

NORTHAMPTON COUNTY OPEB MINUTES

December 5, 2016

4:50 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. Margaret Ferraro. ABSENT: Mr. Glenn Geissinger, and Mrs. Cindy Smith.

Others present:

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

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

3. **Approval of the September 12, 2016 OPEB Minutes.**

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

The motion passed unanimously.

4. **Performance Report – M. Shone**

OPEB

- Market Value (November 30, 2016): \$32.1 million
- Q3 Rate of Return: 3.9%

The current Investment Policy:

75% Equities
20% Fixed Income
5% Real Estate

Mr Shone said that to the best of his knowledge our OPEB is the second best funded of Pennsylvania counties, with OPEB funds. Franklin County is the only fully funded plan. He believes our plan could be more aggressively invested, as it could better sustain a drop in the equity markets than the Pension fund due to size.

Mr. Cusick asked the impact a change of the investment diversity would have as employee numbers decrease over time because entry into the plan was frozen in 2010.

Mr. Shone explained the OPEB is funded at 20% against the liability. Over time this will change with attrition.

Mr. Brown made a motion to change the diversity structure, as follows:

Move 5% from Fixed Income to Equities, changing:

Fixed Income from 20% to 15%

Equities from 75% to 80%

Split the acquired 5% as follows:

3% Domestic Equity

2% International Equity

Mr. Cusick seconded the motion.

The motion passed unanimously.

Mr. Wing reminded the Board there will be a Funding Policy to review and consider. He will provide it to Mr. Ceraul for his review.

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

Mr. Cusick seconded the motion.

The motion passed unanimously.

Meeting adjourned