

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES  
MAY 19, 2004

Chairman Judith L. Schwank called the meeting to order at 10:07 a.m. Attending were Sandy Graffius, Secretary, Nelson Long, CPA, Treasurer and members Thomas W. Gajewski, Sr. and Mark C. Scott. The following staff attended: Alan S. Miller, Esq., County Solicitor; William Dennis, County Administrator; Sharon Fleischer of Human Resources, and Judith Lumis, of the Controller's Office. Richard Gleason, Senior Vice President and Dianne M. Lutz, CIMA, First Vice- President, Consulting Group, Smith Barney and George Cohen and Richard Blum, III, of Cohen, Klingenstein & Marks, Inc. also attended.

The minutes of the April 21, 2004 meeting were approved on motion by Ms. Graffius and second by Mr. Scott.

The Board received the following communications:

Presentations:

Mr. Gleason said the market has been very dramatic. REITS and Emerging Markets, which had good returns in the first quarter, have negative returns for April and May. Mr. Gleason said the recent market performance is why you diversify and stick to the game plan.

Ms. Lutz said that as of the end of April the five-year trailing annualized return on the total Fund was +1.73 percent, outperforming the benchmark of +0.97 percent annually. As of April 30, 2004, the fund totaled \$166,256,881 with 67 percent in equities, 32 percent in fixed income and 1 percent in cash.

Fund	Benchmark	Actual performance for the month ended April 30, 2004
Cohen, Klingenstein	-1.16 percent	-4.96 percent
Emerald Advisers	-5.02 percent	-6.47 percent
McGlinn – Equities	-2.44 percent	-1.66 percent
McGlinn – Fixed	-2.37 percent	-2.23 percent
Pzena	-5.24 percent	-1.17 percent
Templeton	-2.26 percent	-1.73 percent
Turner	-1.16 percent	-2.20 percent
Vanguard S&P 500 Index	-1.57 percent	-1.57 percent
Cash	+0.08 percent	+0.28 percent

The workshop with Norm Pickering of Hay Group is scheduled for June 30, 2004 at 9:30 a.m. The manager interviews will be held in the first two weeks of July.

Mr. Gleason said Pzena closed the small cap product. This reinforces Pzena's ability to outperform.

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Ms. Lutz said the Board received notice that McGlinn Capital Management has bought the firm back from Wachovia. Mr. Gleason added that the partners bought the firm back without soliciting outside financing or outside investors. He said that the change in ownership is a good thing but especially because of their smaller asset size McGlinn should continue to be closely monitored.

Mr. Cohen said Cohen, Klingenstein & Marks, Inc. manages money starting with a top down view of what is going on in the world; they use computer based systems to perform their quantitative work; and lastly they look at these value companies and determine the advantages each individual company has over its competitors.

Mr. Cohen said that over the last year phantom stock in the firm has been issued to three key investment personnel (Richard Blum, III, Kae Chang and Joel Silverstein).

Mr. Cohen said the broad picture is that the world economy is healthy and that the US economy is a leader in that world economy and the stock market is not overvalued and that technology will lead the growth because that is where the excitement is. Mr. Cohen added that his firm will be a little more conservative than that and will continue to become more conservative over the next six to nine months.

Correspondence:

Letter dated April 29, 2004, from McGlinn Capital Management, Inc. that McGlinn Capital Management, Inc. reached an agreement with Wachovia Bank to re-purchase the stock and become privately owned effective June 1, 2004.

Post-employment Benefits Other Than Pension survey from Hay Group. (Completed and mailed.)

Statement of portfolio holdings as of March 31, 2004 from Cohen, Klingenstein & Marks, Inc.

Monthly newsletter dated May 3, 2004, from Cohen, Klingenstein & Marks, Inc.

Account Summaries for the quarter ended March 31, 2004 from McGlinn Capital Management, Inc.

Chief Executive Officer's Letter and Portfolio Appraisal as of March 31, 2004 from Templeton Private Client Group

*2004 The Consultant Directory* from Brandes Investment Partners

*LJR News Update* April 2004 from Lynch, Jones & Ryan, Inc.

Bank statements

April, 2004, statement from M & T Trust Company for accounts 77062 (cash); 9554168005 (McGlinn equities); 77065 (McGlinn

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fixed); 1551134028 (Emerald); 75518 (Cohen, Klingenstein);  
75119 (Turner); 76982 (Templeton); 79316 (Vanguard) and  
1003440 (Pzena)

April, 2004, statement from Wachovia for checking account  
210000020087.

Commission recapture statement for January 1 – March 31, 2004, from  
Lynch, Jones & Ryan, Inc. (\$3,649)

Commission recapture statement for January 1 – April 30, 2004, from  
Lynch, Jones & Ryan, Inc. (\$4,718)

Commission recapture statement for April 2004 from BNY Brokerage,  
Inc. (\$3,094.01)

Commission recapture statement from SEI Investments as of April 30,  
2004, (\$4,561)

Commissions report for April from Emerald Advisers, Inc.

Commissions report for March 27 through April 30, 2004 from SEI  
Investments for Franklin Templeton Investments

Commissions report for April 2004 from Pzena Investment Management

Solicitations:

General

Delaware Investments

Iridian Asset Management, LLC

New York Life Investment Management LLC

The Board authorized disbursements as listed, on motion by Mr. Gajewski, second by  
Mr. Long.

Annuities and refunds for May, 2004:

Annuities	\$390,952.46
Refunds	151,017.33
<b>Total</b>	<b>\$541,969.79</b>

\$2,513 to Hay Group for actuarial services and expenses for the month of April  
2004

\$21,397.93 to Cohen, Klingenstein & Marks, Inc. for investment counseling for  
the first quarter 2004

\$12,313.47 to M & T Investment Group for custodial services January 1 through  
March 31, 2004

\$250 to M & T Investment Group for trustee services for the Vanguard Institution  
Index Fund for the period January 1 through March 31, 2004

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\$13,237.49 to Turner Investment Partners, Inc. for investment management fee  
for the quarter ending March 31, 2004.

The meeting adjourned at 11:14 a.m.