



THE COUNTY OF CHESTER



COMMISSIONERS
Michelle Kichline
Kathi Cozzone
Terence Farrell

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AGENDA **RETIREMENT BOARD**

August 14, 2019

1. **CALL MEETING TO ORDER**
2. **MINUTES OF PREVIOUS MEETING – May 2, 2019**
3. **PERFORMANCE UPDATE REPORT**
4. **VENTURE CHESCO**
5. **SECURITIES LITIGATION**
6. **INVESTMENT MANAGERS**
 - a. **Ratification**
Ratification of electronic vote for Vanguard Mid-Cap Growth Index Fund and Vanguard S&P 500 Index Fund
7. **CUSTODIAL UPDATE**
8. **ADMINISTRATION UPDATE**
9. **PUBLIC COMMENT**
10. **NEXT MEETING - Thursday, October 31, 2019 at 1:00 p.m.**
11. **ADJOURNMENT**

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

May 2, 2019

1. CALL MEETING TO ORDER

Chairman Kichline called to order the Retirement Board Meeting on Thursday, May 2, 2019 at 1:07 PM in the Commissioners' Board Room, located at 313 West Market Street, West Chester, Pennsylvania.

In addition to Chairman Kichline, the following board members were in attendance: Commissioner Kathi Cozzone, Commissioner Terence Farrell and Treasurer Patricia Maisano.

Also in attendance were: County Administrator Robert J. Kagel, Chief Financial Officer Julie Bookheimer, Deputy County Solicitor Kristen Mayock, Deputy Controller Carol Pollitz, Senior Financial Analyst Chris Burns, Jim Diluzio of Children, Youth and Families, Consultant Rick Courtney and Bruce Besecker both of Courtney Investment Consulting Group.

2. APPROVE MINUTES OF PREVIOUS MEETING

▪ **Motion**

Chairman Kichline asked if there was a motion to approve the minutes from the February 13, 2019 meeting. Commissioner Farrell made the motion to approve the minutes. Treasurer Maisano seconded the motion. Motion carried.

3. PERFORMANCE UPDATE REPORT

Rick Courtney of Courtney Investment Consulting Group stated the market value, at the end of March 2019 totaled \$436,978,000 dollars. He remarked that there was a \$38 million dollar increase since last year. Mr. Courtney noted that this equates to a 9.6% return and that the fund had rebounded from the loss of \$25 million last year.

Mr. Courtney remarked that the S & P was up 4% in April. He explained that while the numbers looked good there were managers that are on the watch list. Those managers included Emerald, Swarthmore and Philadelphia Trust. Mr. Courtney made a recommendation to the Board to terminate these managers and place these funds, totaling approximately \$75 million, into index funds.

▪ **Motion**

Chairman Kichline asked if there was a motion to move the funds from the watch list managers; Emerald, Swarthmore and Philadelphia Trust, into index funds until otherwise advised from the consultants. Treasurer Maisano made the motion to move Emerald, Swarthmore and Philadelphia Trust funds to index funds until other suitable funds are found. Commissioner Farrell seconded the motion. Motion carried.

Mr. Bruce Besecker spoke briefly about the economic growth, employment and the stock market. He stated the stock market is moving along at a growth of 2% for the past 10 years, employment remains strong and growth-oriented stocks continue to do well.

Mr. Besecker noted that the key take away is long-term asset allocation is the safe way to go, staying strategic, following policy and rebalancing when appropriate.

Mr. Courtney spoke about cash flow and the favorable investment gains since last year and over the past three years. He summarized which sectors had better gains than others and how the Federal Reserve could affect fixed-income funds.

4. **INVESTMENT MANAGERS**

Mr. Robert Kagel briefly spoke about Eagle Investment Manager fees. Originally they were on a incentive based fee, Eagle came back and offered sixty five (65) basis points fees. Mr. Kagel noted the sixty five (65) basis points is favored and is less than what would have been paid under the incentive fee structure. Solicitor Tom Whiteman reviewed the amendment and gave approval to ratify the agreement by the board.

- **Motion**

Commissioner Cozzone made a motion to ratify the approval, changing Eagle Investment Manager fees from a incentive to a fixed rate of sixty five (65) basis points. Commissioner Farrell seconded the motion. Motion carried.

5. **SECURITIES LITIGATION**

- **Motion**

Commissioner Farrell made a motion to ratify the Board action authorizing Kehoe Law to conduct a books and records inspection of CBS Corporation. Treasurer Maisano seconded the motion. Motion carried.

6. **PUBLIC COMMENT**

Jim Diluzio, an employee in the department of Children, Youth and Families, spoke to the Board about the Venture Chesco investments. Mr. Diluzio asked the Commissioners to consider offering an early retirement incentive for County employees as they have in the past.

7. **ADJOURNMENT**

- **Motion**

Chairman Kichline asked if there was a motion to adjourn the meeting. Commissioner Farrell made a motion to adjourn the meeting. Commissioner Cozzone seconded the motion. Motion carried. Meeting adjourned at 1:37 PM.