

NORTHAMPTON COUNTY OPEB BOARD MINUTES

JUNE 5, 2015

10:00 AM

1. **Call of the Role.** The following members of the OPEB Board were present: Mr. John A. Brown, Mrs. Margaret Ferraro, Mr. Jim Hunter, Mr. Hayden Phillips, Ms. Cindy Smith and Mr. John Stoffa. Mr. Glenn Geissinger was absent

Others present:

Mr. Michael Shone, Investment Management Consultant - Peirce Park
Ms. Tracie Barnes, Director of Human Resources
Mr. Brandon Dunstane, Fiscal Administrator

2. **Courtesy of the Floor** – None.
3. **Approval of the February 27, 2015 Meeting Minutes.**

Mr. Stoffa made a motion to approve the Minutes. Mr. Brown seconded the Motion. The voting was as follows:

Ayes: Mr. Brown, Mrs. Ferraro, Mr. Hunter, Mr. Phillips, Ms. Smith and Mr. Stoffa.

Nays: None

✓ **Minutes Approved**

4. **Peirce Park Performance Report – Mr. Michael Shone**

Mr. Shone reminded the Board that of the twenty counties in PA that have a retiree health benefit obligation, Northampton County is only one of four or five that have begun to fund this obligation. Mr. Shone reviewed the following Observations:

- March 31, 2015 market value: \$29.4 million
- 1st quarter gain: \$646,000 (net) 1st quarter return: 2.4% (gross)
- 1 Year gain: \$2.1 million (net) 1 Year return: 8.4% (gross)
- Outperformed benchmark (gross of fees)
 - ◆ During the quarter by 0.2% and over one year by 0.8%
- Strong performance by global equity managers
- Capture Ratio – Up market: 103%, down Market: 92%
- Peer group rankings – Top 6% over the last year and top 2% over the past 3 years
- Fixed income changes occurred on April 1, 2015.

Mr. Shone stated that we will be adding Real Estate to this portfolio. As equity markets go down this fund will go down more than the average plan because this fund has a higher equity allocation. Mr. Brown stated that this was done intentionally because we are starting from a much smaller base and we can afford more risk in order to capture the upside. Mr. Shone concurred.

Mr. Brown made a motion to end the meeting and Mr. Phillips seconded the motion.

Meeting adjourned