

# NORTHAMPTON COUNTY OPEB MINUTES

September 12, 2016

4:40 PM

1. **Call of the Roll.** The following members of the Retirement Board were present: Mr. John Brown, Mr. Jim Hunter, Mr. John Cusick, and Mrs. Cindy Smith. ABSENT: Mr. Glen Geissenger, and Mrs. Margaret Ferraro

**Others present:**

Mr. Michael Shone, Investment Management Consultant - Peirce Park  
Mr. David Ceraul, Assistant County Solicitor

2. **Courtesy of the Floor** – Nothing

3. **Approval of the June 6, 2016 OPEB Minutes.**

Mr. Hunter made a motion to accept the Minutes, as presented.  
Mr. Brown seconded the motion.

Motion passed unanimously.

4. **Performance Report – M. Shone**

**OPEB**

- Market Value (August 31, 2016): \$31 million
- Q2 Gain: +\$516,000

Police Index matched in Q2 – Out-performed by 50 Basis points. Thornberg severely underperformed and had a terrible quarter. A portion of their allocated funds were removed, then the fund was fully terminated on August 22 because of continued poor performance. Thornberg had been a strong performer for many years before landing on the watch list last year. Leading to the termination, the fund had been evaluated monthly by Peirce Park.

The rate at which our OPEB is funded ranks us in the top 5 of Pennsylvania counties, with OPEB funds. Franklin County is the only fully funded plan. Mr. Shone believes their OPEB may be the only fully funded plan in the Country. He contributes movement of their current employees into a high deductible HSA medical plan and changing the Rx co-pay portion of the Retiree plan as factors enabling fully funding of their OPEB.

Mr. Cusick questioned the reach of the liability of OPEB. Mr. Shone believes it was amortized out over 30 years, when it was last completed, 5 years ago. Which would mean approximately 25 years of liability remain.

With no further business, Mr. Brown made a motion to adjourn the meeting. Mr. Hunter seconded the motion.

The motion passed unanimously.

**Meeting adjourned**