VENTURE CHESCO**

Kristen Mayock, Deputy Solicitor of Chester County, presented the public ratification of an amendment to the Ben Franklin Technology Partners Agreement, which was unanimously approved by the Retirement Board via email on March 10, 2020 and signed on March 11, 2020. The amendment gives the County the option to receive automatic repayment of investment if a company moves out of Chester County, or to remain a security holder in the company. Prior to this amendment the Board was obligated to divest out of a company if it relocated outside of Chester County regardless of whether the company was successful or not. This amendment provides greater flexibility to the Board.

- **Motion**

Chair Moskowitz asked if there was a motion to approve the ratification of the second amendment of the Memorandum of Understanding for Venture Chesco with Benjamin Franklin Technology Partners. Commissioner Maxwell made the motion to approve the ratification. Commissioner Kichline seconded the motion. After a roll call vote, all were in favor. Motion carried.

**5. SECURITIES LITIGATION**

Kristen Mayock presented two law firms that would like to help with securities litigation monitoring for the Pension Fund at no cost to the Fund.

- **Motion**

Treasurer Patricia Maisano made a motion to approve the addition of Rigrodsky & Long Securities Litigation Monitoring and Grant & Eisenhofer Securities Litigation Monitoring for security litigation monitoring. Controller Reif seconded the motion. After a roll call vote, all were in favor. Motion carried.

**6. INVESTMENT MANAGERS**

Bruce Besecker recommended moving the Walter Scott Fund investment to the Commingled Fund investment as a means of saving money on fees.

- **Motion**

Chair Moskowitz asked if there was a motion to move to the Walter Scott Commingled Fund. Commissioner Maxwell made a motion to approve moving the fund. Commissioner Kichline seconded the motion. After a roll call vote, all were in favor. Motion carried.

**7. ACTUARY UPDATE**

Julie Bookheimer, Chief Financial Officer for Chester County, introduced Kristopher Seets and David Reichert from Korn Ferry to give an actuarial update and present various recommended changes. It was recommended that the Board; a) revise the life expectancy assumptions to the newly published study by the Society of Actuaries on life expectancies for general public sector employees, b) revise the method for member deductions, and c) reduce the investment return assumption to 7.25 percent from the current 7.50 percent.

- **Motion**

Chair Moskowitz asked if there was a motion to approve all three recommendations noted above. Commissioner Kichline made the motion, which was seconded by Commissioner Maxwell. After a roll call vote, all were in favor. Motion carried.

**8. ADMINISTRATION UPDATE**

Julie Bookheimer shared that the employees contributing 6 percent to the pension fund continues to increase as expected, - a total of 2,183 active employees are investing in the Fund as of April 30, 2020 and 345 employees no longer with the county remain vested in the Fund.

**9. PUBLIC COMMENT**

Jim DiLuzio, a former employee in the department of Children, Youth and Families expressed concern about the consideration of a reconstruction of the fund, noting that he would not recommend moving that much money into index funds as discussed by Courtney Investment Consulting Group.

There was no further public comment.

**10. ADJOURNMENT**

- **Motion**

Chair Moskowitz called for a motion to adjourn the meeting. Commissioner Kichline made the motion. Commissioner Maxwell seconded the motion. Motion carried. Meeting adjourned at 2:32 PM.