1. **Call of the Role.** The following members of the Retirement Board were present: Mr. John Cusick, Mr. John Stoffa, Mr. Jim Hunter, Mrs. Margaret Ferraro, and Mrs. Cindy Smith. (Mr. Brown, Mr. Geissinger absent)

   **Others present:**
   - Mr. Lee Martin, Investment Management Consultant - Peirce Park
   - Ms. Amy Trapp, Director of Human Resources
   - Mr. David Ceraul, Assistant County Solicitor
   - Mr. Brandon Dunstane, Fiscal
   - Mr. Craig Muff, Stifel Group

2. **Courtesy of the Floor – Mr. Cusick**

   Mr. Cusick made a motion to amend the December 4, 2015 Minutes to include former Retirement Board Secretary Lorriane Shintz as present for the December 4, 2015 meeting.

   Mr. Stoffa Seconded the motion.

   **Vote was called:**
   
   - Mr. Cusick – Yes
   - Mr. Stoffa – Yes
   - Mr. Hunter – Yes
   - Ms. Smith – No
   - Mrs. Ferraro – No

3. **Approval of the December 4, 2015 Retirement Board Minutes.**

   Mr. Cusick made a motion to approve the Minutes, with amendments.

   Mr. Stoffa seconded the motion.

   **Vote was called:**
   
   - Ayes: Unanimous
   - Nays: None

   ✓ Minutes Passed

4. **Market Environment – Mr. Lee Martin, Peirce Park**

   Retail sales had been lower than expected in the fourth quarter of 2015. Real estate markets have begun to show some growth. There has been some notable savings
between growth and value bonds as well. Mr. Martin explained the first meeting of year provides a good look-back to how the Plan has achieved and establishes goals for the upcoming year. Plan Summaries were provided and reviewed.

Mr. Martin discussed some of the impact of GASB Statement 68, Accounting and Financial Reporting for Pensions. GASB 68 requires reporting of unfunded pension liabilities. Our Plan funded ratio is just above 86%. Northampton County’s plan was one of the first to be in compliance. The overall value of the fund at the end of 2015 was $340.1 million.

Mr. Stoffa asked if there was anything we should be doing differently in terms of managing the plan. Mr. Martin feels that we have been making the right small adjustments and corrections so that the plan remains on track. The mix between risk and volatility is good.

Mr. Martin provided a new Cash Flow Return snapshot and suggested this would replace the portfolio summary, moving forward. There were no objections.

5. Market Update – L. Martin

Mr. Martin discussed three driving forces behind the current Market Environment. He explained how abundant oil is having a negative effect and is one of the major driving forces. Secondly, the uncertainty of the FED and rising interest rates are also driving concerns. Finally, earnings are down. Low earnings keeps returns and stocks down. Growth and consumption world-wide is low. Equities as a whole are down 11.3%. Fifteen out of 23 developed Markets are down 20% or more. The Chinese Yuan is down nearly 8% lower than the US Dollar, compared to the peak last year.

Yield curves have flattened. This flat-line indicates a slow-down or weakness in the economy. From a performance point of view of the different types of bond markets, the High Yield (similar to Equity) is down 1%. Intermediate good credit (benchmark) is up 1.7%, the investable credit portion is up 1.1%. The Treasury bonds are up 4%. This is another reason to believe the changes made to the fixed income helped to immunize the portfolio from higher fluctuation.

With no further business, Mr. Cusick made a motion to adjourn the meeting. Mr. Stoffa seconded the motion.

Vote was called: Ayes: Unanimous
Nays: None

Meeting adjourned